

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 17, 2011

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

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

IN RE: SB1383 by Shapiro (Relating to an appraisal and professional development system for public school principals.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1383, Committee Report 1st House, Substituted: a negative impact of (\$1,476,280) 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	(\$1,235,640)
2013	(\$240,640)
2014	(\$738,605)
2015	(\$238,605)
2016	(\$238,605)

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	(\$1,235,640)	2.5
2013	(\$240,640)	2.5
2014	(\$738,605)	2.5
2015	(\$238,605)	2.5
2016	(\$238,605)	2.5

Fiscal Analysis

The bill would direct the Commissioner to establish and administer an appraisal and professional development system for principals.

The bill would allow the Commissioner to establish a consortium of experts on educational leadership to assist in the development of the system.

The bill would direct the Commissioner to establish school leadership standards and indicators to align with the training, appraisal, and professional development of principals.

The bill would direct school districts to appraise principals annually using either the system established by the bill or a locally developed system meeting certain criteria.

The bill would require the Commissioner to submit a written report to the Legislature in December of 2012 and 2014 detailing actions taken related to the provisions of the bill in the previous two years and any related recommendations.

Methodology

For purposes of this estimate, it is assumed that the program would be developed in fiscal year 2012, piloted and revised in fiscal years 2013 and 2014, and fully implemented in fiscal year 2015.

The bill would direct the Commissioner to establish and administer an appraisal and professional development system for principals. TEA estimates the cost of developing the system at \$500,000 in fiscal year 2012 and the cost of developing a software system to support the system at \$500,000 in fiscal year 2012 with ongoing maintenance costs of \$30,000 in each subsequent year.

It is estimated that 2.5 FTEs would be required to develop and support the new system at a cost of \$225,640 in fiscal year 2012 and \$201,640 in each subsequent fiscal year, inclusive of salary, benefits, and other operating costs.

TEA estimates travel costs of \$10,000 in fiscal year 2012 and \$9,000 in fiscal year 2013 for one FTE to travel to Regional Education Service Centers to monitor the implementation of the appraisal system changes that would be enacted by the bill.

TEA estimates a training cost of \$500,000 in fiscal year 2014 once the system is fully implemented.

The bill would allow the Commissioner to establish a consortium of experts on educational leadership to assist in the development of the system.

Technology

TEA estimates the cost of developing a software system to support the system at \$500,000 in fiscal year 2012 with ongoing maintenance costs of \$30,000 in each subsequent year.

Local Government Impact

In appraising principals, a school district would be required to use either the appraisal system and school leadership standards and indicators established by the commissioner or a similar district-developed appraisal process and performance criteria.

A school district would also be required to appraise each principal annually and to provide professional development for principals that met the requirements of the commissioner-developed professional development system.

Local administrative cost could be incurred associated with the provisions of the bill.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, LXH, JGM, JSc