

1-1 By: Bettencourt S.B. No. 1886  
 1-2 (In the Senate - Filed March 10, 2017; March 23, 2017, read  
 1-3 first time and referred to Committee on Education; May 1, 2017,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 11, Nays 0; May 1, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Taylor of Galveston	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell	X			
1-11 Hall	X			
1-12 Huffines	X			
1-13 Hughes	X			
1-14 Seliger	X			
1-15 Taylor of Collin	X			
1-16 Uresti	X			
1-17 West	X			

1-19 COMMITTEE SUBSTITUTE FOR S.B. No. 1886 By: Bettencourt

1-20 A BILL TO BE ENTITLED  
 1-21 AN ACT

1-22 relating to the oversight of public education, including the  
 1-23 creation of the office of inspector general at the Texas Education  
 1-24 Agency.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Chapter 7, Education Code, is amended by adding  
 1-27 Subchapter E to read as follows:

1-28 SUBCHAPTER E. OFFICE OF INSPECTOR GENERAL

1-29 Sec. 7.151. DEFINITIONS. In this subchapter:

1-30 (1) "Fraud" means an intentional deception or  
 1-31 misrepresentation made by a person with the knowledge that the  
 1-32 deception could result in some unauthorized benefit to that person  
 1-33 or some other person. The term includes any act that constitutes  
 1-34 fraud under applicable federal or state law.

1-35 (2) "Office" means the office of inspector general  
 1-36 established under this subchapter.

1-37 Sec. 7.152. OFFICE OF INSPECTOR GENERAL. (a) The office  
 1-38 of inspector general is established as a division within the  
 1-39 agency.

1-40 (b) The commissioner shall appoint an inspector general to  
 1-41 serve as director of the office. The inspector general serves until  
 1-42 removed by the commissioner.

1-43 Sec. 7.153. GENERAL RESPONSIBILITIES. (a) The office is  
 1-44 responsible for the investigation, prevention, and detection of  
 1-45 criminal misconduct and wrongdoing and of fraud, waste, and abuse  
 1-46 in the administration of public education by:

1-47 (1) school districts, including school districts  
 1-48 described by Section 11.301(a);

1-49 (2) open-enrollment charter schools;

1-50 (3) regional education service centers;

1-51 (4) county systems described by Section 11.301(a); and

1-52 (5) other local education agencies in this state.

1-53 (b) The office shall investigate allegations of fraud,  
 1-54 waste, and abuse and violations of this code or other law.

1-55 (c) The office may:

1-56 (1) conduct criminal, civil, and administrative  
 1-57 investigations and initiate reviews of:

1-58 (A) a school district, including a school  
 1-59 district described by Section 11.301(a);

1-60 (B) an open-enrollment charter school;

2-1 (C) a regional education service center;  
 2-2 (D) a county system described by Section  
 2-3 11.301(a); or  
 2-4 (E) any other local education agency as  
 2-5 considered appropriate by the inspector general;  
 2-6 (2) receive and investigate complaints from any source  
 2-7 on its own initiative; and  
 2-8 (3) conduct special accreditation investigations  
 2-9 authorized by the commissioner under Section 39.057(a).

2-10 (d) The office shall perform all other duties and exercise  
 2-11 all other powers granted to the office by this subchapter or another  
 2-12 law.

2-13 Sec. 7.154. GENERAL POWERS. The office has all the powers  
 2-14 necessary or appropriate to carry out its responsibilities and  
 2-15 functions under this subchapter and other law.

2-16 Sec. 7.155. SUBPOENAS. (a) The inspector general may  
 2-17 issue a subpoena to compel the attendance of a relevant witness at a  
 2-18 hearing or deposition under this subchapter or to compel the  
 2-19 production, for inspection or copying, of books, papers, records,  
 2-20 documents, or other relevant materials, including electronic data,  
 2-21 in connection with an investigation, review, hearing, or deposition  
 2-22 conducted under this subchapter.

2-23 (b) A subpoena may be served personally or by certified  
 2-24 mail. If a person fails to comply with a subpoena, the inspector  
 2-25 general, acting through the attorney general, may file suit to  
 2-26 enforce the subpoena in a district court in this state.

2-27 (c) On finding that good cause exists for issuing the  
 2-28 subpoena, the court shall order the person to comply with the  
 2-29 subpoena. The court may hold in contempt a person who fails to obey  
 2-30 the court order.

2-31 Sec. 7.156. COOPERATION WITH LAW ENFORCEMENT OFFICIALS AND  
 2-32 OTHER ENTITIES. (a) The office may provide information and  
 2-33 evidence relating to criminal acts to the State Auditor's Office  
 2-34 and appropriate law enforcement officials.

2-35 (b) The office may refer matters for further civil,  
 2-36 criminal, and administrative action to appropriate administrative  
 2-37 and prosecutorial agencies, including the attorney general.

