

By: Shapiro

S.B. No. 929

A BILL TO BE ENTITLED

AN ACT

relating to regional education service centers.

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

SECTION 1. Subchapter A, Chapter 8, Education Code, is amended by adding Section 8.008 to read as follows:

Sec. 8.008. APPLICABILITY OF CERTAIN LAWS RELATING TO POLITICAL ACTIVITIES. A regional education service center and each center employee is subject to Chapter 556, Government Code, and for purposes of that chapter:

(1) the center is considered to be a state agency; and

(2) each center employee is considered to be a state employee.

SECTION 2. Subchapter B, Chapter 8, Education Code, is amended by adding Section 8.056 to read as follows:

Sec. 8.056. LIMITATION ON COMPENSATION FOR CERTAIN SERVICES. A regional education service center that acts as a fiscal agent or broker in connection with an agreement between two school districts under Subchapter E, Chapter 41, may not, unless authorized in writing by the district receiving transferred funds in accordance with the agreement:

(1) be compensated by the districts in an amount that exceeds the administrative cost of providing the service; or

(2) otherwise retain for use by the center any amount other than the compensation permitted under Subdivision (1) from

1 the funds transferred between the districts in accordance with the
2 agreement.

3 SECTION 3. (a) The comptroller of public accounts shall
4 contract with a consultant for a comprehensive audit of regional
5 education service centers in this state. The audit must include:

6 (1) a detailed analysis of all services provided by
7 regional education service centers that identifies, for each
8 service provided:

9 (A) the percentage of school districts receiving
10 the service;

11 (B) the costs to the regional education service
12 centers of providing the service;

13 (C) the charges imposed on school districts by
14 the regional education service centers for providing the service;
15 and

16 (D) the difference between the amount determined
17 under Paragraph (B) of this subdivision and the amount determined
18 under Paragraph (C) of this subdivision;

19 (2) an evaluation of whether any services provided by
20 a regional education service center could be provided at a lower
21 cost by an alternative service provider, as determined based on a
22 survey of potential alternative service providers;

23 (3) an analysis of the governance structures of
24 regional education service centers;

25 (4) a review of the financial condition of regional
26 education service centers and their current funding sources to
27 determine the adequacy of state appropriations to regional

1 education service centers and whether those appropriations should
2 continue to be made;

3 (5) a review of the number and geographic distribution
4 of regional education service centers;

5 (6) a review of the institutional structure of
6 regional education service centers, with consideration of whether a
7 separate system of Texas Education Agency field offices would be
8 appropriate or whether any regional education service center
9 functions should be transferred to Texas Education Agency
10 facilities; and

11 (7) an analysis of the support functions of regional
12 education service centers to determine whether support
13 requirements could be decreased through business processes or
14 application redesigns.

15 (b) Costs of the audit required by Subsection (a) of this
16 section shall be paid using amounts appropriated for the fiscal
17 biennium ending August 31, 2005, to regional education service
18 centers or to the Texas Education Agency for the costs of services
19 provided by regional education service centers, not to exceed a
20 total amount of \$750,000.

21 (c) Not later than December 1, 2004, the comptroller of
22 public accounts shall submit a report to the legislature concerning
23 the results of the audit required by Subsection (a) of this section.
24 The report must include recommendations for a regional education
25 service center funding mechanism under which at least 80 percent of
26 center funds are derived from fee-for-service contracts with school
27 districts.

1 SECTION 4. This Act takes effect September 1, 2003.