

By: Hegar

H.B. No. 1943

Substitute the following for H.B. No. 1943:

By: Eissler

C.S.H.B. No. 1943

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorizing a pilot program to permit regional
3 education service centers to distribute funds directly to school
4 districts for the purchase of services.

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

6 SECTION 1. Section 8.051(a), Education Code, is amended to
7 read as follows:

8 (a) Except as provided by Subchapter E, each ~~Each~~
9 regional education service center shall use funds distributed to
10 the center under Section 8.121 to develop, maintain, and deliver
11 services identified under this section to improve student and
12 school district performance.

13 SECTION 2. Section 8.103, Education Code, is amended to
14 read as follows:

15 Sec. 8.103. ANNUAL EVALUATION. Except as provided by
16 Subchapter E, the ~~The~~ commissioner shall conduct an annual
17 evaluation of each executive director and regional education
18 service center. Each evaluation must include:

- 19 (1) an audit of the center's finances;
- 20 (2) a review of the center's performance on the
21 indicators adopted under Section 8.101;
- 22 (3) a review of client satisfaction with services
23 provided under Subchapter B; and
- 24 (4) a review of any other factor the commissioner

1 determines to be appropriate.

2 SECTION 3. Section 8.121(c), Education Code, is amended to
3 read as follows:

4 (c) Each regional education service center shall use money
5 distributed to it under this section:

6 (1) for the provision of core services required under
7 Section 8.051;

8 (2) ~~[or]~~ for payment of necessary administrative and
9 operational expenses of the center related to the provision of core
10 ~~[those]~~ services required under Section 8.051; or

11 (3) as provided by Section 8.151, if the center is
12 approved to operate under Subchapter E.

13 SECTION 4. Chapter 8, Education Code, is amended by adding
14 Subchapter E to read as follows:

15 SUBCHAPTER E. VOLUNTARY PILOT PROGRAM ESTABLISHING ALTERNATIVE
16 METHOD OF PROVIDING SERVICES

17 Sec. 8.151. DIRECT FUNDING TO DISTRICTS PERMITTED ON
18 APPROVAL; EVALUATION. (a) A regional education service center
19 approved by the commissioner to operate under this subchapter may
20 distribute funds received under Subchapter D directly to school
21 districts in the region served by the center for the purpose of
22 providing the school districts the freedom to purchase curriculum
23 materials, professional development services, and instructional
24 technology from the center or any other service provider.

25 (b) The commissioner by rule shall establish:

26 (1) a procedure for regional education service centers
27 to apply for approval to operate under this subchapter;

1 (2) criteria for approving or denying an application
2 under this subchapter; and

3 (3) criteria for evaluating each executive director
4 and regional education service center approved to operate under
5 this subchapter.

6 Sec. 8.152. ANNUAL AUDIT. (a) At least once each year, a
7 regional education service center operating under this subchapter
8 shall have a fiscal audit performed by a certified public
9 accountant.

10 (b) A regional education service center shall submit a copy
11 of the annual audit to the commissioner for review. The
12 commissioner may:

13 (1) examine any working papers from the annual audit;
14 and

15 (2) conduct a separate audit if, after reviewing the
16 independent audit, the commissioner considers a separate audit
17 necessary.

18 (c) A regional education service center operating under
19 this subchapter is not subject to the management processes,
20 procedures, and guidelines established by and for regional
21 education service centers that do not operate under this
22 subchapter.

23 (d) A regional education service center operating under
24 this subchapter may use management processes, procedures, and
25 guidelines that are reasonable and necessary to sustain the center
26 financially.

27 (e) A regional education service center operating under

1 this subchapter is accountable to the school districts in the
2 region served by the center and the commissioner.

3 Sec. 8.153. EXPIRATION. This subchapter expires September
4 1, 2009.

5 SECTION 5. Effective September 1, 2009, Section 8.051(a),
6 Education Code, is amended to read as follows:

7 (a) Each regional education service center shall use funds
8 distributed to the center under Section 8.121 to develop, maintain,
9 and deliver services identified under this section to improve
10 student and school district performance.

11 SECTION 6. Effective September 1, 2009, Section 8.103,
12 Education Code, is amended to read as follows:

13 Sec. 8.103. ANNUAL EVALUATION. The commissioner shall
14 conduct an annual evaluation of each executive director and
15 regional education service center. Each evaluation must include:

16 (1) an audit of the center's finances;

17 (2) a review of the center's performance on the
18 indicators adopted under Section 8.101;

19 (3) a review of client satisfaction with services
20 provided under Subchapter B; and

21 (4) a review of any other factor the commissioner
22 determines to be appropriate.

23 SECTION 7. Effective September 1, 2009, Section 8.121(c),
24 Education Code, is amended to read as follows:

25 (c) Each regional education service center shall use money
26 distributed to it under this section:

27 (1) for the provision of core services required under

1 Section 8.051; or

2 (2) for payment of necessary administrative and
3 operational expenses of the center related to the provision of core
4 [~~these~~] services required under Section 8.051.

5 SECTION 8. Not later than January 1, 2006, the commissioner
6 of education shall adopt rules to authorize regional education
7 service centers to operate under Subchapter E, Chapter 8, Education
8 Code, as added by this Act.

9 SECTION 9. (a) The commissioner of education shall conduct
10 a study to review the performance of regional education service
11 centers operating under Subchapter E, Chapter 8, Education Code, as
12 added by this Act.

13 (b) Not later than January 1, 2009, the commissioner of
14 education shall report the results of the study to the governor,
15 lieutenant governor, speaker of the house of representatives, and
16 the chairs of the standing committees of each house of the
17 legislature with primary jurisdiction over public education. In
18 the report, the commissioner shall:

19 (1) state the commissioner's findings and
20 recommendations; and

21 (2) identify any opportunities for legislative or
22 administrative actions.

23 SECTION 10. This Act applies beginning with the 2006-2007
24 school year.

25 SECTION 11. Except as otherwise provided by this Act, this
26 Act takes effect immediately if it receives a vote of two-thirds of
27 all the members elected to each house, as provided by Section 39,

C.S.H.B. No. 1943

1 Article III, Texas Constitution. If this Act does not receive the
2 vote necessary for immediate effect, this Act takes effect
3 September 1, 2005, except as otherwise provided by this Act.