

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

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

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

IN RE: HB3421 by Eissler (Relating to educator preparation programs and educator certification, performance, and recruitment.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3421, As Introduced: a negative impact of (\$3,985,924) through the biennium ending August 31, 2011.

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
2010	(\$1,934,462)
2011	(\$2,051,462)
2012	(\$1,826,462)
2013	(\$1,976,462)
2014	(\$1,826,462)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>Certif & Assessment</i> <i>Fees</i> 751	Probable Revenue Gain/(Loss) from <i>Certif & Assessment</i> <i>Fees</i> 751	Change in Number of State Employees from FY 2009
2010	(\$1,934,462)	(\$98,844)	\$98,844	2.0
2011	(\$2,051,462)	(\$90,844)	\$90,844	2.0
2012	(\$1,826,462)	(\$839,688)	\$839,688	3.0
2013	(\$1,976,462)	(\$311,688)	\$311,688	3.0
2014	(\$1,826,462)	(\$311,688)	\$311,688	3.0

Fiscal Analysis

The bill would authorize the State Board for Educator Certification (SBEC) to adopt fees to cover costs associated with approving or renewing approval of an educator preparation program and adding certificates or field certificates to the scope of an educator preparation program's approval.

The bill would impose minimum academic standards that must be met before a student could be admitted to an educator preparation program.

The bill would amend the Accountability System for Educator Preparation Programs (ASEP) to require that student achievement based on the statutorily established measure of annual improvement

of graduates from a program in their first three years of teaching and perserverance of graduates of a program for at least three years as a teacher in Texas be considered by the State Board for Educator Certification (SBEC) in setting standards governing approval and accountability for educator preparation programs.

The bill would permit SBEC to establish minimum standards for approval or renewal of approval for individual certification fields authorized to be offered by an educator preparation program or individual physical locations at which a program operates. The bill would require SBEC to establish standards for designation of high-performance educator preparation programs.

The bill would establish sanctions that may be imposed by SBEC on educator preparation programs that fail to meet accountability standards and would require the Texas Education Agency (TEA) to revoke approval of a program for a minimum of two years and order the program's closure if a program fails to meet accountability standards for three consecutive rating periods.

The bill would direct SBEC and the Texas Higher Education Coordinating Board (THECB) to conduct biennial reviews of educator preparation programs and would permit the board and the agency to contract with an independent entity with expertise in educator preparation to assist with reviews. SBEC and THECB would be required to issue reports of the resulting evaluations.

The bill would require SBEC to provide information on its web site regarding each educator preparation program including the average academic credentials of admitted students and the rate of success of graduates in obtaining teaching positions.

The bill would establish the Texas Teaching Scholars program providing grants for not more than three educator preparation programs with demonstrated effectiveness that meet certain criteria to expand to serve a larger number of students.

The bill would authorize SBEC and the Commissioner of Education to establish the Texas Performance Certification program to provide incentives to people entering the teaching profession for compliance with requirements related to a high level of performance.

The bill would direct SBEC to develop a statewide media campaign to recruit qualified persons to enter the teaching profession with particular focus on the areas of science and mathematics.

Methodology

In order to implement new educator preparation program standards related to growth in academic performance of students taught in a teacher's first three years of teaching, new data establishing a teacher-student link for assessment results would be collected. TEA has received a federal grant to develop this link, which is scheduled to be in place in FY2013. TEA estimates the cost of software updates associated with the collection of data necessary to implement the standard at \$650,000 in FY2012 and \$130,000 annually in each subsequent year. TEA estimates that conducting the analysis to implement the standard would require 1.0 additional FTE at a cost of \$98,844 in FY2012 and \$90,844 in each subsequent year, inclusive of salary, benefits, and other operating expenses. It is assumed that these costs would be offset by increased fee revenue authorized by the bill.

The provisions of the bill related to sanctions for educator preparation programs that fail to meet accountability standards would require 1.0 additional attorney FTE at TEA at a cost of \$98,844 in FY2010 and \$90,844 in each subsequent year, inclusive of salary, benefits, and other operating expenses. It is assumed that this cost would be offset by increased fee revenue authorized by the bill.

For purposes of this estimate, it is assumed that the required review and assessments of educator preparation programs could be conducted based on a review of collected data and would not require biennial site visits to each program. TEA estimates that reporting requirements related to the review and assessment of the performance of educator preparation programs at \$150,000 in each odd-numbered year.

Programming costs for updates to the SBEC web site to provide the information about individual

educator preparation programs are estimated at \$100,000 in FY2010.

It is estimated that 1.0 FTE would be required to administer the Texas Teaching Scholars program at a cost of \$84,462 in FY2010 and \$76,462 in each subsequent year, inclusive of salaries, benefits, and other operating expenses. The bill stipulates that financial awards for participating programs are subject to appropriation. For purposes of this estimate and assuming annual tuition costs for a university-based educator preparation program of \$8,000, it is assumed that \$1 million is provided annually to correspond with a goal of a 10 percent increase in annual teacher production by participating programs.

For purposes of this estimate, it is assumed that participants in the Texas performance certification program would receive a monetary incentive of \$3,000 for meeting requirements of the program. Assuming that 250 teachers per year meet the requirements, the annual cost is estimated at \$750,000. The bill is not specific as to the type or value of the incentives. Costs would vary according to the incentives implemented.

For purposes of this estimate, it is assumed that the required teacher recruitment media campaign would cost \$75,000 in FY2011. The bill requires SBEC to solicit gifts, grants, and donations to fund the campaign. To the extent that gifts, grants, or donations are received, state costs would be offset.

Local Government Impact

School districts would be required to comply with educator appraisal requirements in the bill.

Source Agencies: 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, JSp, JGM, JSc