

By: Hopper

H.B. No. 2657

A BILL TO BE ENTITLED

AN ACT

relating to the abolition of the Texas Education Agency and elimination of the position of commissioner of education, the transfer of powers and duties to the State Board of Education and the comptroller of public accounts, and the elimination of public school accountability and assessment systems.

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

ARTICLE 1. ABOLITION OF THE TEXAS EDUCATION AGENCY

SECTION 1.01. Chapter 1, Education Code, is amended by adding Section 1.007 to read as follows:

Sec. 1.007. TRANSFER AND ALLOCATION OF FORMER TEXAS EDUCATION AGENCY AND COMMISSIONER OF EDUCATION DUTIES. Except as provided by Chapter 42:

(1) the powers, duties, and privileges of the former Texas Education Agency and the former commissioner of education under this code or other law are transferred to the State Board of Education; and

(2) a reference in law to the Texas Education Agency or the commissioner of education is a reference to the State Board of Education.

SECTION 1.02. Sections 5.001(1) and (3), Education Code, are amended to read as follows:

(1) "Agency" means the former Texas Education Agency.

(3) "Commissioner" means the former commissioner of

1 education.

2 SECTION 1.03. Subchapter A, Chapter 7, Education Code, is
3 amended by adding Section 7.0011 to read as follows:

4 Sec. 7.0011. TRANSFER AND ALLOCATION OF POWERS AND DUTIES
5 TO STATE BOARD OF EDUCATION. (a) In accordance with Section 1.007,
6 the powers and duties of the former Texas Education Agency under
7 Subchapter B and the powers and duties of the former commissioner of
8 education under Subchapter C are transferred to the board.

9 (b) The board shall carry out the educational functions
10 specifically delegated to the agency under Section 7.021 or to the
11 commissioner under Section 7.055 or to the agency or commissioner
12 under another provision of this code.

13 (c) A reference in this chapter to the agency or the
14 commissioner is a reference to the board.

15 SECTION 1.04. Section 7.003, Education Code, is amended to
16 read as follows:

17 Sec. 7.003. LIMITATION ON AUTHORITY. An educational
18 function not specifically delegated to ~~[the agency or]~~ the board or
19 the comptroller under this code is reserved to and shall be
20 performed by school districts or open-enrollment charter schools.

21 SECTION 1.05. Sections 7.102(b) and (d), Education Code,
22 are amended to read as follows:

23 (b) The board has the powers and duties provided by
24 Subsection (c) in addition to the powers and duties assigned to the
25 board by the constitution of this state or another provision of this
26 code ~~[, which shall be carried out with the advice and assistance of~~
27 ~~the commissioner]~~.

1 (d) The board may adopt rules relating to school districts
2 or regional education service centers [~~only~~] as required to carry
3 out the [~~specific~~] duties assigned to the board [~~by the~~
4 ~~constitution or under Subsection (c)~~].

5 SECTION 1.06. Subtitle I, Title 2, Education Code, is
6 amended by adding Chapter 42 to read as follows:

7 CHAPTER 42. TRANSFER AND ALLOCATION OF POWERS AND DUTIES

8 Sec. 42.001. TRANSFER AND ALLOCATION OF AGENCY AND
9 COMMISSIONER POWERS AND DUTIES. (a) The powers, duties, and
10 privileges of the former Texas Education Agency and the former
11 commissioner of education under this subtitle or other law relating
12 to public school finance and fiscal management are transferred to
13 the comptroller of public accounts.

14 (b) A reference in law to the agency or the commissioner
15 that relates to the powers and duties of the agency or commissioner
16 under this subtitle or other law relating to public school finance
17 and fiscal management is a reference to the comptroller of public
18 accounts.

19 Sec. 42.002. COMPTROLLER POWERS AND DUTIES. (a) The
20 comptroller has the powers and duties provided by this section.

21 (b) The comptroller shall:

22 (1) distribute funds to open-enrollment charter
23 schools as required under Subchapter D, Chapter 12;

24 (2) establish advisory guidelines relating to the
25 fiscal management of a school district and report annually to the
26 board on the status of school district fiscal management as
27 required under Section 44.001;

1 (3) review school district budgets, audit reports, and
2 other fiscal reports as required under Sections 44.008 and 44.010
3 and prescribe forms for financial reports made by or for school
4 districts to the comptroller as required under Section 44.009;

5 (4) perform duties in connection with the guaranteed
6 bond program as prescribed by Subchapter C, Chapter 45;

7 (5) adopt an annual budget for operating the
8 Foundation School Program as prescribed by Subsection (c);

9 (6) perform duties in connection with the Foundation
10 School Program as prescribed by Chapter 48; and

11 (7) perform duties in connection with the options for
12 local revenue levels in excess of entitlement under Chapter 49.

