

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 22, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HB2399** by Delisi (Relating to teacher retention demonstration projects under the awards for student achievement program in public schools. ), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would permit a campus that receives a grant under Texas Education Code, Chapter 21, Subchapter N to use a portion of that grant to fund a teacher retention demonstration project that utilizes research-based practices to identify and retain highly effective teachers.

The additional section of the bill added by floor amendment applies only to school districts that establish local minimum hiring schedules that prescribe the minimum salary applicable to employees subject to the minimum salary schedule (MSS) that the district will pay a new employee based on years of experience without prescribing a minimum salary for subsequent years.

The additional section of the bill added by floor amendment would establish that school districts to which it applies that pay employees subject to the MSS in Texas Education Code, 21.402, are not required to provide annual increases based on years of experience to employees paid above the minimum salary established in the MSS. If the state increased the minimum salary schedule and provided additional funding for the increase, a school district would not be required to pay an employee more than the sum of the additional funding per employee and the employee's salary in the prior year.

**Local Government Impact**

Campuses participating in the grant program authorized under Texas Education Code, Chapter 21, Subchapter N would be permitted to use a portion of funds received through the program for a teacher retention demonstration project.

School districts may establish a local hiring schedule as long as it meets the minimum requirements established in the state MSS. Certain districts that pay above the MSS would not be required to give annual pay increases based on years of service and would be required to deliver mandated pay raises for current employees.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, JSp, UP, JSc