

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 5, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB7 by Leach (relating to parental rights in public education, to the creation of the office of inspector general at the Texas Education Agency, and to the reporting of certain misconduct and child abuse and neglect; creating a criminal offense.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 1st House, Substituted: a negative impact of (\$13,381,423) 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	(\$6,688,581)
2027	(\$6,692,842)
2028	(\$6,312,198)
2029	(\$6,312,198)
2030	(\$6,312,198)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Interagency Contracts 777</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$6,688,581)	(\$1,606,482)	47.0
2027	(\$6,692,842)	(\$1,534,961)	47.0
2028	(\$6,312,198)	(\$1,534,961)	47.0
2029	(\$6,312,198)	(\$1,534,961)	47.0
2030	(\$6,312,198)	(\$1,534,961)	47.0

Fiscal Analysis

The bill would require the Texas Education Agency (TEA) to create and maintain a document that informs a parent of the parent's rights regarding the education of the parent's child.

The bill would require school district boards of trustees to adopt, post, and make available to TEA certain grievance policies and procedures.

The bill would establish the Office of the Inspector General as a division within TEA. The governor would be required to appoint an inspector general to serve as director of the office, and TEA would be required to provide staff, administrative resources, and support services as necessary.

The inspector general would be responsible for investigating complaints received from parents of children enrolled in public school regarding issues involving TEA, the State Board of Education, or a school district or open-enrollment charter school.

The bill would authorize a person to appeal in writing to the inspector general for certain grievances. The inspector general would be required to hold a hearing and issue a decision without cost to the parties involved not later than the 180th day after the date an appeal is filed.

The bill would require the inspector general to develop a program for the training and review of dispute resolution facilitators and would authorize the inspector general to refer certain cases involving grievances to dispute resolution facilitation.

The bill would require reporting of certain employee or service provider misconduct to TEA.

The bill would create an offense if a person fails to disclose certain required information relating to misconduct in a pre-service or pre-employment affidavit.

The bill would amend the registry maintained by TEA of certain persons prohibited from employment by educational entities to include service providers who meet certain criteria.

The bill would require the commissioner of education to temporarily include a person in the registry if the commissioner determines that the person's continued employment at or provision of services to an educational entity would constitute a continuing and imminent threat to the public welfare.

The bill would require the State Office of Administrative Hearings (SOAH) to hold a preliminary hearing not later than 17 days after the date of a person's temporary inclusion on the registry to determine whether probable causes exist that the person's employment constitutes a continuing threat to public welfare. SOAH would be required to hold a final hearing not later than 61 days after the date of temporary inclusion.

The bill would authorize the commissioner to include an employee or service provider for an educational entity in the registry if the employee or service provider is arrested for certain offenses.

The bill would require that the internet portal maintained by TEA through which certain reports may be filed comply with any requirements adopted by the State Board for Educator Certification (SBEC) for filing reports.

The bill would require TEA to review investigations conducted by educational entities involving allegations of misconduct to ensure the investigations are conducted using the appropriate protocols. The commissioner would be able to authorize a special investigation if TEA determines that an educational entity failed to follow the appropriate protocols. TEA would be authorized to directly investigate certain allegations of misconduct, regardless of whether a report or complaint was filed with TEA.

The bill would allow SBEC to temporarily suspend an educator's certification or permit if the educator is arrested for certain offenses or if SBEC determines that the educator's continued certification or permit issuance constitutes a continuing and imminent threat to the public welfare, based on information presented to SBEC regarding a complaint alleging misconduct by the educator.

The bill would require SOAH to hold a preliminary hearing not later than 17 days after the date of the temporary suspension of an educator's certification or permit to determine whether probable causes exist that the educator's certification or permit issuance constitutes a continuing threat to public welfare. SOAH would be required to hold a final hearing not later than 61 days after the date of temporary inclusion.

The bill would require the Department of Family and Protective Services to release certain information to TEA or SBEC through the internet portal developed and maintained by TEA.

Methodology

TEA estimates costs relating to compliance monitoring investigations would be \$38,250 annually. TEA estimates the cost for child abuse investigation training would be \$15,000 annually.

This analysis assumes that TEA would require 36.0 FTEs annually to implement provisions of the bill at a cost of \$4.9 million in fiscal year 2026 and \$4.7 million in subsequent years.

This analysis assumes that SOAH's increased workload would be equivalent to 11.0 FTEs to implement provisions of the bill at a cost of \$1.6 million in fiscal year 2026 and \$1.5 million in subsequent years from Interagency Contracts. This analysis further assumes that TEA would transfer funding to SOAH to cover these costs from TEA's General Revenue appropriations. SOAH could not provide an estimate at this time for the additional DFPS caseload.

This analysis assumes that any impact on state correctional populations or on the demand for state correctional resources would not be significant. Additionally, this analysis assumes that any costs to other state agencies to implement the provisions of the bill could be absorbed using existing resources.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$0.1 million in fiscal year 2026 and \$0.4 million in fiscal year 2027.

Local Government Impact

This analysis assumes that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement would not be significant.

Local education agencies (LEA) could incur costs for new dispute resolution facilitation processes and other hearing expenses. LEAs could also incur costs relating to the adoption of new and revised policies, including grievances, employee misconduct, and timeline and reporting requirements.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 313 Department of Information Resources, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 407 Commission on Law Enforcement, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency

LBB Staff: JMc, NC, ASA, ANa