

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 3, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2738 by Meyer (Relating to employing, terminating, and reporting the misconduct of public school personnel and related entity personnel, including creating a registry of persons ineligible for hire; creating criminal offenses.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2738, As Introduced: a negative impact of (\$896,928) through the biennium ending August 31, 2021.

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
2020	(\$427,974)
2021	(\$468,954)
2022	(\$377,484)
2023	(\$377,484)
2024	(\$377,484)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2019
	1	
2020	(\$427,974)	4.0
2021	(\$468,954)	4.0
2022	(\$377,484)	4.0
2023	(\$377,484)	4.0
2024	(\$377,484)	4.0

Fiscal Analysis

The bill would require the Texas Education Agency (TEA) to create a registry of persons not eligible for employment in public schools and related entities. TEA would be required to maintain

the registry and make it available to appropriate hiring entities. A school district, district of innovation, open-enrollment charter school, regional education service center, or shared services arrangement would be required to confirm a person being considered for employment and a person already employed is not on registry. The bill would require TEA to create the registry as soon as practicable, not later than January 1, 2020.

The bill would require the principal of a public school or related entity to notify the superintendent or director not later than the seventh business day after the date of an employee's termination or resignation based upon misconduct. The superintendent or director would be required to submit a written report to the TEA commissioner not later than the seventh business day after the date the superintendent or director receives the report. Failure on the part of either the principal or superintendent or director to notify or file a report by the required date with the intent to conceal an employee's criminal record or alleged incident of misconduct would be a state jail felony offense.

Under the bill, a person who is not certified by the State Board for Educator Certification (SBEC) who is the subject of a report that alleges the person abused, committed a crime with, was involved in a romantic relationship with, or solicited sexual contact with a student or minor would be entitled to a hearing with the State Office of Administrative Hearings (SOAH) to contest the allegations. If the person did not request a hearing, the TEA Commissioner would be required to decide whether the person engaged in misconduct. If the Commissioner or hearing determined that the person did engage in misconduct, TEA would be required to add the person's name to the registry.

The bill would require TEA to periodically conduct site visits and review the records of public schools and related entities to ensure employers comply with requirement to discharge or refuse to employ persons listed on the registry.

Methodology

This analysis assumes TEA would require 4.0 additional FTEs for a cost of \$397,484 in fiscal year 2020 and \$377,484 per year thereafter to review and investigate reports of misconduct against non-certified employees. This analysis assumes TEA would require 2.0 Program Specialist Vs (\$91,237 per FTE in fiscal year 2020 and \$86,237 per FTE each year thereafter) to review prior revocations and determine applicability to the section, log new reports of misconduct, perform an initial review of allegations, and process reports for investigation. Additionally, it is assumed TEA would require 1.0 Investigator VI (\$97,261 in fiscal year 2020 and \$92,216 each year thereafter) and 1.0 Attorney IV (\$117,794 in fiscal year 2020 and \$112,794 each year thereafter) to investigate reported misconduct and litigate registry cases before SOAH. Included in these costs per FTE are salaries, benefits, payroll contributions, other operating expenses, and additional software licenses to access the case management software (\$400 per individual per year).

TEA assumes technology costs to implement the registry required by the bill would total \$30,490 in fiscal year 2020 and \$91,470 in fiscal year 2021. (See Technology section.)

TEA notes that it may require additional staff to periodically conduct site visits to ensure compliance with the bill's provisions. This analysis assumes costs associated with site visits could be absorbed using existing resources.

SOAH assumes any additional work associated with implementing the provisions of the bill regarding hearings for alleged misconduct by non-certified employees could be absorbed using

existing resources.

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

TEA assumes it would need to modify the Educator Certification Online System (ECOS) to create a new application for entry, search, view, and management of employment eligibility data. The application would require secure access for approved users, including TEA, school districts, charter schools, education service centers, and local education agencies. TEA assumes these modifications would cost \$30,490 in fiscal year 2020 and \$91,470 in fiscal year 2021.

Local Government Impact

TEA assumes there would likely be costs to districts and charter schools to conduct investigations and report allegations of misconduct involving non-certified educators. TEA assumes costs may include human resources staff and other resources needed to verify potential hires and to investigate and report allegations.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 696
Department of Criminal Justice, 701 Texas Education Agency, 360 State
Office of Administrative Hearings

LBB Staff: WP, HL, AM, ASa, RC, JPo