

BILL ANALYSIS

Senate Research Center
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S.B. 1230
By: Creighton
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under Texas law school districts are not currently required to maintain public transaction registers. It would be helpful for both the local residents and the state to see where and how local school districts are spending their taxpayer dollars. Local residents and parents could have a more effective say in their school districts if they knew how the district was spending. Likewise, the state could more effectively judge school finance and funding if it were made aware of how local districts were operating financially.

S.B. 1230 would require the 50 most populous districts in the state to maintain online check and credit card registers available on their district websites. Information on the registry would include the recipient, the amount of payment, and the purpose of the payment. S.B. 1230 requires school districts to post on their websites 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; (13) administrative or instructional officers; (14) principals; (15) assistant principals; (16) superintendents; (17) assistant superintendents; (18) educational aides; and (19) all other employees. For each of the employment categories, the district must post the number of full-time employees and the average compensation.

As proposed, S.B. 1230 amends current law relating to the availability of certain school district financial information on certain districts' Internet websites.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 44, Education Code, by adding Subchapter D, as follows:

SUBCHAPTER D. FINANCIAL DISCLOSURE

Sec. 44.101. **APPLICABILITY.** Provides that this subchapter applies only to a school district that is ranked among the 50 highest in student enrollment, as determined by the commissioner of education (commissioner).

Sec. 44.102. **ELECTRONIC CHECKING ACCOUNT TRANSACTION REGISTER.**
(a) Requires a school district to maintain the transaction register for the district's checking account in a searchable electronic spreadsheet format, such as a portable document format (PDF) or similar file type, in which the transaction register is readily available for purposes of Subsections (e) and (f). Requires that the electronic checking account transaction register, except as provided by Subsection (c) or (d), include for each check written from a district checking account:

- (1) the transaction amount;
- (2) the name of the payee; and
- (3) 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) Requires that a school district's electronic checking account transaction register, notwithstanding Subsection (a), beginning September 1, 2015, contain the information required by Subsections (a)(1) and (2) for each check dated on or after August 1, 2015. Requires that a district's electronic checking account transaction register, beginning September 1, 2016, contain the information required by Subsections (a)(1) through (3) for each check dated on or after August 1, 2016. Provides that this subsection expires October 1, 2016.

(b) Requires the district, if the school district complies with Subsection (a)(3) in the manner provided by Subsection (a)(3)(B), to 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) Prohibits a school district from including 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 (Workers' Compensation Insurance Coverage for Employees of Political Subdivisions), Labor Code.

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

(e) Requires a school district to 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) Requires a school district to share data from the electronic checking account transaction register with any interested person who requests the data.

(g) Requires a school district to:

- (1) update the electronic checking account transaction register at least once each month, not later than the 30th 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. 44.103. POSTING OF DISTRICT CREDIT CARD TRANSACTIONS. (a) Requires a school district to 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 connection with district business.

(b) Requires the listing of credit card transactions under Subsection (a) to 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) Provides that a school district may comply with Subsection (a) by posting a credit card statement on the district's Internet website. Requires a school district, before posting a credit card statement as permitted by this subsection, to 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 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) Requires a school district to:

- (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) Requires a school district to 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, 2015. Provides that this subsection expires December 1, 2015.

Sec. 44.104. POSTING OF DISTRICT EMPLOYEE COMPENSATION INFORMATION. (a) Defines "compensation."

(b) Requires a school district, 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), to 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 other than those listed in Subdivision (1);
- (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) Requires the district, for each category of employees under Subsection (b), to post:

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

(d) Requires a school district to 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. 44.105. POSTING OF DISTRICT FUND BALANCES. (a) Requires a school district to post on the district's Internet website a statement of the district's obligated and unobligated fund balances.

(b) Requires a school district to:

- (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.

(c) Provides that a school district should maintain minimum fund balances equal to at least two months of the district's operating budget.

SECTION 2. Effective date: upon passage or September 1, 2015.