

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB2657 by Giddings (Relating to a pilot project to lower teacher turnover rates in high-need public school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2657, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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 |
|--------------------|---|
| 2008 | \$0 |
| 2009 | \$0 |
| 2010 | (\$9,300,000) |
| 2011 | \$0 |
| 2012 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from GENERAL REVENUE FUND 1 |
|--------------------|--|
| 2008 | \$0 |
| 2009 | \$0 |
| 2010 | (\$9,300,000) |
| 2011 | \$0 |
| 2012 | \$0 |

Fiscal Analysis

The bill would require the Commissioner of Education to establish a pilot project for teacher retention in school districts with a substantial geographic area with a low income population, a substantial number of academically unacceptable campuses, and a high teacher turnover rate. The pilot would provide grants to school districts sufficient to fund salary supplements for teachers who commit to teach in the recipient district for at least three years. Supplements would be payable at the end of the three-year contract period beginning with the 2007-08 school year. The bill would require the Texas Education Agency to submit an interim report no later than January 1, 2009 and a final evaluation no later than January 1, 2011.

Methodology

For purposes of this estimate, it is assumed that a district with a substantial geographic area with a low-income population would include campuses with enrollment of economically disadvantaged students that is 80 percent or greater. Based on that assumption, approximately 3,100 teachers would be eligible for supplements. Assuming a \$3,000 supplement and assuming the supplement were paid in one installment, the total cost in FY2010 would be \$9.3 million. Costs would vary according the actual amount of the supplement and the timing of payment. No on-going costs are assumed at the conclusion of the three-year pilot period.

Local Government Impact

Eligible school districts would be required to obtain three-year commitments from teachers and verify retention at the conclusion of the three-year period.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JSc