

BILL ANALYSIS

C.S.H.B. 914
By: Hancock
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Open-enrollment charter schools are similar to school districts in that they receive state funds, but they are not, however, afforded some of the statutory protections afforded to school districts that help safeguard public funds from protracted litigation and sustain the financial viability of district schools. C.S.H.B. 914 seeks to ensure the proper stewardship of public funds at open-enrollment charter schools by revising the applicability of certain laws to these schools.

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

C.S.H.B. 914 amends the Education Code to establish that an open-enrollment charter school is a governmental unit as defined by the Texas Tort Claims Act and is subject to liability only as provided by that act and only in the manner that liability is provided for a school district. The bill establishes that an open-enrollment charter school is a local government as defined by statutory provisions relating to tort claims payments by local governments and requires a payment on a tort claim to comply with those provisions. The bill establishes that an open-enrollment charter school is a local governmental entity as defined by statutory provisions relating to the adjudication of claims arising under written contracts with local governmental entities and subject to liability on a contract only in the manner as provided by those provisions for a school district.

C.S.H.B. 914 establishes that an open-enrollment charter school is considered to be a local government for purposes of the Interlocal Cooperation Act; a local government for purposes of statutory provisions relating to self-insurance by governmental units, except that a charter school is prohibited from issuing public securities for the establishment of a self-insurance fund; and a political subdivision for purposes of the Texas Political Subdivision Employees Uniform Group Benefits Act. The bill authorizes an open-enrollment charter school to elect to extend workers' compensation benefits to employees of the school through any method available to a political subdivision under state law, but prohibits an open-enrollment charter school that self-insures either individually or collectively under statutory provisions relating to workers' compensation insurance coverage for employees of political subdivisions from providing workers' compensation medical benefits to injured employees by directly contracting with health care providers or by contracting through a health benefits pool established under the Texas Political Subdivision Employees Uniform Group Benefits Act. The bill establishes that an open-enrollment charter school that elects to extend such benefits is considered to be a political subdivision for all purposes under statutory provisions relating to workers' compensation insurance coverage for employees of political subdivisions. The bill establishes that an open-enrollment charter school that self-insures either individually or collectively under statutory provisions relating to workers' compensation insurance coverage for employees of political subdivisions is considered to be an insurance carrier for purposes of the Texas Workers'

Compensation Act.

C.S.H.B. 914 makes a nonsubstantive change.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 914 contains a provision not included in the original prohibiting an open-enrollment charter school that self-insures either individually or collectively under certain statutory provisions from providing workers' compensation medical benefits to injured employees by directly contracting with health care providers or by contracting through a health benefits pool established under the Texas Political Subdivision Employees Uniform Group Benefits Act. The substitute contains a provision not included in the original establishing that such an open-enrollment charter school is considered to be an insurance carrier for purposes of the Texas Workers' Compensation Act.