

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: HB96 by Delisi (Relating to an instructional excellence program in public schools to provide for educator leadership, collaboration, and long-term career paths.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB96, As Introduced: a negative impact of (\$132,000,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2007	(\$132,000,000)
2008	(\$135,000,000)
2009	(\$137,000,000)
2010	(\$140,000,000)
2011	(\$142,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2007	(\$132,000,000)
2008	(\$135,000,000)
2009	(\$137,000,000)
2010	(\$140,000,000)
2011	(\$142,000,000)

Fiscal Analysis

Section 1 of the bill would add Supchapter P, Chapter 21, Texas Education Code to create the Instructional Excellence Program. Under the program, eligible districts would be entitled to grants in amounts determined by the commissioner of education for the purpose of providing career teachers with opportunity for career advancement, standards-based evaluation, performance bonuses, and professional development.

Districts would be eligible to apply for participation on behalf of one or more campuses if approved by a majority or supermajority of teachers assigned to the campus.

Under the program, teachers meeting specified requirements would be eligible for annual performance bonuses of up to \$5,000, mentor stipends of up to \$5,000, and master teacher stipends of up to

\$15,000. Principals would be eligible for annual performance bonuses of up to \$4,000.

Methodology

For purposes of this estimate, based on eligibility requirements stipulated in the bill, it is assumed that 5 percent of teachers would meet eligibility requirements for performance bonuses each year. Assuming bonuses are paid at the \$5,000 maximum stipulated by the bill, the estimated cost would range from about \$75 million in fiscal year 2007 to \$81 million by fiscal year 2011.

It is assumed that 10 percent of principals would be eligible to receive performance bonuses for a cost of about \$3 million per year assuming the \$4,000 maximum bonus stipulated by the bill.

Based on a ratio of one mentor for every ten teachers with fewer than two years of experience and assuming the \$5,000 maximum mentor stipend stipulated by the bill, the estimated cost would range from \$22 million in fiscal year 2007 to \$24 million by fiscal year 2011.

It is assumed that 1 percent of teachers with at least 5 years of experience would meet eligibility requirements stipulated in the bill for the master teacher stipend. The estimated cost would be \$32 million in fiscal year 2007, increasing to \$34 million by fiscal year 2011, assuming the \$15,000 maximum stipend stipulated by the bill.

Local Government Impact

The bill would authorize districts to use local funds to support the program.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, CT, JSc