

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

July 23, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB97 by Perry (Relating to the dedication of a portion of state lottery proceeds to the funding of salary increases and bonuses for experienced public school classroom teachers and costs associated with school district teacher retirement contributions.), **As Introduced**

No significant fiscal implication to the State is anticipated. This estimate assumes that the bill's requirements apply to school districts in their use of funds and does not change the current law use of net lottery revenues as a method of finance for the Foundation School Program.

The bill would require 50 percent of the funding transferred from lottery proceeds to the Foundation School Fund to be used only for funding salary increases for public school classroom teachers with at least six years of teaching experience and school district costs exclusively associated with teacher retirement contributions authorized under these provisions. The bill would require any remaining funding to be used to provide bonuses to public school classroom teachers with at least six years of teaching experience.

Currently approximately \$1.3 billion in lottery proceeds are transferred to the Foundation School Fund in each fiscal year. The bill would dedicate 50 percent of this amount, or approximately \$650 million for the purposes of implementing the provisions of the bill.

Because the bill does not change the amount of funding received by school districts, but only specifies the use of certain existing funding, the bill is not expected to have a significant fiscal impact to the State.

The bill would take effect September 1, 2019.

Local Government Impact

The bill would specify that certain revenue currently received by school districts could only be used for the purposes of classroom teacher salary increases, bonuses, and related costs; the bill would also result in local costs for both retirement and TRS-Care. As a result, school districts would have less available revenue to fund all other operations.

Source Agencies: 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 362 Texas Lottery Commission, 701 Texas Education Agency

LBB Staff: UP, AG, AM, AH, TSI