

By: Duncan

S.B. No. 1857

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. Section 8.001(c), Education Code, is amended to read as follows:

(c) The commissioner may decide any matter concerning the operation or administration of the regional education service centers, including:

- (1) the number and location of centers; and
- (2) the regional boundaries of centers [~~, and~~]
- (3) the allocation among centers of state and federal funds administered by the agency in accordance with the provisions of this Chapter.

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

1 other than the compensation permitted under Subdivision (1) from  
2 the funds transferred between the districts in accordance with the  
3 agreement.

4 SECTION 3. Section 8.121, Education Code, is amended to  
5 read as follows:

6 Sec. 8.121. STATE FUNDING [~~FOR CORE SERVICES AND SERVICES~~  
7 ~~TO IMPROVE PERFORMANCE~~]. (a) Except as provided by Subsection  
8 (b), regional education service centers receive state financial  
9 support for services provided under Section 8.051 from money  
10 appropriated for the Foundation School Program. The commissioner  
11 shall distribute money to each regional education service center  
12 for basic costs of providing those services according to an annual  
13 allotment set by the commissioner based on:

14 (1) the minimum amount of money necessary for the  
15 operation of a center;

16 (2) an additional amount of money that reflects the  
17 size and number of campuses served by the center under Section  
18 8.051; and

19 (3) an additional amount of money that reflects the  
20 impact of the geographic size of a center's service area on the cost  
21 of providing services under Section 8.051.

22 (b) Any money appropriated by the legislature for services  
23 provided by regional education service centers or other providers,  
24 including federal funds subject to appropriation by the  
25 legislature, must be distributed directly to any school district  
26 that has an average daily attendance of 35,000 students or more for  
27 use by the district in obtaining the services from centers or other

1 providers. The commissioner shall determine the method by which  
2 money appropriated under this section is distributed. A school  
3 district that has an average daily attendance of 35,000 students or  
4 more may authorize the commissioner to distribute directly to a  
5 regional education service center the amount of funds that would  
6 otherwise be distributed to the district in accordance with this  
7 Subsection. The district may rescind its authorization at any  
8 time, and the commissioner shall promptly resume distributing funds  
9 directly to the district. [~~Each regional education service center~~  
10 ~~shall use money distributed to it under this section for the~~  
11 ~~provision of core services required under Section 8.051 or for~~  
12 ~~payment of necessary administrative and operational expenses of the~~  
13 ~~center related to the provision of those services.]~~

14 SECTION 4. Section 8.123, Education Code, is amended to  
15 read as follows:

16 Sec. 8.123. FUNDING FOR STATE INITIATIVES. (a) The  
17 legislature may appropriate money from the foundation school fund  
18 or other sources to implement initiatives identified by the  
19 legislature.

20 (b) The commissioner shall distribute funds for state  
21 initiatives to regional education service centers or to school  
22 districts within a regional service center's geographical  
23 boundaries in the following manner:

24 (1) directly to any school district that has an  
25 average daily attendance of 35,000 students or more based on that  
26 district's pro rata share of the funding based on its student  
27 attendance in relation to the total average daily attendance for

1 the regional education service center; and

2 (2) directly to an education service center for its  
3 use in carrying out the purpose of the state initiative for school  
4 districts within the region that have an average daily attendance  
5 of less than 35,000.

6 (c) A school district to which Subsection (b)(1) applies may  
7 authorize the commissioner to distribute directly to a regional  
8 education service center the amount of funds that would otherwise  
9 be distributed to the district in accordance with Subsection  
10 (b)(1). The district may rescind its authorization at any time, and  
11 the commissioner shall promptly resume distributing funds directly  
12 to the district.

13 (d) The commissioner may adopt rules governing:

14 (1) the strategies, programs, projects, and regions  
15 eligible for funding under this section; and

16 (2) ~~the amount of funds that may be~~ manner in which  
17 funds are to be distributed to a regional education service center  
18 for a specific initiative.

19 SECTION 5. (a) The comptroller shall contract with a  
20 consultant for a comprehensive review of regional education service  
21 centers in this state. The review must focus on:

22 (1) identifying core services, as described by Section  
23 8.051(d), Education Code, and other services provided by regional  
24 education service centers; and

25 (2) evaluating current and potential funding  
26 mechanisms for regional education service centers.

27 (b) Not later than December 1, 2004, the comptroller shall

1 submit a report to the legislature concerning the results of the  
2 review required by Subsection (a) of this section. The report must  
3 include recommendations for a regional education service center  
4 funding mechanism under which at least 50 percent of center funds  
5 are derived from locally funded sources.

6 SECTION 6. Sections 8.122 and 8.124 Education code, are  
7 repealed.

8 SECTION 7. This Act takes effect September 1, 2005.