

## **BILL ANALYSIS**

H.B. 1943  
By: Hegar  
Public Education  
Committee Report

### **BACKGROUND AND PURPOSE**

Currently, there are 20 Education Service Centers (ESC) in Texas. The population served by the Region 4 ESC includes over 20 percent of the state population of schoolchildren. The Region 4 ESC receives the same amount of state funds allocated to every other ESC in Texas, despite its charge to provide services to these students and the 55 school districts of which they are a part.

The Region 4 ESC has taken steps to distinguish itself by utilizing innovative models of development and service to maximize the needs of customer districts while meeting state and local initiatives. House Bill 1943 would provide greater flexibility to the Region 4 ESC, along with other ESCs that wish to participate, while still maintaining its accountability to member districts, the Region 4 ESC board, and the Commissioner of the Texas Education Agency.

HB 1943 would establish a pilot program whereby any ESC could participate. Participants in this pilot program would be given the authority to directly distribute funds to school districts, providing the school districts with the freedom to purchase services from their center or any other service provider. This bill would also subject participating ESCs to a fiscal audit to be reviewed by the Commissioner, provide flexibility for research and development funding, and may apply for grants that institutions of higher education are authorized to apply for and receive.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of Education in SECTION 4 of this bill.

### **ANALYSIS**

HB 1943 permits Education Service Centers (ESC) to direct funding to districts in order to allow school districts the freedom to purchase services. The commissioner shall establish procedures for a regional education service center to apply for approval to operate and criteria for approving or denying an application. A regional education service center is to have an annual fiscal audit which is to be submitted to the commissioner. The board of directors of a regional education service center has greater discretion in determining the amount of a fund balance the center is to maintain for use in research and development. This Act applies beginning with the 2006-2007 school year.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.