

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2941 by Dutton (Relating to improving the quality of teachers employed by a school district, teacher performance appraisals, and the hiring of mentor teachers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2941, As Introduced: a negative impact of (\$15,631,710) through the biennium ending August 31, 2019.

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
2018	(\$7,823,854)
2019	(\$7,807,856)
2020	(\$7,807,856)
2021	(\$7,807,856)
2022	(\$7,807,856)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2017
	1	
2018	(\$7,823,854)	2.0
2019	(\$7,807,856)	2.0
2020	(\$7,807,856)	2.0
2021	(\$7,807,856)	2.0
2022	(\$7,807,856)	2.0

Fiscal Analysis

The bill would create a new grant program to implement teacher quality plans based on appraisals, mentorship, professional development, and career advancement and compensation strategies. The bill adds additional elements for both state and locally developed teacher appraisals. The bill also

expands the pool of persons eligible to serve as teacher mentors.

The bill would take effect immediately if achieving the necessary voting margins, or September 1, 2017.

Methodology

The grant program would result in an estimated cost of \$7.5 million annually. TEA estimates that approximately ten unique districts each year would choose to apply for the grant, based on similar numbers of districts previously expressing an interest in creating a similar teacher quality plan. TEA estimates that grants under the program would be \$750,000 (10 districts multiplied by \$750,000 grant award equals \$7.5 million annually).

TEA assumes that districts creating teacher quality plans and applying for grants would likely be larger districts requiring larger grants to help offset costs for recruiting, mentoring, stipends for certification, training, and coaching. It is assumed that the grants are not intended to cover all costs associated with creating and implementing teacher quality plans.

This analysis assumes an increase of two FTEs would be necessary to implement to the program, resulting in an additional cost of \$323,854 in fiscal year 2018 and \$307,856 in subsequent years. The first FTE would collaborate with program staff to develop the grant application, provide technical assistance to applicants and grantees, complete the final compliance review on grant applications and amendments, monitor grant funds to ensure they are expended in a timely manner to minimize the possibility of funds lapsing, and complete negotiations on grant applications and amendments and provide technical assistance to grantees. The second FTE would oversee the grant program, collect and review plans, coordinate audits, revise the state recommended appraisal system, create all guidance and training materials, conduct appraiser training, and develop the teacher orientation.

Local Government Impact

Districts choosing to participate may incur costs associated with program implementation; however, some costs may be offset if the district receives a grant. The creation of a teacher quality plan under the bill's provisions would be voluntary for districts.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, SL