

By: Canales

H.B. No. 1693

A BILL TO BE ENTITLED

AN ACT

relating to the financial audit of certain open-enrollment charter schools by the state auditor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 321.001(5), Government Code, is amended to read as follows:

(5) "Risk assessment" means the process by which the State Auditor analyzes risks to the state on the basis of, at a minimum, the following:

(A) the identification of problems that can occur in operational or program areas of departments, including in institutions of higher education and in open-enrollment charter schools that annually receive more than \$100 million in state revenue, that are subject to audit by the State Auditor;

(B) a determination of the potential adverse effects from the problems; and

(C) a ranking of the risks associated with the problems.

SECTION 2. Section 321.013, Government Code, is amended by amending Subsection (a) and adding Subsection (k-1) to read as follows:

(a) The State Auditor shall conduct audits of all departments, including audits of institutions of higher education and of open-enrollment charter schools that annually receive more

1 than \$100 million in state revenue, as specified in the audit plan.
2 At the direction of the committee, the State Auditor shall conduct
3 an audit or investigation of any entity receiving funds from the
4 state.

5 (k-1) In devising the audit plan under Subsection (c), the
6 State Auditor shall consider the performance of audits on
7 open-enrollment charter schools that annually receive more than
8 \$100 million in state revenue. The State Auditor may collaborate
9 with the State Board of Education in performing an audit under this
10 subsection. An audit described by this subsection may be limited in
11 scope to open-enrollment charter schools that the State Auditor
12 determines pose the highest financial risk to this state.

13 SECTION 3. This Act takes effect September 1, 2025.