

## **BILL ANALYSIS**

Senate Research Center  
79R1777 BDH-D

S.B. 163  
By: Barrientos  
Education  
3/9/05  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, there are 14 school districts in Texas that are required by federal law to pay into the social security system. This adds to the payroll costs of the districts and reduces the net pay of school personnel. The cost of education index is intended to adjust state support for local school districts based on differentials in the cost of paying teachers. However, it does not take into account the cost of the social security payments which some districts must make.

As proposed, S.B. 163 requires certain social security contributions to be taken into account when calculating the cost of education index.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 42.102, Education Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that the cost of education adjustment is subject to Subsection (c), an additional adjustment that reflects the cost to each school district of paying contributions for social security coverage for the district's employees.

(c) Provides that the adjustment required by Subsection (b)(2) is limited to certain districts and contributions.

SECTION 2. Effective date: September 1, 2005.