

By: Hinojosa

S.B. No. 439

A BILL TO BE ENTITLED

AN ACT

relating to approval by the commissioner of education of certain contracts entered into by a school district during the pendency of certain special investigations.

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

SECTION 1. Subchapter A, Chapter 39, Education Code, is amended by adding Section 39.0041 to read as follows:

Sec. 39.0041. COMMISSIONER APPROVAL OF CERTAIN SCHOOL DISTRICT CONTRACTS DURING PENDENCY OF CERTAIN SPECIAL INVESTIGATIONS. (a) In this section, "severance payment" means any amount paid by a school district to or in behalf of a district employee on early termination of the employee's employment contract that exceeds the amount earned by the employee under the contract as of the date of termination, including any amount that exceeds the amount of earned standard salary and benefits, that is paid as a condition of early termination of the contract.

(b) This section applies to a special investigation conducted under Section 39.003(a)(3), (6), or (17) in response to:

(1) a complaint, allegation, or suspicion of financial or operational impropriety at a school district; or

(2) the violation of procurement policies by a member of the board of trustees of a school district or a district administrator.

(c) Notwithstanding Subchapter D, Chapter 11, or any other

1 law, during the period beginning on the date on which the
2 commissioner authorizes a special investigation to which this
3 section applies and continuing through the date on which the
4 investigation is concluded or, if applicable, the date on which an
5 appeal under this subchapter or Section 39A.301 relating to the
6 investigation is concluded, the board of trustees of the school
7 district that is the subject of the special investigation shall,
8 before entering into a contract or amending a contract, submit the
9 contract or contract amendment to the commissioner for approval if
10 the contract or amendment:

11 (1) will bind the district for more than one calendar
12 year; or

13 (2) entitles an employee of the district to a
14 severance payment.

15 (d) A court may not enjoin a requirement under this section
16 before the conclusion of a special investigation to which this
17 section applies or, if applicable, the conclusion of an appeal
18 under this subchapter or Section 39A.301 relating to the
19 investigation.

20 (e) If the commissioner makes a determination to appoint a
21 monitor, conservator, management team, or board of managers to a
22 school district as a result of a special investigation to which this
23 section applies, the commissioner may require the district to
24 submit a contract or contract amendment for approval as described
25 by Subsection (c) until the date of the appointment.

26 (f) Notwithstanding any other law, each contract or
27 contract amendment that is entered into by a school district during

1 the period described by Subsection (c) must include a provision
2 stating that the contract or amendment is voidable.

3 (g) A contract or contract amendment that is entered into by
4 a school district in violation of this section is void.

5 SECTION 2. The changes in law made by this Act apply only to
6 a contract or contract amendment entered into on or after the
7 effective date of this Act.

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