88R3563 JTZ-D

By:  Hall S.B. No. 392

A BILL TO BE ENTITLED

AN ACT

relating to transparency in certain legal proceedings and contracts involving a school district and a limit on legal fees that may be spent by a school district in certain legal proceedings.

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

SECTION 1.  Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.045 to read as follows:

Sec. 44.045.  DISCLOSURE OF CONTRACTS NOT COMPETITIVELY BID. (a) The board of trustees of a school district shall post on the district's Internet website information regarding each contract for which the district did not use competitive bidding to select a vendor.

(b)  The information required under Subsection (a) must include:

(1)  the amount to be paid by the district under the contract;

(2)  the person to whom the contract is awarded; and

(3)  the duration of the contract.

SECTION 2.  Subchapter Z, Chapter 44, Education Code, is amended by adding Section 44.903 to read as follows:

Sec. 44.903.  BOARD AUTHORIZATION TO SETTLE OR CONTEST LAWSUITS; REPORTS TO AGENCY. (a) This section applies only to:

(1)  a lawsuit against a school district involving:

(A)  a dispute over the amount of property taxes owed to the district;

(B)  a violation of parental rights;

(C)  the acquisition of property; or

(D)  a dispute between the district and a district employee; or

(2)  a due process complaint against a school district alleging a violation of federal or state special education laws.

(b)  Except as otherwise provided by this section, a school district may not spend more than $10,000 in legal fees to defend the district in a legal proceeding to which this section applies.

(c)  If a school district spends an amount in legal fees to defend the district in a legal proceeding to which this section applies that is at least 80 percent of the limit imposed by Subsection (b) and intends to continue the proceeding, the district superintendent shall submit to the board of trustees of the district a report that:

(1)  states that the current cost in legal fees in the proceeding is approaching the limit imposed by Subsection (b); and

(2)  includes:

(A)  a summary of the facts, legal claims, defenses, and relief sought in the proceeding; and

(B)  an estimate of the total amount in legal fees that will be required to defend the district in the proceeding.

(d)  A report submitted under Subsection (c) is confidential and not subject to disclosure under Chapter 552, Government Code.

(e)  As soon as practicable after receipt of a report under Subsection (c), the board of trustees of the school district shall:

(1)  direct the district to settle the legal proceeding before the total cost in legal fees exceeds the limit imposed by Subsection (b); or

(2)  authorize the district to spend an amount in legal fees in excess of the limit imposed by Subsection (b) to defend the district in the legal proceeding.

(f)  Each month, a school district shall post on the district's Internet website and submit to the agency a report regarding each ongoing legal proceeding to which this section applies for which the district's legal fees exceed the limit imposed by Subsection (b), including:

(1)  the general subject matter of the proceeding; and

(2)  the total amount of legal fees incurred by the district for the proceeding as of the date on which the report is made.

(g)  A report required under Subsection (f) may not include personally identifiable student information and must comply with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

(h)  Each month, the agency shall compile and post on the agency's Internet website the information reported to the agency under Subsection (f) for the preceding month. The information must be both aggregated statewide and disaggregated by school district.

(i)  The commissioner may adopt rules as necessary to implement this section.

SECTION 3.  Section 44.903, Education Code, as added by this Act, applies only to a legal proceeding to which that section applies that is filed on or after the effective date of this Act.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.