

By: Smithee

H.B. No. 3444

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the reporting of allegations of fraud, waste, abuse, or
3 other malfeasance in the use of public resources by public and
4 private institutions of higher education for the purpose of
5 compliance monitoring by the Texas Higher Education Coordinating
6 Board.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Section 61.035, Education Code, is amended by
9 amending Subsection (h) and adding Subsections (h-1), (h-2), and
10 (h-3) to read as follows:

11 (h) In conducting the compliance monitoring function under
12 this section, the board may partner with internal audit offices at
13 institutions of higher education and private or independent
14 institutions of higher education, as institutional resources
15 allow, to examine the institutions' use of funds allocated by, and
16 data reported to, the board.

17 (h-1) To avoid duplication of effort and assist the board in
18 identifying risk:

19 (1) [7] an internal auditor at an institution shall
20 notify the board of any audits conducted by the auditor involving
21 funds administered by the board or data reported to the board; and

22 (2) the state auditor shall notify the board of the
23 receipt of any allegation of fraud, waste, abuse, or other
24 malfeasance or improper practice relating to the use, expenditure,

1 or management of public funds or other public resources by an
2 institution of higher education or a private or independent
3 institution of higher education and shall provide to the board a
4 copy of the allegation and any final report regarding the
5 allegation.

6 (h-2) The board by rule may prescribe the timing and format
7 of the notifications [~~notification~~] required by Subsection (h-1)
8 [~~this subsection~~].

9 (h-3) The board by rule shall require a private or
10 independent institution of higher education to provide to the board
11 the institution's external audit involving funds administered by
12 the board. The private or independent institution of higher
13 education's external audit must comply with the board's rules for
14 auditing those funds.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2019.