

BILL ANALYSIS

C.S.H.B. 284
By: Zedler
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, there has been criticism of the financial practices of certain public school districts, particularly with regard to financial transparency. These parties assert that, despite the state's investment of many billions of dollars in public education funding, transparent district expenditure information is not uniformly available for the public to properly gauge the state's investment. C.S.H.B. 284 seeks to address this criticism by requiring a school district's checking account register to be maintained online in a searchable portable document format and to be made available in such format to any interested person who requests the data under the state's public information law.

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. 284 amends the Education Code to require a school district, other than a district with a student enrollment of fewer than 500 students in kindergarten through grade 12, to maintain and to post on the district's Internet website, the transaction register for the district's checking account in a searchable portable document format (PDF) in which the transaction register is readily available for online viewing and downloading by any interested person and is able to be shared by the district, as required under the bill's provisions, with any person who requests the data under the state's public information law. The bill requires a school district to post at all times on the home page of the district's Internet website a prominent and direct link to the webpage on that website that contains the electronic checking account transaction for such viewing and downloading.

C.S.H.B. 284 requires, with certain exceptions, the electronic checking account transaction register to include for each check written from the district checking account the transaction amount and the name of the payee. The bill prohibits a school district from including in such a transaction register a check issued to a district employee in payment of salary, wages, or an employment stipend or a workers' compensation income benefit, medical benefit, death benefit, or burial benefit that is issued by a school district operating as a self-insurer under statutory provisions relating to workers' compensation insurance coverage for employees of political subdivisions and exempts from the bill's provisions a checking account maintained by a school district or school campus solely for a student activity fund. The bill establishes a deadline for a school district to update the electronic checking account transaction register and a retention period for the maintenance of each transaction or listing in that transaction register on the district's website.

C.S.H.B. 284 adds a temporary provision, set to expire September 1, 2014, to require a school district's electronic checking account transaction register to contain the transaction amount and the name of the payee for each check dated on or after August 1, 2013, beginning September 1,

2013.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 284 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Sections 44.0031 through 44.0035 to read as follows:

Sec. 44.0031. ELECTRONIC CHECKING ACCOUNT TRANSACTION REGISTER.

(a) A school district shall maintain the transaction register for the district's checking account in a searchable **electronic spreadsheet format** in which the transaction register is readily available for purposes of Subsections (e) and (f). Except as provided by Subsection (c) or (d), the electronic checking account transaction register must include for each check written from a district checking account:

(1) the transaction amount;

(2) the check number;

(3) the name of the payee; and

(4) either:

(A) a statement of the purpose of the expenditure for which the check was written;
or

(B) identification of the purpose of the expenditure, using the function code assigned to the expenditure for purposes of meeting state reporting requirements.

(a-1) **Notwithstanding Subsection (a), beginning September 1, 2013, a school district's electronic checking account transaction register must contain the information required by Subsections (a)(1), (2), and (3) for each check dated on or after August 1, 2013. Beginning September 1, 2014, a district's electronic checking account transaction register must contain the information required by Subsections (a)(1) through (4) for each check dated on or after August 1, 2014. This subsection expires October 1, 2014.**

(b) If a school district complies with

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.0031 to read as follows:

Sec. 44.0031. ELECTRONIC CHECKING ACCOUNT TRANSACTION REGISTER.

(a) A school district shall maintain the transaction register for the district's checking account in a searchable **portable document format (PDF)** in which the transaction register is readily available for purposes of Subsections (d) and (e). Except as provided by Subsection (b) or (c), the electronic checking account transaction register must include for each check written from a district checking account:

(1) the transaction amount; and

(2) the name of the payee.

(a-1) **Beginning September 1, 2013, a school district's electronic checking account transaction register must contain the information required by Subsection (a) for each check dated on or after August 1, 2013. This subsection expires September 1, 2014.**

Subsection (a)(4) in the manner provided by Subsection (a)(4)(B), the district shall post on the district's Internet website:

(1) a description of each function code used for state reporting requirements; or

(2) a link to a page on the agency's Internet website that describes each function code used for state reporting requirements.

(c) A school district may not include in the district's electronic checking account transaction register a check issued to a district employee in payment of:

(1) salary, wages, or an employment stipend; or

(2) a workers' compensation income benefit, medical benefit, death benefit, or burial benefit that is issued by a school district operating as a self-insurer under Chapter 504, Labor Code.

(d) This section does not apply to a checking account maintained by a school district or school campus solely for a student activity fund.

(e) A school district shall prominently post the electronic checking account transaction register at all times on the district's Internet website for viewing and downloading by interested persons.

(f) A school district shall share data from the electronic checking account transaction register with any interested person who requests the data under Chapter 552, Government Code.