13 (c) The budget the comptroller adopts under Subsection
14 (b)(5) for operating the Foundation School Program must be in
15 accordance with legislative appropriations and provide funds for
16 the administration and operation of public school finance and
17 fiscal management duties of the comptroller and any other necessary
18 expense. The budget must designate any expense of operating the
19 office of the comptroller or operating a program for which the State
20 Board of Education has responsibility that is paid from the
21 Foundation School Program. The budget must designate program
22 expenses that may be paid out of the foundation school fund, other
23 state funds, fees, federal funds, or funds earned under interagency
24 contract. Before adopting the budget, the comptroller must submit
25 the budget to the State Board of Education for review and, after
26 receiving any comments of the State Board of Education, present the
27 operating budget to the governor and the Legislative Budget Board.

1 The comptroller shall propose budget expenditures in a manner that
2 ensures that all payments are paid from the appropriate funds in a
3 timely and efficient manner.

4 SECTION 1.07. Section 48.004, Education Code, is amended to
5 read as follows:

6 Sec. 48.004. ADMINISTRATION OF THE PROGRAM. The
7 comptroller [~~commissioner~~] shall adopt rules and take action and
8 require reports consistent with this chapter as necessary to
9 implement and administer the Foundation School Program.

10 SECTION 1.08. Section 403.011(a), Government Code, is
11 amended to read as follows:

12 (a) The comptroller shall:

13 (1) obtain a seal with "Comptroller's Office, State of
14 Texas" engraved around the margin and a five-pointed star in the
15 center, to be used as the seal of the office to authenticate
16 official acts, except warrants drawn on the state treasury;

17 (2) adopt regulations the comptroller considers
18 essential to the speedy and proper assessment and collection of
19 state revenues;

20 (3) supervise, as the sole accounting officer of the
21 state, the state's fiscal concerns and manage those concerns as
22 required by law;

23 (4) require all accounts presented to the comptroller
24 for settlement not otherwise provided for by law to be made on forms
25 that the comptroller prescribes;

26 (5) prescribe and furnish the form or electronic
27 format to be used in the collection of public revenue;

1 (6) prescribe the mode and manner of keeping and
2 stating of accounts of persons collecting state revenue;

3 (7) prescribe forms or electronic formats of the same
4 class, kind, and purpose so that they are uniform in size,
5 arrangement, matter, and form;

6 (8) require each person receiving money or managing or
7 having disposition of state property of which an account is kept in
8 the comptroller's office periodically to render statements of the
9 money or property to the comptroller;

10 (9) require each person who has received and not
11 accounted for state money to settle the person's account;

12 (10) keep and settle all accounts in which the state is
13 interested;

14 (11) examine and settle the account of each person
15 indebted to the state, verify the amount or balance, and direct and
16 supervise the collection of the money;

17 (12) audit claims against the state the payment of
18 which is provided for by law, unless the audit is otherwise
19 specially provided for;

20 (13) determine the method for auditing claims against
21 the state in a cost-effective manner, including the use of
22 stratified and statistical sampling techniques in conjunction with
23 automated edits;

24 (14) maintain the necessary records and data for each
25 approved claim against the state so that an adequate audit can be
26 performed and the comptroller can submit a report to each house of
27 the legislature, upon request, stating the name and amount of each

1 approved claim;

2 (15) keep and state each account between the state and
3 the United States;

4 (16) keep journals through which all entries are made
5 in the ledger;

6 (17) draw warrants on the treasury for payment of all
7 money required by law to be paid from the treasury on warrants drawn
8 by the comptroller;

9 (18) suggest plans for the improvement and management
10 of the general revenue; ~~and~~

11 (19) preserve the books, records, papers, and other
12 property of the comptroller's office and deliver them in good
13 condition to the successor to that office; and

14 (20) perform the powers relating to public school
15 finance and fiscal management required by Section 42.002, Education
16 Code, including the maintenance and administration of the
17 Foundation School Program under Chapter 48 of that code.

18 SECTION 1.09. The following provisions of the Education
19 Code are repealed:

20 (1) Section 7.002;

21 (2) Section 7.004;

22 (3) Section 7.021(b)(13);

23 (4) Section 7.051;

24 (5) Section 7.052;

25 (6) Section 7.053;

26 (7) Section 7.054;

27 (8) Sections 7.055(b)(2), (6), (17), (32), (34), (35),

(36), (37), and (38);

(9) Section 7.055(c);

(10) Section 7.102(c)(29); and

(11) Sections 7.102(a) and (e).

SECTION 1.10. (a) On the effective date of this Act and except as provided by Subsection (b) of this section, the Texas Education Agency is abolished and the position of commissioner of education is eliminated, but the agency and position continue in existence until December 1, 2025, for the sole purpose of transferring, as applicable, all obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions to the State Board of Education. The State Board of Education assumes all of the obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions of the Texas Education Agency and commissioner of education as they exist immediately before the effective date of this Act. All unexpended funds appropriated to the Texas Education Agency are transferred to the State Board of Education.

