

By: Swinford

H.B. No. 1091

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the adoption of a financial management services
3 cooperatives pilot program for school districts, open-enrollment
4 charter schools, and regional education service centers.

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

6 SECTION 1. Chapter 44, Education Code, is amended by adding
7 Subchapter D to read as follows:

8 SUBCHAPTER D. FINANCIAL MANAGEMENT SERVICES COOPERATIVES PILOT
9 PROGRAM

10 Sec. 44.101. PROGRAM ESTABLISHED. The agency shall
11 establish the financial management services cooperatives pilot
12 program to:

13 (1) help individual school districts and
14 open-enrollment charter schools to operate in a more efficient,
15 cost-effective manner by forming financial management services
16 cooperatives with other school districts or open-enrollment
17 charter schools; and

18 (2) encourage school districts and open-enrollment
19 charter schools to pool their resources.

20 Sec. 44.102. PILOT PROGRAM PROCEDURE. (a) A group of school
21 districts or open-enrollment charter schools may apply to the
22 agency for a grant for the establishment of a financial management
23 services cooperative. The amount of a grant may not exceed
24 \$100,000. The agency shall make grants to not more than 10

1 applicants during the two years of the pilot program.

2 (b) The agency shall establish a procedure and develop
3 criteria for awarding grants, including whether the grants should
4 be awarded competitively or according to need.

5 (c) The agency may award a grant only to an applicant who
6 demonstrates that the proposed cooperative would:

7 (1) involve two or more school districts or
8 open-enrollment charter schools;

9 (2) significantly improve the financial services of
10 the individual school districts or open-enrollment charter schools
11 served by the cooperative; and

12 (3) remain financially viable over time.

13 Sec. 44.103. MINIMUM SIZE REQUIREMENTS. The agency shall
14 establish a minimum size requirement for each cooperative based on
15 either:

16 (1) the total number of students served by the school
17 districts or open-enrollment charter schools in the cooperative; or

18 (2) a minimum number of school districts or
19 open-enrollment charter schools that make up the cooperative.

20 Sec. 44.104. PERMISSIBLE USES OF GRANT MONEY. Applicants
21 who receive a grant under Section 44.102 may use the grant money for
22 the initial startup costs for the cooperative, including:

23 (1) one-time expenses for cooperative personnel;

24 (2) computer software or hardware; and

25 (3) other equipment that would help the cooperative
26 improve financial services for the school districts or
27 open-enrollment charter schools served by the cooperative.

1 Sec. 44.105. REGIONAL EDUCATION SERVICE CENTERS. A
2 cooperative may include a regional education service center as a
3 member of the cooperative. A regional education service center
4 that is part of a cooperative shall use any existing infrastructure
5 of financial specialists to help establish and support the
6 cooperative.

7 Sec. 44.106. PILOT PROGRAM CONTINUATION; EXPIRATION. The
8 agency at the end of the two-year pilot program shall review the
9 program's progress and make recommendations regarding the
10 continuation of the program. The agency shall include the
11 recommendations in the comprehensive annual report required by
12 Section 39.182 that is issued in 2004. This subchapter expires
13 September 1, 2005.

14 SECTION 2. (a) The Texas Education Agency shall adopt rules
15 to implement Subchapter D, Chapter 44, Education Code, as added by
16 this Act, not later than October 1, 2003. The agency shall make the
17 financial management services cooperatives pilot program available
18 for participation not later than December 1, 2003.

19 (b) This Act takes effect September 1, 2003.