

By: Hegar

H.B. No. 1943

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing regional education service centers to
3 distribute funds directly to school districts for the purchase of
4 services in certain circumstances.

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 Section 8.152, 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. ALTERNATIVE METHOD OF PROVIDING SERVICES

16 Sec. 8.151. DIRECT FUNDING TO DISTRICTS PERMITTED ON
17 APPROVAL. (a) A regional education service center approved by the
18 commissioner to operate under this subchapter may distribute funds
19 received under Subchapter D directly to school districts in the
20 center's region for the purpose of providing the school districts
21 the freedom to purchase services from the center or any other
22 service provider.

23 (b) The commissioner by rule shall establish:

24 (1) a procedure for regional education service centers
25 to apply for approval to operate under this subchapter; and

26 (2) criteria for approving or denying an application
27 under this subchapter.

1 Sec. 8.152. ANNUAL AUDIT. (a) At least once each year, a
2 regional education service center operating under this subchapter
3 shall have a fiscal audit performed by a certified public
4 accountant.

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

8 (1) examine any working papers from the annual audit;
9 and

10 (2) conduct a separate audit if, after reviewing the
11 independent audit, the commissioner considers a separate audit
12 necessary.

13 (c) A regional education service center operating under
14 this subchapter is not subject to Section 8.103(1).

15 Sec. 8.153. RESEARCH AND DEVELOPMENT FUNDING. The board of
16 directors of a regional education service center operating under
17 this subchapter has discretion in determining the amount of a fund
18 balance the center maintains for funds designated for use as
19 research and development in providing services under this chapter.
20 The commissioner may not require a designated reserve fund balance
21 under this section.

22 Sec. 8.154. GRANTS TO EDUCATIONAL AGENCIES OR INSTITUTIONS.
23 Notwithstanding any other law, a regional education service center:

24 (1) may apply for and receive any state grant that an
25 institution of higher education is authorized to apply for and
26 receive; and

27 (2) is not required to collaborate with an institution

1 of higher education as a condition of receiving the grant.

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

6 SECTION 6. (a) The commissioner of education shall conduct
7 a study to review the performance of regional education service
8 centers operating under Subchapter E, Chapter 8, Education Code, as
9 added by this Act.

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

16 (1) state the commissioner's findings and
17 recommendations; and

18 (2) identify any opportunities for legislative or
19 administrative actions.

20 SECTION 7. This Act applies beginning with the 2006-2007
21 school year.

22 SECTION 8. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2005.