

Amend CSHB 3 (house committee printing) by adding the following appropriately numbered SECTION to Article 1 of the bill and renumbering subsequent SECTIONS of that article accordingly:

SECTION 1.____. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1142 to read as follows:

Sec. 12.1142. EFFICIENCY AUDIT. (a) For purposes of this section, "efficiency audit" means an investigation of the operations of an open-enrollment charter school to examine fiscal management and efficiency.

(b) The governing body of an open-enrollment charter school shall conduct an efficiency audit before:

(1) requesting approval from the commissioner for a revision to the school's charter or an expansion amendment under Section 12.114; or

(2) establishing a new open-enrollment charter school campus under Section 12.101(b-4).

(c) The open-enrollment charter school must:

(1) pay for the costs associated with an efficiency audit required under this section; and

(2) post the results of the efficiency audit on the open-enrollment charter school's Internet website before taking an action described by Subsection (b).

(d) An auditor selected by the governing body of an open-enrollment charter school must maintain independence from the school and complete the audit not later than three months after the date the auditor was selected.

(e) An open-enrollment charter school shall provide all documents, records, and personnel requested by the auditor as needed to conduct the audit in an efficient manner. If an open-enrollment charter school fails to timely comply with this subsection, the auditor shall report the school's failure to the agency and the governing body of the school.