

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 24, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB27 by Creighton (Relating to the rights of public school educators and assistance provided to public schools by the Texas Education Agency related to public school educators.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB27, As Introduced: a negative impact of (\$34,681,851) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$13,095,443)
2027	(\$21,586,408)
2028	(\$20,432,054)
2029	(\$20,432,054)
2030	(\$20,432,054)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$13,095,443)	12.5
2027	(\$21,586,408)	12.5
2028	(\$20,432,054)	12.5
2029	(\$20,432,054)	12.5
2030	(\$20,432,054)	12.5

Fiscal Analysis

The bill would create the Employed Retiree Teacher Reimbursement Grant Program to reimburse school districts that employ Teacher Retirement System (TRS) retirees for the contribution amount that the district would be responsible for paying when employing a TRS retiree. The grants provided under this section may be modified by appropriation and the grant program would be established and administered by the commissioner.

From funds appropriated, the Texas Education Agency (TEA) would be required to provide school districts with information and technical assistance regarding staffing models, scheduling, and teacher compensation models; programs that would encourage high school students to become teachers, including apprenticeships; and

programs that school leaders may use to establish behavior expectations while positively supporting students.

The bill would require TEA to develop and maintain a technical assistance program to support school districts and open-enrollment charter schools in studying how the district's or school's staff and student schedules, required noninstructional duties for classroom teachers, and professional development requirements for educators are affecting the amount of time classroom teachers work each week; and refining the schedules for students or staff as necessary to ensure teachers have sufficient time during normal work hours to fulfill all job duties, including addressing the needs of students. The bill would require TEA to periodically make findings and recommendations for best practices publicly available using information from participating school districts and open-enrollment charter schools.

The bill would direct TEA to collect certain data from public schools to address teacher retention and recruitment.

The bill would repeal Government Code, Section 825.4092(f), to allow employers to pass on surcharges to employed retirees.

Methodology

The amount appropriated to the Employed Retiree Teacher Reimbursement Grant Program is unspecified, and the legislature may restrict eligibility for the program by appropriation; therefore, costs cannot be determined. As an illustrative example of the potential cost, in fiscal year 2024 TRS received a total of approximately \$57.9 million for retirement program surcharges and \$16.3 million for TRS-Care surcharges, including both employee and employer surcharges for all positions. The bill would not make changes to the amount of the TRS retirement contribution, just the source of the funding; therefore, TRS assumes there would be no significant impact to the agency from this provision.

To administer Teacher Quality Assistance, TEA assumes funding would be required for development and implementation of supports, technical assistance to support local education agencies (LEAs) in implementing improvements, and grants to LEAs. This analysis assumes development of strategic scheduling, staffing, and compensation modules to support technical assistance would cost \$1.5 million in fiscal year 2026. The agency assumes grants for delivery of technical assistance would cost \$2.3 million in fiscal year 2026 and \$4.5 million annually in fiscal years 2027-30. Grants to LEAs to support implementation of strategic staffing, scheduling, and compensation systems are assumed to cost \$4.0 million annually in fiscal years 2027-30. Technical assistance grants to support school leaders develop school culture routines and discipline systems would cost \$3.0 million annually beginning in fiscal years 2026. Technical assistance grants to LEAs to establish apprenticeship partnerships are assumed to cost \$1.5 million annually. The development of teacher leader and co-teacher training modules would cost \$500,000 annually in fiscal years 2026-27 and \$100,000 annually in fiscal years 2028-30. Technical assistance grants to LEAs to support the development of teacher leadership roles are assumed to cost \$1.3 million annually.

To administer the Teacher Time Study, TEA assumes a cost of \$500,000 in fiscal year 2026 and \$50,000 annually in fiscal years 2027-30 would be required for the development and implementation of the study. TEA assumes that \$750,000 in fiscal year 2026 and \$1.5 million annually in fiscal years 2027-30 would be required for technical assistance to LEAs. TEA assumes \$3.0 million annually in fiscal years 2027-30 would be required to provide grants to LEAs under this section.

The analysis assumes that TEA would require 12.5 FTEs to implement provisions of the bill at a cost of \$1.6 million in fiscal year 2026 and \$1.5 million in subsequent fiscal years.

TRS assumes there would be no significant fiscal impact to the state from allowing employers to pass on surcharges to employed retirees.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$0.3 million in fiscal year 2026 and \$0.8 million in fiscal year 2027.

Local Government Impact

LEAs may incur costs related to implementation of provisions of the bill requiring data collection on teacher vacancy information.

Source Agencies: 323 Teacher Retirement System, 696 Department of Criminal Justice, 701 Texas Education Agency, 771 School for the Blind and Visually Impaired, 772 School for the Deaf

LBB Staff: JMc, JPE, ASA, ENA