

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 27, 2017**

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

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

**IN RE: HB1799** by Dale (Relating to employing, terminating, and reporting misconduct of public school personnel and related entity personnel, including creating a registry of persons ineligible for hire; creating a criminal offense.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1799, As Introduced: a negative impact of (\$1,745,056) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	(\$1,229,987)
2019	(\$515,069)
2020	(\$515,069)
2021	(\$515,069)
2022	(\$515,069)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2017</b>
	<b>1</b>	
2018	(\$1,229,987)	4.0
2019	(\$515,069)	4.0
2020	(\$515,069)	4.0
2021	(\$515,069)	4.0
2022	(\$515,069)	4.0

**Fiscal Analysis**

The bill would amend the Education Code to expand reporting requirements to include certain information regarding misconduct for certain persons at school districts, open-enrollment charter schools, and districts of innovation. The bill would authorize the Commissioner of Education to

conduct a review of certain schools to verify compliance with educator misconduct reporting requirements and to revoke certain charters and designations for failure to comply with reporting and employment requirements.

The bill would amend the Education Code to require the Texas Education Agency (TEA) to create a registry of persons not eligible for employment in public schools as soon as practicable, but not later than September 1, 2018. The registry would maintain a list of persons ineligible for hiring due to criminal history or other record of misconduct. The bill would establish criteria for inclusion in the registry, reporting requirements associated with the registry, and the procedures governing the administrative hearing that may be requested before an employee's name is added to the registry.

The bill would require TEA to conduct periodic site visits and review the records of school districts, charters, districts of innovation, and shared service arrangements to ensure compliance with regulations associated with the registry.

The bill would take effect September 1, 2017.

### **Methodology**

This analysis assume the Texas Education Agency (TEA) would require four full-time equivalent (FTE) positions to implement the provisions of the bill. The estimated costs of those four FTEs, including, salary, benefits, and other operating expenses, would be \$1.2 million in fiscal year 2018 due to costs associated with initial development of the required registry and \$515,069 in subsequent years.

This analysis assumes TEA would require one FTE to prepare for the hearings to determine whether individuals would be placed on the registry of persons not eligible for employment, one FTE to conduct investigations into non-certified persons reported to TEA for misconduct involving students, one FTE to administer the registry and conduct reviews for compliance as required by the provisions of the bill, and one FTE to provide ongoing support and maintenance of the registry.

This analysis assumes the provisions of the bill addressing felony sanctions for criminal offenses would not result in a significant impact on state correctional agencies.

### **Technology**

According to information provided by the Texas Education Agency, the agency would need professional contractors to assist in development of the registry of persons not eligible for employment in public schools, estimated to be \$682,918 in fiscal year 2018 in order to comply with the requirement that the registry be completed by September 1, 2018. The agency also anticipates software licensing and server leasing costs of \$75,588 each fiscal year associated with the registry.

### **Local Government Impact**

The bill would create a Class A misdemeanor offense for certain administrators to fail to comply with reporting requirements. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution, and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal

implication.

The bill would expand reporting requirements related to educator misconduct to open-enrollment charter schools and districts of innovation. The bill would allow the Commissioner to revoke a charter if a charter fails to comply with the duty to discharge or refuse to hire certain employees or applicants for employment. The bill would allow the Commissioner to terminate a district's designation if they fail to comply with the provisions of the bill. The agency estimates charters and districts of innovation may incur some administrative costs related to the provisions of the bill; however, these costs are not expected to be significant.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 696  
Department of Criminal Justice, 701 Texas Education Agency

**LBB Staff:** UP, THo, AM, AW, JPo, JGA