

BILL ANALYSIS

S.B. 1122
By: Huffines
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties raise concerns regarding certain county boards of education, boards of county school trustees, and offices of county school superintendent. S.B. 1122 seeks to address these concerns by providing for the abolishment of certain such entities unless continued by voters at an election.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

S.B. 1122 abolishes each county board of education, board of county school trustees, and office of county school superintendent in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 800,000, effective November 15, 2017, unless the continuation of the county board of education, board of county school trustees, and office of county school superintendent is approved by a majority of voters at an election held on the November 2017 uniform election date in the county in which those entities are located. The bill's remaining provisions relating to the abolishment of such entities do not take effect in a county if the continuation of those entities is approved at such an election.

S.B. 1122 requires a dissolution committee to be formed not later than November 15, 2017, for each county board of education or board of county school trustees to be abolished and makes the applicable committee responsible for all financial decisions for each county board of education or board of county school trustees abolished by the bill, including asset distribution and payment of all debt obligations. The bill requires such a committee to be appointed by the comptroller of public accounts and provides for a committee's composition. The bill prohibits committee members from receiving compensation but entitles committee members to certain reimbursement. The bill subjects such a committee to open meetings requirements and public information requirements under applicable law.

S.B. 1122 requires the dissolution committee, subject to the bill's other requirements, to determine the manner in which all assets, liabilities, contracts, and services of the county board of education or board of county school trustees abolished by the bill are divided, transferred, or discontinued. The bill requires the dissolution committee to create a sinking fund to deposit all money received in the abolishment of each county board of education or board of county school trustees for the payment of all debts of the county board of education or board of county school trustees.

S.B. 1122 requires the dissolution committee to continue providing transportation services to participating component school districts for the 2017-2018 school year and to maintain current operations and personnel needed to provide the transportation services. The bill requires all school buses, vehicles, and bus service centers to be transferred at the end of the 2017-2018 school year to participating component school districts at no cost to the districts and in proportionate shares equal to the proportion that the membership in each district bears to total membership in the county as of September 1, 2018.

S.B. 1122 authorizes the dissolution committee to employ for the 2017-2018 school year one person to assist in the abolishment of the county board of education or board of county school trustees. The bill, on September 1, 2017, grants the participating component school district with the largest number of students in average daily attendance the right of first refusal to buy, at fair market value, the administrative building of the county board of education or board of county school trustees.

S.B. 1122 requires a property tax assessed by a county board of education or board of county school trustees to continue to be assessed by the county on behalf of the applicable board for the purpose of paying the principal of and interest on any bonds issued by the county board of education or board of county school trustees until all bonds are paid in full. The bill limits this requirement to a bond issued before the bill's effective date for which the tax receipts were obligated and, on payment of all bonds issued by the county board of education or board of county school trustees, prohibits the property tax from being assessed. The bill requires the county, in the manner provided by rule of the commissioner of education, to collect and use any delinquent taxes imposed by or on behalf of the county board of education or board of county school trustees. The bill requires the dissolution committee to distribute the assets remaining after discharge of the liabilities of the county board of education or board of county school trustees to the component school districts in the county in proportionate shares equal to the proportion that the membership in each district bears to total membership in the county as of September 1, 2017. The bill requires the dissolution committee to liquidate board assets as necessary to discharge board liabilities and facilitate the distribution of assets and requires a person authorized by the dissolution committee to execute any documents necessary to complete the transfer of assets, liabilities, or contracts.

S.B. 1122 requires the dissolution committee to encourage the component school districts to continue sharing services received through the county board of education or board of county school trustees and to give preference to private sector contractors to continue services provided by the county board of education or board of county school trustees. The bill requires the chief financial officer and financial advisor for the county board of education or board of county school trustees to provide assistance to the dissolution committee in abolishing the county board of education or board of county school trustees and requires the Texas Education Agency to provide assistance to a dissolution committee in the distribution of assets, liabilities, contracts, and services of a county board of education or board of county school trustees abolished by the bill. The bill abolishes any dissolution committee created as provided by the bill on the date all debt obligations of the county board of education or board of county school trustees are paid in full and all assets distributed to component school districts.

S.B. 1122 repeals Chapter 266 (S.B. 394), Acts of the 40th Legislature, Regular Session, 1927 (Article 2700a, Vernon's Texas Civil Statutes), relating to the salary and office expenses of the superintendent of public instruction in all counties with a population of 210,000 or more according to the last preceding federal census.

EFFECTIVE DATE

September 1, 2017.