

By: Shapiro

S.B. No. 929

Substitute the following for S.B. No. 929:

By: Grusendorf

C.S.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) After consulting with the presiding
4 officers of the standing committees in the senate and house of
5 representatives responsible for public education or with one or
6 more committee staff members designated for that purpose by the
7 appropriate presiding officer, the comptroller of public accounts
8 shall contract with a consultant for a comprehensive audit of
9 regional education service centers in this state. The audit must
10 include:

11 (1) a detailed analysis of all services provided by
12 regional education service centers that identifies, for each
13 service provided:

14 (A) the percentage of school districts receiving
15 the service;

16 (B) the costs to the regional education service
17 centers of providing the service;

18 (C) the charges imposed on school districts by
19 the regional education service centers for providing the service;
20 and

21 (D) the difference between the amount determined
22 under Paragraph (B) of this subdivision and the amount determined
23 under Paragraph (C) of this subdivision;

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

1 (3) an analysis of the governance structures of
2 regional education service centers;

3 (4) a review of the financial condition of regional
4 education service centers and their current funding sources to
5 determine the adequacy of state appropriations to regional
6 education service centers and whether those appropriations should
7 continue to be made;

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

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

16 (7) an analysis of the support functions of regional
17 education service centers to determine whether support
18 requirements could be decreased through business processes or
19 application redesigns.

20 (b) The comptroller of public accounts shall provide to the
21 presiding officers of the standing committees in the senate and
22 house of representatives responsible for public education written
23 notice of each meeting concerning the contract entered into under
24 Subsection (a) of this section or the audit described by Subsection
25 (a) of this section between the comptroller or staff members of the
26 comptroller's office and the person with whom the comptroller
27 contracts under Subsection (a) or that person's designee. Each

1 presiding officer or one or more committee staff members designated
2 for that purpose by the appropriate presiding officer is entitled
3 to participate at each of those meetings.

4 (c) Costs of the audit required by Subsection (a) of this
5 section shall be paid using amounts appropriated for the fiscal
6 biennium ending August 31, 2005, to regional education service
7 centers or to the Texas Education Agency for the costs of services
8 provided by regional education service centers, not to exceed a
9 total amount of \$750,000.

10 (d) Not later than December 1, 2004, the comptroller of
11 public accounts shall submit a report to the legislature concerning
12 the results of the audit required by Subsection (a) of this section.
13 The report must include recommendations for a regional education
14 service center funding mechanism under which at least 80 percent of
15 center funds are derived from fee-for-service contracts with school
16 districts.

17 SECTION 4. Effective September 1, 2005, Chapter 8,
18 Education Code, is repealed.

19 SECTION 5. Except as otherwise provided by this Act, this
20 Act takes effect September 1, 2003.