

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0395
Prime Sponsor(s): Sen. Holbert
 Rep. Fields

Date: March 9, 2015
Bill Status: Senate Education
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: NO DETENTION FOR FAILURE TO ATTEND SCHOOL

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	\$389,881	\$408,607
Cash Funds	389,881	408,607
State Expenditures	\$191,230	\$190,394
General Fund	(176,965)	(193,053)
Cash Funds	337,154	348,307
Centrally Appropriated Costs**	31,041	35,140
TABOR Set Aside	\$389,881	\$408,607
FTE Position Change	1.7 FTE	1.8 FTE
Appropriation Required: \$160,189 - Multiple Agencies (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill removes the jurisdiction of juvenile courts over truancy petitions filed by school districts to compel students and their parents to comply with compulsory school attendance requirements. Under the bill, truancy petitions are instead heard by administrative law judges (ALJ) in the Office of Administrative Courts in the Department of Personnel and Administration (DPA). If a student or his or her parents fail to comply with an order issued by an ALJ, the school district may file a contempt proceeding in juvenile court. Truancy proceedings conducted by ALJs may be conducted by telephone or other electronic means, so long as the public has access to the proceeding at the school district where the hearing is held.

The juvenile courts retain jurisdiction for appeals in truancy cases. In addition, if a student who is the subject of a truancy petition is or becomes the subject of a dependency and neglect proceeding or other juvenile petition, the ALJ must transfer the truancy petition to the appropriate juvenile court for consolidation with the other proceeding. Lastly, the bill prohibits juvenile detention facilities from receiving a juvenile who violates a court order to attend school unless the juvenile is also adjudicated for a delinquent act.

Background

Under current law, if a student is habitually truant, a school district may file a truancy petition in juvenile court to compel the student and his or her parents to comply with school attendance requirements. "Habitually truant" is defined as having four unexcused absences in one month or ten unexcused absences in any school year. House Bill 11-1053 required that truancy petitions only be filed as a last resort and that school districts employ other strategies and best practices to attempt to resolve truancy issues prior to filing a petition with the courts. Currently, there are approximately 2,550 truancy petitions filed with the courts each year.

State Revenue

By transferring truancy petition filings to the Office of Administrative Courts in the DPA, the bill increases cash fund revenue to the DPA by **\$389,881 in FY 2015-16 and \$408,607 in FY 2016-17**. This revenue is from fees paid by school districts filing truancy petitions with the administrative courts in order to cover the costs of these hearings. Based on the costs estimated in the State Expenditures section below and the current number of truancy petitions, it is estimated that school districts will pay about \$160 per truancy filing under the bill.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund. User fees paid to the Office of Administrative Courts from local governments are not exempt from TABOR.

State Expenditures

The bill increases costs in the DPA and reduces costs in the Judicial Department by transferring jurisdiction over truancy petitions from juvenile court to administrative court in most cases. The net impact is an increase of **\$191,230 and 1.7 FTE in FY 2015-16 and \$190,394 and 1.8 FTE in FY 2016-17**. These costs are summarized in Table 1 and discussed below.

Assumptions. The fiscal note is based on the following assumptions:

- 2,550 truancy petitions are filed each year, all of which will be transferred from juvenile court to the Office of Administrative Courts;
- juvenile courts spend an average of 1 hour per truancy petition and administrative courts take an average of 2 hours; and
- 20 percent of petitions (510 cases) will result in a contempt filing with the juvenile court, which will require 1 hour per filing.

Table 1. Expenditures Under SB 15-184		
Cost Components	FY 2015-16	FY 2016-17
<i>Department of Personnel and Administration</i>	<u>\$389,881</u>	<u>\$408,607</u>
Personal Services	315,973	344,697
FTE	3.5 FTE	3.8 FTE
Operating Expenses and Capital Outlay Costs	21,181	3,610
Centrally Appropriated Costs*	52,727	60,300
<i>Judicial Department</i>	<u>(\$198,651)</u>	<u>(\$218,213)</u>
Personal Services	(170,869)	(186,403)
FTE	(1.8 FTE)	(2.0 FTE)
Operating Expenses and Capital Outlay Costs	(6,096)	(6,650)
Centrally Appropriated Costs*	(21,686)	(25,160)
TOTAL	\$191,230	\$190,394

* Centrally appropriated costs are not included in the bill's appropriation.

Office of Administrative Courts. Based on the assumptions above, it is estimated that 2.8 FTE are required for additional ALJs. In addition, 1.0 FTE is required for a clerk to support these additional ALJs and the new filing type with the administrative courts (an increase of 3.8 FTE in total). Costs for new staff and associated operating and capital outlay expenses are shown in Table 1. First-year costs are prorated to reflect the August 5th effective date of the bill. To the extent workload and filings differ from this estimate, the number of ALJs is adjusted annually through the budget process based on the actual number of filings with the administrative courts.

Juvenile trial courts. Based on the assumptions above, the juvenile courts will require a reduction in the number of magistrates who hear truancy petitions of 1.0 FTE, as well as a reduction of 1.0 FTE in clerk staff (a reduction of 2.0 FTE in total). The cost savings from this staffing reduction and associated operating costs are shown in Table 1. First-year costs are prorated to reflect the August 5th effective date of the bill. The courts will continue to have workload and costs for truancy appeals and truancy cases that are merged with dependency and neglect or juvenile delinquency cases.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 15-184*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$19,794	\$21,594
Supplemental Employee Retirement Payments	11,247	13,546
TOTAL	\$31,041	\$35,140

*More information is available at: <http://colorado.gov/fiscalnotes>

School District Impact

The bill increases costs to school districts from fees paid to the administrative courts to conduct truancy petition hearings. Costs to school districts will depend on the number of truancy filings each year under the bill. Assuming the current number of petitions are filed, costs to school districts will be about \$160 per truancy filing and total about \$400,000 statewide.

Pursuant to Section 22-32-143, C.R.S., school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires the following appropriations for FY 2015-16:

- an increase of \$337,154 to the DPA from the Administrative Hearings Fund and an allocation of 3.5 FTE; and
- a reduction of (\$176,965) General Fund from the Judicial Department and a reduction of (1.8 FTE).

State and Local Government Contacts

Judicial
Sheriffs

Personnel and Administration
Human Services

Education
Law