

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATURE 3rd CALLED SESSION - 2006**

**May 4, 2006**

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

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB84** by Delisi (Relating to teacher retention demonstration projects in public schools.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB84, As Introduced: a negative impact of (\$11,716,000) through the biennium ending August 31, 2007.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2007	(\$11,716,000)
2008	(\$11,918,000)
2009	(\$12,120,000)
2010	(\$12,322,000)
2011	(\$12,625,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1</b>
2007	(\$11,716,000)
2008	(\$11,918,000)
2009	(\$12,120,000)
2010	(\$12,322,000)
2011	(\$12,625,000)

**Fiscal Analysis**

This bill would establish teacher retention demonstration projects to be funded through grants provided by the commissioner of education from funds appropriated for that purpose. School districts would be authorized to use the funds to implement programs that address recruitment, alternative certification, induction and mentoring, campus governance, differentiated compensation, and other commissioner-approved research-based strategies designed to improve teacher retention. The commissioner would be required to conduct an evaluation to identify the most effective demonstration projects.

**Methodology**

It is assumed that demonstration projects would target about 10% of the expected population of

new teachers each year. An analysis of cost information for TxBESS implementation models indicates a cost of about \$5,300 per beginning teacher would be expected for the type of projects described in this bill. Based on these assumptions, state costs for demonstration project funding would range from \$11.6 million in fiscal year 2007 increasing to \$12.5 million in fiscal year 2011. Estimated state costs for the evaluation activities required under the bill, at about 1% of the project funding level, would be approximately \$116,000 in fiscal year 2007 increasing to \$125,000 in fiscal year 2011. It is assumed that evaluations would be conducted using contracted resources.

### **Local Government Impact**

School districts would be eligible to operate demonstration projects using grant funds.

### **Source Agencies:**

**LBB Staff:** JOB, CT, JSp