

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB599 by Lozano (Relating to educator retention at certain public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB599, As Introduced: a negative impact of (\$32,544,826) through the biennium ending August 31, 2015.

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
2014	(\$16,440,413)
2015	(\$16,104,413)
2016	(\$16,104,413)
2017	(\$16,104,413)
2018	(\$16,104,413)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2014	(\$16,440,413)
2015	(\$16,104,413)
2016	(\$16,104,413)
2017	(\$16,104,413)
2018	(\$16,104,413)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	1.0
2015	1.0
2016	1.0
2017	1.0
2018	1.0

Fiscal Analysis

The bill would require the Commissioner of Education to create the Educator Recruitment and Retention Program under which school districts could receive program grants from the Texas Education Agency (TEA) for the purpose of providing stipends to recruit and retain classroom teachers and principals with proven records of success in improving student performance who are assigned to campuses at which the district has experienced difficulty assigning or retaining classroom teachers.

The bill would provide funding to qualifying districts on the basis of students in average daily attendance through the Educator Recruitment and Retention Fund within the General Revenue Fund.

The bill would modify the criteria for awarding repayment assistance under the Teach for Texas Repayment Assistance program.

The bill would require TEA to evaluate and report on the effectiveness of the Educator Recruitment and Retention Program and the Educator Excellence Awards Program. The bill would require the Higher Education Coordinating Board to evaluate and report on the Teach for Texas Loan Repayment Assistance Program.

Methodology

Based on information provided by TEA, one additional FTE would be required to evaluate district applications and manage grant funds. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$85,413 in fiscal year 2014 and \$77,413 in subsequent years.

Based on information provided by TEA, this analysis assumes the agency's grant management system would need to be updated to include the Educator Recruitment and Retention grant at an

estimated cost of \$355,000 in fiscal year 2014 and \$27,000 in subsequent years.

The bill would set the amount of the total grant funds of the Educator Recruitment and Retention Program to the amount established in the General Appropriations Act. For the purpose of this analysis, it is assumed that \$16.0 million would be appropriated for grants under this program. This amount is assumed because it is the amount appropriated to TEA in fiscal year 2013 for the Educator Excellence Awards Program, which is a similar program that provides an incentive pay program for educators.

The Higher Education Coordinating Board indicated that they anticipate no significant fiscal impact from implementing the provisions of the bill.

Technology

TEA estimates \$355,000 in fiscal year 2014 and \$27,000 in subsequent years in programming costs associated with updating the agency's grant management system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: UP, JBi, JSc, AH