(g) A school district shall:

(1) update the electronic checking account transaction register not later than the 90th day after the closing date of the most recent monthly statement for the checking account; and

(2) maintain each transaction or listing in the electronic checking account transaction register on the district's Internet website until the second anniversary of the date of the transaction or listing.

Sec. 44.0032. POSTING OF DISTRICT CREDIT CARD TRANSACTIONS. (a) A school district shall post on the district's Internet website a monthly listing of each transaction made using a credit card issued to:

(1) the district; or

(2) a district officer or employee for use in

(b) A school district may not include in the district's electronic checking account transaction register a check issued to a district employee in payment of:

(1) salary, wages, or an employment stipend; or

(2) a workers' compensation income benefit, medical benefit, death benefit, or burial benefit that is issued by a school district operating as a self-insurer under Chapter 504, Labor Code.

(c) This section does not apply to a checking account maintained by a school district or school campus solely for a student activity fund.

(d) A school district shall prominently post at all times on the home page of the district's Internet website a direct link to the web page on the district's website that contains the district's electronic checking account transaction register for viewing and downloading by interested persons.

(e) A school district shall share data from the electronic checking account transaction register with any interested person who requests the data under Chapter 552, Government Code.

(f) A school district shall:

(1) update the electronic checking account transaction register not later than the 90th day after the closing date of the most recent monthly statement for the checking account; and

(2) maintain each transaction or listing in the electronic checking account transaction register on the district's Internet website until the second anniversary of the date of the transaction or listing.

No equivalent provision.

connection with district business.

(b) The listing of credit card transactions under Subsection (a) must include, for each transaction:

(1) the month and year of the transaction;

(2) the amount of the transaction; and

(3) the name of the payee.

(c) A school district may comply with Subsection (a) by posting a credit card statement on the district's Internet website. Before posting a credit card statement as permitted by this subsection, a school district shall remove or obliterate:

(1) the name of the credit card issuer;

(2) the credit card number;

(3) the name of the person to whom the credit card is issued;

(4) the day of the month on which each transaction shown was made; and

(5) the expiration date of the credit card.

(d) A school district shall:

(1) post each credit card transaction not later than the 30th day after the first date the district pays any portion of the balance due shown on the credit card statement that contains the transaction; and

(2) maintain the listing of a credit card transaction on the district's Internet website until the second anniversary of the date of the transaction.

(e) A school district shall post on the district's Internet website the first monthly listing of credit card transactions by listing each transaction on the first monthly statement the district receives that covers a billing period that ends after August 1, 2013. This subsection expires December 1, 2013.

Sec. 44.0033. POSTING OF DISTRICT EMPLOYEE COMPENSATION INFORMATION. (a) In this section, "compensation" means salaries, wages, and employment stipends.

(b) Not later than the 30th day after the date the agency posts the information submitted by the district under the Public Education Information Management System (PEIMS), a school district shall post on the district's Internet website a listing of the total amounts budgeted for district employees' compensation for the school year, grouped by the following categories of employees:

(1) prekindergarten and kindergarten teachers;

(2) elementary school teachers;

(3) secondary school teachers;

- (4) special education teachers;
- (5) educational supervisors;
- (6) counselors;
- (7) educational diagnosticians;
- (8) librarians;
- (9) nurses and physicians;
- (10) therapists;
- (11) psychologists and associate psychologists;
- (12) educational support personnel other than those listed in Subdivisions (5) through (11);
- (13) administrative or instructional officers;
- (14) principals;
- (15) assistant principals;
- (16) superintendents;
- (17) assistant superintendents;
- (18) educational aides; and
- (19) all other employees.

(c) For each category of employees under Subsection (b), the district shall post:

- (1) the number of full-time employees; and
- (2) the average compensation.

(d) A school district shall maintain the employee compensation information for a school year on the district's Internet website until the district posts the information for the following school year.

Sec. 44.0034. POSTING OF DISTRICT FUND BALANCES. (a) A school district shall post on the district's Internet website a statement of the district's obligated and unobligated fund balances.

(b) A school district shall:

- (1) update the statement of fund balances at least once each month; and
- (2) maintain each statement of fund balances on the district's Internet website until the second anniversary of the date of the statement.

Sec. 44.0035. EXEMPTION FOR CERTAIN SCHOOL DISTRICTS. A school district with a student enrollment of fewer than 500 students in kindergarten through grade 12 is not required to comply with Sections 44.0031 through 44.0034.

(g) A school district with a student enrollment of fewer than 500 students in kindergarten through grade 12 is not required to comply with this section.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the 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, 2013.

SECTION 2. Same as introduced version.