

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: SB1697 by Shapiro (Relating to improvement of reading skills of students enrolled in public middle and junior high schools and use of certain federal funds to provide accelerated instruction to certain public school students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1697, As Introduced: a negative impact of (\$32,790,000) 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	(\$14,320,000)
2009	(\$18,470,000)
2010	(\$6,740,000)
2011	(\$6,740,000)
2012	(\$6,740,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$14,320,000)	3.0
2009	(\$18,470,000)	3.0
2010	(\$6,740,000)	3.0
2011	(\$6,740,000)	3.0
2012	(\$6,740,000)	3.0

Fiscal Analysis

The bill would direct the Commissioner of Education to establish teacher academies for teachers providing reading instruction for students in grades 6 through 8 by June 1, 2008. Attendance in a reading academy would be required for teachers of reading, mathematics, science, or social studies in grades 6, 7, or 8 on campuses rated academically unacceptable based on student performance on reading assessments. The commissioner would develop criteria for selection of other teachers to attend reading academies.

The bill would entitle attendees of the reading academies to a stipend in an amount to be determined by the commissioner.

The bill would require the commissioner to conduct or contract for a performance evaluation of the reading academies and deliver a report to the legislature by December 1, 2010.

The bill would direct school districts to administer a reading instrument adopted by the commissioner under the provisions of the bill to each 7th grade student whose performance on the 6th grade reading assessment indicates a lack of reading proficiency. The bill would direct school districts to provide additional reading instruction and intervention to 7th grade students to address areas of need identified by the reading instrument.

The bill would authorize the commissioner to adopt rules requiring school districts receiving federal funding under Title I of the Elementary and Secondary Education Act of 1964 to use those funds to provide supplemental educational services in conjunction with accelerated instruction.

Methodology

The one-time cost of developing training content related to all subject matters is estimated at \$3.8 million in FY2008.

The teacher academies are assumed to consist of a 3-day training program, followed by a 1-day online follow-up and are assumed to be supported by a "train the trainer" model. The estimated cost of training trainers would be about \$1 million per year in FY2008 and FY2009, including costs for stipends for trainers, materials, travel, and other expenses.

Assuming \$500 stipends for reading teachers for a 4-day teacher academy and \$250 stipends for teachers of other subject areas for a 2-day teacher academy and assuming that 7,000 reading teachers and 6,000 other teachers would be trained in FY2008 and 14,000 reading teachers and 12,000 other teachers would be trained in FY2009, stipend costs are estimated at \$5 million in FY2008 and \$10 million in FY2009. Assuming that a number of teachers equivalent to 20 percent of those trained in the first two years would require training in subsequent years due to turnover and new teachers entering the system, stipend costs in FY2010 and beyond are estimated at \$3 million annually. Assuming a cost of \$6,000 per training session for materials, equipment, meeting space, and other costs, and 40 participants per session, other training costs are estimated at \$2.0 million in FY2008, \$3.0 million in FY2009 and \$1.2 million in each subsequent year.

It is assumed that a Regional Education Service Center (RESC) acts as fiscal agent for the program at an annual cost of \$400,000. It is assumed that each RESC coordinates registration for teacher academies and payment of stipends authorized by the bill and assists with the delivery of training and the evaluation at an annual cost of \$100,000 per RESC, or \$2 million annually statewide.

The Texas Education Agency estimates evaluation costs at \$1 million, incurred in FY2009.

It is estimated that three additional FTEs would be required at the Texas Education Agency (TEA) to manage contracts and processes associated with the reading academies at an annual estimated cost of \$170,000.

Local Government Impact

School districts would be required to administer reading instruments to certain students. Certain teachers would be required to attend reading academies.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JSc