2-38 SECTION 2. Subchapter G, Chapter 11, Education Code, is  
 2-39 amended by adding Section 11.305 to read as follows:

2-40 Sec. 11.305. OVERSIGHT OF CERTAIN ENTITIES. (a) Each  
 2-41 school district or county system described by Section 11.301(a)  
 2-42 shall provide a report to the agency not later than February 27 of  
 2-43 each year. The annual report must include, at a minimum:

2-44 (1) a summary of the district's or system's operations  
 2-45 for the preceding fiscal year; and

2-46 (2) the district's or system's financial statements,  
 2-47 audited by a certified public accountant, for the preceding fiscal  
 2-48 year.

2-49 (b) The commissioner may direct the agency to investigate a  
 2-50 school district or county system described by Section 11.301(a) for  
 2-51 potential fraud, waste, or abuse.

2-52 (c) If after an investigation described by Subsection (b)  
 2-53 the commissioner determines that a school district or county system  
 2-54 has engaged in fraud, waste, or abuse and the school district or  
 2-55 county system does not timely correct the fraud, waste, or abuse to  
 2-56 the satisfaction of the commissioner, the commissioner may replace  
 2-57 the governing board of the school district or county system with a  
 2-58 board of managers in accordance with Chapter 39 and rules adopted  
 2-59 under that chapter.

2-60 (d) If a school district or county system described by  
 2-61 Section 11.301(a) discovers an instance of fraud, waste, or abuse,  
 2-62 the school district or county system shall report the fraud, waste,  
 2-63 or abuse to the agency not later than the 20th day after the date the  
 2-64 fraud, waste, or abuse is discovered.

2-65 (e) If a school district or county system described by  
 2-66 Section 11.301(a) fails to file an annual report under Subsection  
 2-67 (a) or fails to report fraud, waste, or abuse under Subsection (d),  
 2-68 the commissioner may replace the governing board of the school  
 2-69 district or county system with a board of managers in accordance

3-1 with Chapter 39 and rules adopted under that chapter.

3-2 (f) The commissioner may adopt rules as necessary to  
3-3 implement this section.

3-4 SECTION 3. Section 39.057(a), Education Code, is amended to  
3-5 read as follows:

3-6 (a) The commissioner may authorize special accreditation  
3-7 investigations to be conducted:

3-8 (1) when excessive numbers of absences of students  
3-9 eligible to be tested on state assessment instruments are  
3-10 determined;

3-11 (2) when excessive numbers of allowable exemptions  
3-12 from the required state assessment instruments are determined;

3-13 (3) in response to complaints submitted to the agency  
3-14 with respect to alleged violations of civil rights or other  
3-15 requirements imposed on the state by federal law or court order;

3-16 (4) in response to established compliance reviews of  
3-17 the district's financial accounting practices and state and federal  
3-18 program requirements;

3-19 (5) when extraordinary numbers of student placements  
3-20 in disciplinary alternative education programs, other than  
3-21 placements under Sections 37.006 and 37.007, are determined;

3-22 (6) in response to an allegation involving a conflict  
3-23 between members of the board of trustees or between the board and  
3-24 the district administration if it appears that the conflict  
3-25 involves a violation of a role or duty of the board members or the  
3-26 administration clearly defined by this code;

3-27 (7) when excessive numbers of students in special  
3-28 education programs under Subchapter A, Chapter 29, are assessed  
3-29 through assessment instruments developed or adopted under Section  
3-30 39.023(b);

3-31 (8) in response to an allegation regarding or an  
3-32 analysis using a statistical method result indicating a possible  
3-33 violation of an assessment instrument security procedure  
3-34 established under Section 39.0301, including for the purpose of  
3-35 investigating or auditing a school district under that section;

3-36 (9) when a significant pattern of decreased academic  
3-37 performance has developed as a result of the promotion in the  
3-38 preceding two school years of students who did not perform  
3-39 satisfactorily as determined by the commissioner under Section  
3-40 39.0241(a) on assessment instruments administered under Section  
3-41 39.023(a), (c), or (l);

3-42 (10) when excessive numbers of students eligible to  
3-43 enroll fail to complete an Algebra II course or any other advanced  
3-44 course as determined by the commissioner;

3-45 (11) when resource allocation practices as evaluated  
3-46 under Section 39.0821 indicate a potential for significant  
3-47 improvement in resource allocation;

3-48 (12) when a disproportionate number of students of a  
3-49 particular demographic group is graduating with a particular  
3-50 endorsement under Section 28.025(c-1);

3-51 (13) when an excessive number of students is  
3-52 graduating with a particular endorsement under Section  
3-53 28.025(c-1);

3-54 (14) in response to a complaint submitted to the  
3-55 agency with respect to alleged inaccurate data that is reported  
3-56 through the Public Education Information Management System (PEIMS)  
3-57 or through other reports required by state or federal law or rule or  
3-58 court order and that is used by the agency to make a determination  
3-59 relating to public school accountability, including accreditation,  
3-60 under this chapter; ~~or~~

3-61 (15) by the office of inspector general for the  
3-62 purpose of investigating allegations of fraud, waste, and abuse in  
3-63 the administration of public education; or

3-64 (16) as the commissioner otherwise determines  
3-65 necessary.

3-66 SECTION 4. This Act takes effect September 1, 2017.

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