

Amend CSSB 8 (senate committee report), in SECTION 2.002 of the bill, adding Subchapter J, Chapter 29, Education Code, as follows:

(1) Strike added Section 29.363, Education Code (page 15, line 57, through page 16, line 5), and substitute the following appropriately numbered section:

Sec. 29.____. AUDITING. (a) The comptroller shall contract with a private entity to audit accounts and student eligibility data not less than once per year to ensure compliance with applicable law and program requirements. The audit must include a review of:

(1) a certified educational assistance organization's internal controls over program transactions; and

(2) compliance by:

(A) program participants with the requirements of Section 29.357; and

(B) certified educational assistance organizations with the requirements of Section 29.354.

(b) In conducting an audit, the private entity may require a program participant or a certified educational assistance organization to provide information and documentation regarding any transaction occurring under the program.

(c) The private entity shall report to the comptroller any violation of this subchapter or other relevant law, including any transactions the entity determines to be unusual or suspicious, found by the entity during an audit conducted under this section. The comptroller shall report the violation or transaction to:

(1) the applicable certified educational assistance organization;

(2) the education service provider or vendor of educational products, as applicable; and

(3) the parent of each child participating in the program who is affected by the violation or transaction.

(2) Strike added Section 29.364(d), Education Code (page 16, lines 24 through 28), and substitute the following appropriately lettered subsection:

(__) The comptroller may recover money distributed under

the program that was used for expenses not allowed under Section 29.359 or for a child who was not eligible to participate in the program at the time of the expenditure. The money may be recovered from the program participant or the entity that received the money in accordance with Subtitles A and B, Title 2, Tax Code, or as provided by other law if the program participant's account is suspended or closed under this section. The comptroller shall deposit money recovered under this subsection to the credit of the program fund.

(3) Strike added Section 29.366, Education Code (page 16, lines 39 through 44), and substitute the following appropriately numbered section:

Sec. 29.____. REFERRAL TO DISTRICT ATTORNEY. If the comptroller obtains evidence of fraudulent use of an account or money distributed under the program by a certified educational assistance organization or program participant, the comptroller shall notify the appropriate local county or district attorney with jurisdiction over the principal place of business of the certified educational assistance organization or the residence of the program participant, as applicable.