

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 22, 2015

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Juvenile Justice & Family Issues

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2632** by Dutton (Relating to removing a criminal penalty and authorizing a civil penalty for truancy.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2632, Committee Report 1st House, Substituted: a positive impact of \$4,407,776 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$2,203,888
2017	\$2,203,888
2018	\$2,203,888
2019	\$2,203,888
2020	\$2,203,888

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Dedicated</i>	Probable Revenue Gain/(Loss) from <i>Judicial Fund</i> 573
2016	\$2,344,650	(\$140,762)	(\$880,169)	(\$140,679)
2017	\$2,344,650	(\$140,762)	(\$880,169)	(\$140,679)
2018	\$2,344,650	(\$140,762)	(\$880,169)	(\$140,679)
2019	\$2,344,650	(\$140,762)	(\$880,169)	(\$140,679)
2020	\$2,344,650	(\$140,762)	(\$880,169)	(\$140,679)

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Other Fund Law Enforcement and Custodial Officer Supplement Retirement Trust Fund</i>
2016	(\$104,502)
2017	(\$104,502)
2018	(\$104,502)
2019	(\$104,502)
2020	(\$104,502)

Fiscal Analysis

This bill would repeal Section 25.094(e) of the Education Code, which makes the failure to attend school a Class C misdemeanor, and would amend Section 25.094 of the Education Code to make the failure to attend school punishable by a civil penalty payable to the state in an amount not to exceed \$100. The bill makes filings and referrals to court after 10 absences optional instead of mandatory, and changes the deadline for schools to file or refer to 10 days after the most recent absence, rather than the 10th absence. The bill also requires records related to a truancy offense to be automatically expunged.

Methodology

In fiscal year 2014, there were 93,786 cases filed for failure to attend school. Repeal of failure to attend school as a Class C misdemeanor would result in loss of court costs assessed and collected for the state of approximately \$1.3 million per year. However, this will be more than offset by the collection of civil penalties for the same conduct with an estimated gain to the state of about \$2.3 million per year.

Failure to attend school cases generate revenue to the state for court costs collected by justice and municipal courts. It is estimated that 50 percent of the cases filed result in convictions or deferred dispositions where court costs were assessed. The typical court cost revenue from one of these cases in justice court is \$87. The portion directed to the state is \$54, and the portion retained by the county is \$33. The typical court cost revenue from one of these cases in municipal court is \$86 (\$54 to the state; \$32 retained by the municipality). This analysis assumes the same number of offenses would occur annually in the future, with a 50 percent conviction rate and a 50 percent collection rate. Repeal of the Class C misdemeanor offense for failure to attend school will result in reduction in court costs assessed and collected for the state of about \$1.3 million per year.

The Office of Court Administration and the Comptroller estimated that 50 percent of the cases filed will result in a court finding that an individual engaged in failure to attend school conduct, and a typical civil penalty would be \$100. This analysis assumes the same number of offenses would occur annually in the future, with a 50 percent conviction rate and a 50 percent collection rate. The collection of civil penalties is estimated to yield a gain to the state of \$2.3 million per year.

Local Government Impact

County and municipal governments will see reduced revenue from the local portion of courts

costs collected for the repealed Class C misdemeanor offense, as well as a reduction in fines collected. Assuming 93,786 failure to attend cases in which court costs are assessed and a collection rate of 50%, there would be a decrease of \$770,772 in revenue to local governments per year. Additionally, there may be an indeterminate loss in fine revenue to local governments. The bill would also repeal the current \$30 fee is collected and retained by local governments to defray the cost of expunctions. Travis, Midland, and El Paso Counties indicated they may have to add or reassign staff to expunge the records as required by the bill and to meet other requirements of the bill. The impact may be significant but cannot be determined at this time and would vary by jurisdiction.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 644 Juvenile Justice Department, 701 Central Education Agency

LBB Staff: UP, JQ, ESi, JJ, KVe, JBi, JPo