

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 31, 2015**

**TO:** Honorable Larry Taylor, Chair, Senate Committee on Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB925** by Kolchorst (Relating to providing training academies for public school teachers who provide reading instruction to students in kindergarten through grade three.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB925, As Introduced: a negative impact of (\$17,816,546) through the biennium ending August 31, 2017.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	(\$9,334,709)
2017	(\$8,481,837)
2018	(\$8,648,229)
2019	(\$8,817,948)
2020	(\$8,991,061)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
2016	(\$9,334,709)
2017	(\$8,481,837)
2018	(\$8,648,229)
2019	(\$8,817,948)
2020	(\$8,991,061)

**Fiscal Analysis**

The bill would require the Commissioner of Education to develop literacy achievement academies for teachers who provide instruction for kindergarten through grade three. The bill would require the academies to include training in effective and systematic instructional practices in reading,

phonemic awareness, phonics, fluency, vocabulary, and comprehension.

The bill would require the Commissioner to adopt criteria for selecting teachers to attend the academies, including that teachers employed in school districts with 50 percent or more educationally disadvantaged students be given priority to attend the academies.

The bill would provide teachers attending the academies with a stipend in an amount to be determined by the Commissioner. The bill specifies that the stipend could not be considered in determining the minimum salary for a teacher.

The bill would require Regional Education Service Centers to assist the Commissioner and the Texas Education Agency with the development and operation of the academies, on the Commissioner's request.

The bill would take effect September 1, 2015, or immediately if passed with the necessary voting margins.

### **Methodology**

Providing literacy achievement academies to teachers in the grades specified in the bill would result in a cost of \$9.3 million in fiscal year 2016, \$8.5 million in fiscal year 2017, and increasing to approximately \$9.0 million in fiscal year 2020. Higher costs in the first year of implementation are attributable to initial content development costs.

Based on information provided by the Texas Educational Agency, the 2013-14 Public Education Information Management System (PEIMS) data indicated 87,002 full-time equivalent (FTE) teachers in kindergarten through grade three. This estimate assumes that 21,751.5 teachers (25 percent of the kindergarten through grade three teachers) would attend the academies in fiscal year 2016, increasing to 23,543 teachers in fiscal year 2020. Beginning in 2017, this estimate assumes the population of teachers would grow annually at approximately 2.0 percent based on a comparison of PEIMS FTE teacher data. The agency estimates the literacy achievement academies would be three days long and would provide a \$125 stipend per day for each teacher that attended an academy. Using these assumptions, the estimated annual cost of stipends would be \$8,156,438 (21,751.5 teachers x \$125/day x 3 days) in fiscal year 2016, increasing to \$8,828,790 in fiscal year 2020 (23,543.4 teachers x \$125/day x 3 days).

Based on information provided by TEA, content development for the literacy achievement academies would cost \$1,000,000, or \$250,000 per grade level, in fiscal year 2016 to update previously developed content for use at the academies.

Based on information provided by TEA, two FTEs would be required to assist with the development and implementation of the teacher literacy achievement academies. The estimated cost of the FTEs, including salary, benefits, and other operating expenses, would be \$178,271 in fiscal year 2016 and \$162,271 in subsequent years.

### **Local Government Impact**

School districts could incur additional costs in the form of contributions to the Teacher Retirement System (TRS) Trust Account for teachers attending the academies since the stipend authorized by the bill would be considered creditable compensation. School districts could also incur costs for substitute teachers while teachers attend the literacy achievement academies. Costs would vary among districts.

**Source Agencies:** 323 Teacher Retirement System, 701 Central Education Agency  
**LBB Staff:** UP, AW, JBi, AM