

1-1 By: Dutton (Senate Sponsor - Janek) H.B. No. 1146
1-2 (In the Senate - Received from the House April 25, 2003;
1-3 April 28, 2003, read first time and referred to Committee on
1-4 Education; May 23, 2003, reported favorably, as amended, by the
1-5 following vote: Yeas 5, Nays 0; May 23, 2003, sent to printer.)

1-6 COMMITTEE AMENDMENT NO. 1 By: Janek

1-7 Amend HB 1146 by amending SECTION 1 to read as follows:

1-8 SECTION 1. Section 12.1163, Education Code, is amended by
1-9 amending Subsection (a) and adding Subsection (c) to read as
1-10 follows:

1-11 (a) To the extent consistent with this section [~~Subsection~~
1-12 ~~(b)~~], the commissioner may audit the records of:

1-13 (1) an open-enrollment charter school;

1-14 (2) a charter holder; and

1-15 (3) a management company.

1-16 (b) An audit under Subsection (a) must be limited to matters
1-17 directly related to the management or operation of an
1-18 open-enrollment charter school, including any financial and
1-19 administrative records.

1-20 (c) Unless the commissioner has specific cause to conduct an
1-21 additional audit, the commissioner may not conduct more than one
1-22 on-site audit under Section 12.1163 during any fiscal year,
1-23 including any financial and administrative records. For purposes
1-24 of this subsection, an audit of a charter holder or management
1-25 company associated with an open-enrollment charter school is not
1-26 considered an audit of the school.

1-27 A BILL TO BE ENTITLED
1-28 AN ACT

1-29 relating to a limitation on audits of an open-enrollment charter
1-30 school.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Section 12.1163, Education Code, is amended by
1-33 amending Subsection (a) and adding Subsection (c) to read as
1-34 follows:

1-35 (a) To the extent consistent with this section [~~Subsection~~
1-36 ~~(b)~~], the commissioner may audit the records of:

1-37 (1) an open-enrollment charter school;

1-38 (2) a charter holder; and

1-39 (3) a management company.

1-40 (c) Unless the commissioner has specific cause to conduct an
1-41 additional audit, the commissioner may not conduct more than one
1-42 on-site financial records audit and one on-site administrative
1-43 records audit of an open-enrollment charter school during any
1-44 fiscal year. For purposes of this subsection, an audit of a charter
1-45 holder or management company associated with an open-enrollment
1-46 charter school is not considered an audit of the school.

1-47 SECTION 2. This Act takes effect September 1, 2003.

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