

By: Hall

S.B. No. 392

A BILL TO BE ENTITLED

AN ACT

1
2 relating to transparency in certain legal proceedings and contracts
3 involving a school district and a limit on legal fees that may be
4 spent by a school district in certain legal proceedings.

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

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

8 Sec. 44.045. DISCLOSURE OF CONTRACTS NOT COMPETITIVELY BID.

9 (a) The board of trustees of a school district shall post on the
10 district's Internet website information regarding each contract
11 for which the district did not use competitive bidding to select a
12 vendor.

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

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

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

18 (3) the duration of the contract.

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

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

23 (1) a lawsuit against a school district involving:

24 (A) a dispute over the amount of property taxes

1 owed to the district;

2 (B) a violation of parental rights;

3 (C) the acquisition of property; or

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

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

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

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

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

19 (2) includes:

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

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

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

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

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

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

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

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

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

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

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

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

26 SECTION 3. Section 44.903, Education Code, as added by this
27 Act, applies only to a legal proceeding to which that section

1 applies that is filed on or after the effective date of this Act.

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