

BILL ANALYSIS

H.B. 2549
By: Davis, John
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Few county departments of education still exist in Texas. In counties in which they do exist, such as Harris County, the county auditor is required to audit the department at no charge to the department. This is the case even though a county education department is a separate political subdivision from the county. Its board is elected, it is not a component unit of the county as defined by governmental accounting standards, and the county has no authority to approve the department's tax rate, debt issuance, or annual budget.

H.B. 2549 eliminates the requirement that a county auditor perform a full financial audit of the county department of education, while retaining the auditor's ability to audit the financial aspects of any contract with the county. The bill also imposes a requirement that the department have a full financial audit performed by an independent auditor, with a copy provided to the county commissioner's court.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2549 amends Sections 1, 2, and 3, Chapter 87 (H.B. 502), Acts of the 58th Legislature, Regular Session, 1963 (Article 2919g-1, Vernon's Texas Civil Statutes) to increase from two million or more to three million or more the maximum population of a county in which the county auditor is authorized, rather than authorized and required, to audit all books, accounts, reports, vouchers, and other records relating to the financial aspects of any contractual relationship between the county and the county department of education, rather than to all funds handled by the county department of education. The bill requires the county auditor to make the results of such an audit public. The bill requires the county department of education to periodically have prepared by an independent auditor an audit of certain records relating to funds handled by the county department of education, rather than requiring the county auditor to, as soon as practicable, audit such records of the county department of education. The bill requires the county department of education to deliver a copy of the audit to the commissioners court of the county. The bill makes conforming changes.

H.B. 2549 authorizes, rather than requires, the county auditor to set up such methods and procedures as are necessary to conduct audits effectively.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.