(b) Not later than December 21, 2025, the Texas Education Agency and commissioner of education shall transfer, as applicable, all obligations, property, rights, powers, duties, leases, contracts, software, data, and full-time equivalent employee positions relating to public school finance and fiscal management, including the maintenance and administration of the Foundation School Program under Chapter 48, Education Code, to the comptroller of public accounts. The comptroller of public accounts assumes all

1 of the obligations, property, rights, powers, duties, leases,
2 contracts, software, data, and full-time equivalent employee
3 positions of the Texas Education Agency and commissioner of
4 education relating to public school finance and fiscal management,
5 including the maintenance and administration of the Foundation
6 School Program under Chapter 48, Education Code, as they exist
7 immediately before the effective date of this Act. All unexpended
8 funds appropriated to the Texas Education Agency relating to public
9 school finance and fiscal management, including the maintenance and
10 administration of the Foundation School Program under Chapter 48,
11 Education Code, are transferred to the comptroller of public
12 accounts.

13 (c) On September 1, 2025, all full-time equivalent employee
14 positions at the Texas Education Agency become positions at the
15 State Board of Education or comptroller of public accounts, as
16 appropriate, in accordance with Subsections (a) and (b) of this
17 section. On September 1, 2025, all employees who were employed by
18 the Texas Education Agency on August 31, 2025, become employees of
19 the State Board of Education or comptroller of public accounts, as
20 appropriate, in accordance with Subsections (a) and (b) of this
21 section.

22 (d) The Texas Education Agency, commissioner of education,
23 State Board of Education, and comptroller of public accounts shall,
24 in consultation with appropriate state entities, ensure that the
25 transfer of the obligations, property, rights, powers, duties,
26 leases, contracts, software, data, and full-time equivalent
27 employee positions of the Texas Education Agency and commissioner

1 of education under this section is completed not later than
2 December 1, 2025.

3 (e) Except as provided by Subsection (f) of this section,
4 all rules, fees, policies, procedures, decisions, and forms adopted
5 by the Texas Education Agency or commissioner of education are
6 continued in effect as rules, fees, policies, procedures,
7 decisions, and forms adopted by the State Board of Education until
8 amended or superseded by a rule, fee, policy, procedure, decision,
9 or form adopted by the State Board of Education. A complaint or
10 investigation pending on the effective date of this Act is
11 continued without change in status after the effective date of this
12 Act.

13 (f) All rules, fees, policies, procedures, decisions, and
14 forms adopted by the Texas Education Agency or commissioner of
15 education relating to public school finance or fiscal management,
16 including the maintenance and administration of the Foundation
17 School Program under Chapter 48, Education Code, are continued in
18 effect as rules, fees, policies, procedures, decisions, and forms
19 adopted by the comptroller of public accounts until amended or
20 superseded by a rule, fee, policy, procedure, decision, or form
21 adopted by the comptroller of public accounts.

22 (g) Not later than September 1, 2026, the State Board of
23 Education and comptroller of public accounts, as applicable, shall
24 adopt any rules necessary to implement the changes in law made by
25 this Act.

ARTICLE 2. REPEAL OF PUBLIC SCHOOL ACCOUNTABILITY AND ASSESSMENT
SYSTEM

SECTION 2.01. Chapter 1, Education Code, is amended by adding Section 1.008 to read as follows:

Sec. 1.008. REFERENCES TO PUBLIC SCHOOL ACCOUNTABILITY OR ASSESSMENTS. (a) Except as provided by Subsection (b), a reference in law to an assessment instrument adopted, developed, required, or administered under former Chapter 39 refers to an assessment instrument adopted, developed, required, or administered by a public elementary or secondary school that assesses student performance in an equivalent manner to the referenced assessment instrument, if applicable.

(b) If a public elementary or secondary school has not adopted or developed an assessment instrument that assesses student performance in an equivalent manner to an assessment instrument adopted or developed under former Chapter 39, any law relating to the assessment of students using that assessment instrument does not apply to the school.

(c) A reference in law to an accreditation, a financial accountability system, or any other accountability program or system under former Chapter 39 or an accountability intervention or sanction under former Chapter 39A is considered expired.

SECTION 2.02. Subtitle H, Title 2, Education Code, is repealed.

SECTION 2.03. As soon as practicable after the effective date of this Act but not later than December 1, 2025, the Texas Education Agency shall remove a monitor, conservator, management

1 team, or board of managers appointed to a school district or
2 open-enrollment charter school by the agency under Chapter 39A,
3 Education Code, as it existed before the effective date of this Act,
4 and return the administration and control of the school district to
5 the board of trustees of the district or governing body of the
6 school.

7 SECTION 2.04. This article applies beginning with the
8 2025-2026 school year.

9 ARTICLE 3. EFFECTIVE DATE

10 SECTION 3.01. (a) Except as provided by Subsection (b) of
11 this section, this Act takes effect September 1, 2025.

12 (b) Article 2 of this Act takes effect immediately if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas Constitution.
15 If this Act does not receive the vote necessary for immediate
16 effect, Article 2 of this Act takes effect September 1, 2025.