



## **Senator Birdwell's Capitol Update** **Special Session Edition (Part III)** **8/10/17**

Greetings from your Texas Capitol! Today is the 24<sup>th</sup> day of the special legislative session, leaving just one week before the House and Senate must adjourn *sine die*. In this edition of our Capitol Update, I want to share some updates on the efforts made by the Senate during this special session to address two key issues—public education funding and retired teacher benefits.

A press conference was held Tuesday morning at the Capitol to discuss these two specific topics. While I was unable to attend due to a previously-scheduled medical appointment back in the district, I wanted to share my thoughts on these subjects and where they stand at this late juncture of the special session.

### **Public Education Funding**

As I noted in a previous Capitol Update, I am pleased to see the rigorous discussion of public education funding taking place among state lawmakers. When considering the critical nature of the subject—our kids— and the large portion of the state budget dedicated to K-12 education, changes often come slowly and cautiously. The Senate has taken important steps in both the regular and special legislative sessions to address school finance issues. At Tuesday's press conference, Senate Education Committee Chairman Larry Taylor highlighted two key pieces of legislation the Senate has now passed twice, each of which specifically addresses school finance.

First, Senate Bill 2 of the special session dedicates \$150 million through the 2019 school year to districts that are slated to lose funding from the Additional State Aid for Tax Reduction program (ASATR), which was initiated by the legislature to press down on property tax adjustments after the 2005 legislative session. This funding program was one of the school finance elements outlined as problematic by the courts due to the inequity of dollars going to respective districts. Thus, in 2011, the legislature voted to end ASATR by 2017. While districts have been able to prepare for the past six years, the purpose of the additional funding proposed in Senate Bill 2 is to soften the phase-out of ASATR on the most severely impacted districts across the state, ultimately supporting those ASATR districts through the 2019 school year. In Senate District 22, 15 of the 85 traditional school districts receive this funding. In addition, this legislation will provide \$120 million (beginning in 2019) to traditional public schools (50%) and open enrollment charter schools (50%) to help finance the building and renovation of critical educational facilities.

Second, Senate Bill 16 of the special session will create the Texas Commission on Public School Finance, which will be charged with developing and making recommendations to the legislature on wholesale reforms and improvements to the public school finance system. I cannot express it better than Chairman Taylor, who said:

*"The time for tinkering around the edges and making minor changes is over. We have a broken system that is well past applying another Band-Aid. Adding one-time money—for what are obviously continuing expenses—to this system is a political fix. It may feel good and be well intentioned, but it is not a long term solution."*

Many elements of our current public school finance system are woefully outdated, and new or updated funding formulas are needed to eliminate penalties like the "small district adjustment" that unfairly hurt smaller Texas school districts. The proposed Commission on Public School Finance will be made up of educators, legislators, members of the business community, and members of the community at large, offering an opportunity for real, tangible and long-term reforms that will adequately, equitably and efficiently fund Texas public schools. This legislation has enjoyed unanimous support from both the Senate and the House during the regular session, and has again been supported unanimously by the Senate during the special session.

### **Retired Teacher Benefits**

Over the course of its recent lifecycle, the Teacher Retirement System health care and benefits program ("TRS-Care") has faced significant shortfalls. For example, in 2015, in addition to the normal state contributions of approximately \$625 million to TRS-Care, the program needed an additional \$768 million just to remain solvent for the biennium—all without making structural changes—and the legislature supported this funding in full. Even with these supplemental appropriations, the shortfall ballooned to \$1.06 billion prior to the 2017 legislative session. Had the legislature of the 2017 regular session chosen to merely appropriate more money again without making any reforms, the projected shortfall for the 2019 session would have skyrocketed to

between \$2-4 billion, almost certainly killing TRS-Care and ending the program and benefits for retired teachers.

Healthcare costs are rising faster than any other government expense, creating a particular challenge to adequately provide benefits to our dedicated educators who have reached their professional retirement prior to eligibility for Medicare (age 65). This is in contrast to retired educators who are Medicare eligible and use TRS-Care as supplemental coverage. Even though it has been 12 years since the last TRS-Care premium increase, this vote was one of my most difficult. I cast it confidently, though, because inaction would have simply kicked the necessary structural changes down the road, all but forcing the state to discontinue the program. Failing to address the structural issues facing TRS-Care is akin to failing our teachers and dishonoring their years of public service.

For this reason, I proudly voted in support of the necessary structural reforms set out in House Bill 3976 by Representative Trent Ashby this legislative session, as well as for appropriating an additional \$997.6 million into the TRS-Care system. While these were necessary steps to ensure TRS-Care could continue providing health insurance to retired teachers, many beneficiaries—particularly those with adult disabled children—and their dependents would have still been negatively impacted by TRS-Care's shortcomings. So, when TRS-Care was placed on the special session call by Governor Greg Abbott, it granted lawmakers an opportunity to provide immediate relief to these uniquely-impacted retirees before the original reforms take effect in January of 2018. Through Senate Bill 19 by Senator Jane Nelson, the Senate used this opportunity to inject an additional \$212 million from the state's General Revenue Fund into TRS-Care.

This legislation significantly lowers the deductible for non-Medicare eligible retirees; lowers the premiums for Medicare eligible retirees; and provides much-needed support to retirees who have an adult disabled child enrolled in their health plan. Senate Bill 19 passed the Senate on July 26th and currently awaits a committee hearing in the House. As your state senator, I was proud to vote for this plan and I have encouraged my House colleagues to pass this legislation in order to provide immediate relief and demonstrate our continued commitment to Texas' retired teachers.

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In closing, I want to share two more important thoughts. First, I have never shied away from the fact that I bring a fiscally conservative worldview to my service in the legislature. I maintain the fervent belief that Texans are best served by a state government which properly fulfills its core functions and otherwise leaves as much personal freedom—and hard-earned money—in the hands of individual citizens, and I bring this view to my work in identifying critical priorities in our state budget.

Second, it's important to note that each of the special session bills discussed above is still contingent upon final passage. In the week remaining, the House and Senate must work together on these issues and others to see what final product will go to the desk of Governor Abbott for signature. Regardless of what does or does not pass, my focus on these issues will continue, as I know each of these issues is important to a large number of the citizens I serve.

Additionally, like many issues the legislature tackles, these two garner strong opinions from all sides. Regardless of our agreement or disagreement on either issue, I maintain my commitment to hear you out on these and any other matters that come before me in the Texas Senate. As I often say in our Capitol Updates, input from those I serve is always fully considered.

Thank you again for your interest in our updates. I hope you find them to be informative and that you'll share them with your friends, family and colleagues in Senate District 22, who may subscribe to the Capitol Update [by clicking here](#).

God Bless,



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