TEA posts "Budget Planning for Teacher Compensation" as part of its "HB3 in 30"

The final school finance package approved by legislators this past session has left many districts and educators confused as to how the $11.6 billion of education funding and property tax relief will be allocated. In an effort to clear up some of the confusion, the Texas Education Agency has launched a new online video series, "HB3 in 30", a deeper dive into the 331 page bill. TEA posts new episodes to the agency's website each Thursday. The first episode, "Budget Planning for Teacher Compensation," focuses on various aspects of the legislation's pay raise and explains the minimum salary schedule increases for Texas teachers and TRS and budget implications.

HB3 requires districts to both increase the minimum salary schedule and spend 30 percent of any new state funding on increasing full-time district employee compensation (excluding administrators).

Here are more details:

- **Minimum Salary Schedule** — With HB3, the basic allotment increased from $5,140 to $6,160, making an increased minimum salary schedule mandatory. The new schedule posted by TEA for the 2019-2020 school year sees an increase of about 20%. These new minimum rates are effective for the 2019-2020 school year. You should see the increase to the minimum salary schedule reflected in the paycheck that compensates you for days worked in August of this year.

  HB3 requires districts to both increase the minimum salary schedule and spend 30 percent of any new state funding on increasing compensation. If the new minimum salary schedule is above your district's 2018-2019 salary schedule, the difference between the schedules can count towards part, but not all, of the 30 percent requirement.

- **TRS Contributions —** HB3 creates uniformity in the way that all districts are treated with regards to their payments to TRS contributions. Charter schools and districts of innovation will also be subject to SB 12, which increased the state contribution to TRS from 6.8% to 7.5%.

- **Teacher Pay** — The final school finance package did not include an across-the-board raise, instead giving districts discretion in how raises will be given out. Here is what we know:

    - 75 percent of this amount must be spent on compensation increases to classroom teachers, librarians, nurses, and counselors; prioritizing differentiated compensation for experienced teachers.
    - 25 percent of the 30 percent may be used for other employee categories.
    - Benefits, like insurance premiums, can count towards the 30 percent requirement.
    - Hiring new staff cannot count toward the 30 percent increase.
    - Because of the required differentiated pay for veteran teachers, identical across-the-board pay raises are not allowed.
    - Districts are required to report each salary increase for each employee to the legislature.
    - One-time stipends cannot be used to meet the 30 percent pay raise requirement.
    - If a district's net gain from HB3 is negative or zero, the district must still comply with the minimum salary schedule increases.

These are the next steps:

- Districts must ensure that local salary schedules meet the requirements of the new minimum salary schedule and determine the appropriate month to switch over based on teacher contracts.
- Districts can use either their own internal estimates or the TEA state funding template to project revenues for the 2019-2020 school year.
- Because revenue gains will not be determined until later in the fiscal year, TEA has stated that districts can place language in employee contracts that allows for additional pay increases pending revised estimates. We recommend our locals petition their school boards to ensure this language is in their agreement.

You can find the video here.