

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

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

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

IN RE: SB4 by Shapiro (Relating to certification, performance, continuing education, and appraisal of public school teachers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB4, As Introduced: a negative impact of (\$4,587,772) through the biennium ending August 31, 2013.

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 |
|-------------|--|
| 2012 | (\$2,949,668) |
| 2013 | (\$1,638,104) |
| 2014 | (\$1,162,490) |
| 2015 | (\$552,170) |
| 2016 | (\$552,170) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>General Revenue Fund</i> 1 | Change in Number of State Employees from FY 2011 |
|-------------|--|---|
| 2012 | (\$2,949,668) | 12.5 |
| 2013 | (\$1,638,104) | 13.5 |
| 2014 | (\$1,162,490) | 4.5 |
| 2015 | (\$552,170) | 3.5 |
| 2016 | (\$552,170) | 3.5 |

Fiscal Analysis

The bill would create a non-renewable provisional certificate for educators who have not been previously certified in Texas and who successfully complete all requirements for educator certification that is valid for three years from the date of issue.

The bill would create a standard certificate to be issued upon expiration of an individual's provisional certificate created by the bill if the individual has demonstrated effectiveness and completed required continuing education. The bill would require educators seeking a standard certificate to submit hard copies of all appraisals to SBEC for review.

The bill would require SBEC to implement an evaluation and accountability system for continuing education courses for educators.

The bill would require that the recommended appraisal process adopted by the Commissioner of Education provide that 50 percent of the appraisal be based on teacher effectiveness and annual improvement in student achievement, including performance on state assessments or other objective criteria in grades or subject areas in which state assessments are not administered.

The bill would require the creation of mid-management certificates in teacher leadership for qualified teachers with demonstrated effectiveness.

Methodology

It is estimated that provisions of the bill related to the creation of a provisional certificate and requirements related to appraisal review prior to the issuance of a standard certification would require 2.5 FTEs at the TEA beginning in fiscal year 2014 at a cost of \$197,585 in fiscal year 2014 and \$173,585 in each subsequent fiscal year, inclusive of salary, benefits, and other operating expenses.

It is estimated that 1.5 FTEs at TEA would be required to implement and manage the evaluation and accountability system for continuing education courses for educators at a cost of \$128,374 in fiscal year 2012 and \$112,374 in each subsequent fiscal year, inclusive of salary, benefits, and other operating expenses. TEA estimates a cost of \$250,000 in fiscal year 2012 to provide training on the system.

TEA estimates that the bill would require amendments to the current contract for the Educator Effectiveness Metric (EEM) to modify the metric to comply with the provisions of the bill related to the recommended appraisal process, and that the amendments would cost \$500,000 per year from fiscal year 2012 through fiscal year 2014. It is estimated that 2.0 FTEs at TEA would be required to develop rules, review appraisal plans, oversee training, and respond to user questions and issues in fiscal years 2012 through 2014, decreasing to one FTE in fiscal year 2014 at a cost of \$188,639 in fiscal year 2012, \$172,639 in fiscal years 2013 and 2014, and \$86,319 in each subsequent fiscal year, inclusive of salary, benefits, and other operating expenses.

TEA estimates the cost of modifying the training provided to appraisers at \$195,200 in fiscal year 2012.

The bill would require the creation of mid-management certificates in teacher leadership for qualified teachers with demonstrated effectiveness. TEA estimates a need for 0.5 FTEs to manage the creation of the new certificate and associated standards, training, and examinations at a cost of \$41,876 in fiscal year 2012 and \$33,876 in each subsequent fiscal year, inclusive of salary, benefits, and other operating expenses.

TEA estimates cost to the certification examination contract of \$1,000,000 in fiscal year 2012 for development of an examination associated with the mid-management certificate in teacher leadership.

The cost of modifying the educator certification system are estimated at \$637,580 in fiscal year 2012 and \$673,200 in fiscal year 2013 in professional fees associated with 9.5 contract FTEs in fiscal year 2012 and 10.5 contract FTEs in fiscal year 2013. Additional contract costs to the Department of Information Resources contract are estimated at \$146,016 annually for database services beginning in fiscal year 2013.

Technology

The cost of modifying the educator certification system are estimated at \$637,580 in fiscal year 2012 and \$673,200 in fiscal year 2013 in professional fees associated with 9.5 contract FTEs in fiscal year 2012 and 10.5 contract FTEs in fiscal year 2013. Additional contract costs to the Department of Information Resources contract are estimated at \$146,016 annually for database services beginning in fiscal year 2013.

Local Government Impact

The bill would require principals to develop individualized professional development plans for

teachers based on the results of teacher appraisals and to provide opportunities to achieve requirements and goals established in the plan.

The bill would require school districts to conduct teacher appraisals twice per year in districts that use the recommended appraisal process.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, LXH, JGM, JSc