ATTACHMENT I

Statutory Citations Relating to Amendment to 19 TAC Chapter 61, School Districts, Subchapter AA, Commissioner's Rules on School Finance, §61.1018, Payment of Supplemental Compensation

Texas Education Code, Chapter 22, School District Employees and Volunteers, Subchapter D, Health Care Supplementation

§22.101. Definitions.

In this subchapter:

(1) "Cafeteria plan" means a plan as defined and authorized by Section 125, Internal Revenue Code of 1986.

(2) "Employee" means an active, contributing member of the Teacher Retirement System of Texas who:

(A) is employed by a district, other educational district whose employees are members of the Teacher Retirement System of Texas, participating charter school, or regional education service center;

(B) is not a retiree eligible for coverage under the program established under Chapter 1575, Insurance Code;

(C) is not eligible for coverage by a group insurance program under Chapter 1551 or 1601, Insurance Code; and

(D) is not an individual performing personal services for a district, other educational district that is a member of the Teacher Retirement System of Texas, participating charter school, or regional education service center as an independent contractor.

(3) "Participating charter school" means an open-enrollment charter school established under Subchapter D, Chapter 12, that participates in the program established under Chapter 1579, Insurance Code.

(4) "Regional education service center" means a regional education service center established under Chapter 8.

§22.102. Authority to Adopt Rules; Other Authority.

(a) The agency may adopt rules to implement this subchapter.

(b) The agency may enter into interagency contracts with any other agency of this state for the purpose of assistance in implementing this subchapter.

§22.103. Designation of Compensation as Health Care Supplementation.

(a) An employee of a school district, other educational district that is a member of the Teacher Retirement System of Texas, participating charter school, or regional education service center may elect to designate a portion of the employee's compensation to be used as health care supplementation under this subchapter.

(b) The amount designated under this section may not exceed the amount permitted under applicable federal law.

(c) This section does not apply to an employee who is not covered by a cafeteria plan or who is not eligible to pay health care premiums through a premium conversion plan.

§22.104. Funds Held in Trust.

All funds received by a district, other educational district, participating charter school, or regional education service center under this subchapter are held in trust for the benefit of the employees on whose behalf the district, school, or service center received the funds.

§22.105. Written Election Required.

Each school year, an active employee must elect in writing whether to designate a portion of the employee's compensation to be used as health care supplementation under this subchapter. An election under this section must be made at the same time at which the employee elects to participate in a cafeteria plan, if applicable.

§22.106. Use of Designated Compensation.

An employee may use compensation designated for health care supplementation under this subchapter for any employee benefit, including depositing the designated amount into a cafeteria plan in which the employee is enrolled or using the designated amount for health care premiums through a premium conversion plan.

§22.107. Wage Increase for Support Staff.

(a) A school district shall pay each full-time district employee, other than an administrator or an employee subject to the minimum salary schedule under Section 21.402, an amount at least equal to $500.

(b) A school district shall pay each part-time district employee, other than an administrator, an amount at least equal to $250.

(c) A school district employee entitled to a wage increase under this section may elect to receive a portion of the person's annual wages as health care supplementation as provided by this subchapter.

(d) A payment under this section is in addition to wages the district would otherwise pay the employee during the school year.