

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 22, 2003

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB318 by Grusendorf (Relating to certification to teach in certain grade levels of individuals who hold baccalaureate or advanced degrees from an institution of higher education.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB318, Committee Report 2nd House, Substituted: a positive impact of \$3,294,676 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	\$1,665,428
2005	\$1,629,248
2006	\$1,592,345
2007	\$1,554,703
2008	\$1,516,309

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2003
2004	\$3,597,750	(\$1,932,322)	3.0
2005	\$3,597,750	(\$1,968,502)	3.0
2006	\$3,597,750	(\$2,005,405)	3.0
2007	\$3,597,750	(\$2,043,047)	3.0
2008	\$3,597,750	(\$2,081,441)	3.0

Fiscal Analysis

The bill would allow the State Board for Educator Certification to issue a teaching certificate for grades 8-12 to anyone who passes the state's certification examination in a subject area and holds a bachelor's degree in the same area to be fully certified without completion of a teacher training program. The bill would limit a person holding a bachelor's degree with an academic major related to only one area of the state's required curriculum to receive a certificate to teach only in that subject area.

Methodology

The State Board for Educator Certification estimates that an additional 13,500 individuals would take the teacher certification examination, if this legislation passes. This would result in the state receiving \$1,944,000 in examination revenue, based on each individual taking two tests, a teaching skills (pedagogy) and a content examination test, at the current test cost of \$72. Assuming that 70 percent, or 9,450 individuals, pass the test and become certified, the state would receive \$1,653,750 in certification revenue -- based on a credential review/certification cost of at \$175 per individual. Combined, the state would receive \$3,597,750 in new certification and assessment fee revenue each year.

The State Board for Educator Certification indicates that it would require an additional 3 full-time equivalent employees and \$123,322 in annual operating costs to perform the credential review and information duties that would result from implementation of the legislation. This includes a first year technology cost of \$35,000, and then \$10,000 in subsequent years. In addition, there would be annual test administration costs of \$1,809,000 in the first year, that would increase by 2 percent in subsequent years to reflect rising test costs. Overall, the agency projects a fiscal year 2004 cost of \$1,932,322, and a fiscal year 2005 cost of \$1,968,502.

Technology

The agency projects a first year technology cost of \$35,000, and then \$10,000 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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