

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 18, 2007

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

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

IN RE: SB1488 by Patrick, Dan (Relating to the Texas Tech Corps student loan repayment assistance program for certain classroom teachers who teach academic subjects in public schools in this state that have a shortage of teachers in academic subjects.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1488, Committee Report 2nd House, Substituted: a negative impact of (\$1,450,000) 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	(\$500,000)
2009	(\$950,000)
2010	(\$1,355,000)
2011	(\$1,720,000)
2012	(\$2,050,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$500,000)
2009	(\$950,000)
2010	(\$1,355,000)
2011	(\$1,720,000)
2012	(\$2,050,000)

Fiscal Analysis

The bill would establish the Texas Teach Corps student loan assistance program for certain classroom teachers who teach academic subjects in public schools that have a shortage of teachers. The program would be administered by the Higher Education Coordinating Board. The loan repayment is up to \$5,000 per year. In addition to any state appropriations, the Coordinating Board can solicit gifts, grants, and donations from any public or private entity to support the program.

Methodology

Based on the following assumptions of 100 new teachers entering the program each year, the retentention rate for the teachers would be 90% and the repayment amount would be \$5,000 per teacher, the Higher Education Coordinating Board estimates the cost to the state to be \$500,000 in fiscal year 2008 and \$950,000 in fiscal year 2009. As the number of renewals increase, the cost would increase to \$1,355,000 in fiscal year 2010, \$1,720,000 in fiscal year 2011 and \$2,050,000 in fiscal year 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, RT, GO