

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION
Revision 1

April 4, 2003

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB317 by Grusendorf (Relating to teacher mentor and induction programs in public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB317, As Introduced: a negative impact of (\$67,351,600) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$33,675,800)
2005	(\$33,675,800)
2006	(\$33,675,800)
2007	(\$33,675,800)
2008	(\$33,675,800)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193	Change in Number of State Employees from FY 2003
2004	(\$33,675,800)	4.0
2005	(\$33,675,800)	4.0
2006	(\$33,675,800)	4.0
2007	(\$33,675,800)	4.0
2008	(\$33,675,800)	4.0

Fiscal Analysis

The bill would authorize the Commissioner of Education to make grants to school districts for retaining and recruiting beginning teachers. The bill would allocate \$3,000 for each new teacher employed by the receiving district and who holds a certificate obtained through an alternative certification program or is teaching under a school district teaching permit. In addition, the receiving district would be granted \$1,000 for each new teacher employed who holds a certificate obtained through a traditional teacher preparation program or fulfilled certification requirements for teachers from out-of-state.

The bill would also allow a retired teacher to be employed by a school district as a mentor for classroom teachers on a full-time basis without losing retirement benefits, under certain criteria.

These provisions would take effect in fiscal year 2004.

Methodology

According to the Comptroller of Public Accounts, a total of 5,926 teachers would be eligible for \$3,000 grants, and 15,707 would be eligible for \$1,000 grants. Based on these estimates, the annual cost associated with \$3,000 grants would be \$17,778,000 and the annual cost associated with \$1,000 grants would be \$15,707,000, for a total annual cost of \$33,485,000.

To administer grant allocations, the Texas Education Agency indicates that it would hire four full-time equivalent employees for an annual cost, including operating expenses, of \$190,800. Combined with the cost of grants, the total annual cost would \$33,675,800.

Provisions related to the employment of retired teachers as mentors would generate relatively minor savings in terms of state Teacher Retirement System contributions foregone, assuming these provisions encourage teachers to retire earlier than they would have otherwise.

Local Government Impact

School districts are projected to receive \$33.5 million in each year of the 2004-05 biennium as a result of hiring beginning teachers that generate either \$3,000 or \$1,000 allocations.

Source Agencies: 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 701 Central Education Agency, 705 State Board for Educator Certification

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