

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1752** by Patrick, Diane (relating to creating the Texas Teacher Residency Program.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1752, Committee Report 2nd House, Substituted: a negative impact of (\$2,596,610) 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	(\$1,310,805)
2015	(\$1,285,805)
2016	(\$1,285,805)
2017	(\$1,285,805)
2018	(\$1,285,805)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2014	(\$1,310,805)
2015	(\$1,285,805)
2016	(\$1,285,805)
2017	(\$1,285,805)
2018	(\$1,285,805)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	4.0
2015	4.0
2016	4.0
2017	4.0
2018	4.0

Fiscal Analysis

Under provisions of the bill, the commissioner of higher education, through a competitive selection process, would establish a Texas Teacher Residency Program at a public institution of higher education. The public institution selected would form a partnership with an area school district or open-enrollment charter school to provide employment to residents in the program. The program would be designed to award teaching residents participating in the program a master's degree and lead to certification for participating teaching residents who are not already certified teachers. The bill includes specific components for the teacher residency program, including rewarding teachers that participate in the program, providing a livable stipend for the teaching residents and requiring a monetary or in-kind contributions provided by the public institution of higher education, partner area school district, or open-enrollment charter school to demonstrate that the program may be sustained in the absence of grant funds or state appropriations.

Methodology

For purposes of this fiscal note it is assumed that the State would appropriate General Revenue to support the new program and the new program would start in fiscal year 2014. The cost borne by the selected public institution could vary depending on the which institution is selected but based on information provided by the Higher Education Coordinating Board, 30 teacher residents would participate in the new program and four FTEs, including a director, two additional faculty and a administrative assistant would be hired by the selected institution. Personnel costs, including salaries and benefits, associated with hiring these four FTEs, include a new program director at \$102,400, two program faculty at a cost of \$83,200 each per year and an administrative assistant at \$26,900. The total salaries and benefits for these four FTEs is \$295,680. The wage stipend for each teacher resident, based on the state's minimum wage, would be approximately \$27,337 per year or \$820,125 for the thirty residents. The cost for stipends for mentor teachers is estimated to be \$2,500 per mentor, or \$75,000 each year for 30 mentors. Additional costs for professional development and training and consumable supplies are estimated to be \$85,000 and \$10,000 respectively beginning in fiscal year 2014.

It is assumed that as part of the selection process, the chosen institution, and partnering schools, would provide to the Higher Education Coordinating Board information regarding monetary or in-kind contributions to demonstrate that the program may be sustained in the absence of grant funds or state appropriations as required by the bill.

Technology

Technology cost of \$25,000 is in fiscal year 2014 only.

Local Government Impact

To the extent that a school district participates in the program there could be a local impact.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 701 Central Education Agency, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, KK, SK, GO