

## **BILL ANALYSIS**

C.S.H.B. 4359  
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Delivery of Government Efficiency  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee that effective stewardship of taxpayer dollars is a fundamental principle of good governance, particularly when it comes to funding public education. Further, school districts in Texas receive significant financial support from state and local taxpayers, making it essential that these funds are utilized efficiently to maximize educational outcomes for students, and one challenge in educational funding is ensuring that dollars allocated to school districts are used primarily for instructional purposes. The bill author has also informed the committee that, unfortunately, there are often stark differences between districts in how much of their budget directly supports student learning, with administrative overhead or inefficiencies in some cases consuming funds that could otherwise enhance classroom instruction.

C.S.H.B. 4359 seeks to address these issues by requiring the Sunset Advisory Commission to review and perform periodic forensic audits of selected school districts, focusing specifically on those with the lowest and highest instructional spending per student within a given education service center region. By subjecting both ends of the spending spectrum to the same scrutiny, the bill not only seeks to identify problematic practices but also highlight models of efficiency that could serve as best practices for other districts. Further, the goal of this balanced approach is to ensure that audits are not seen as punitive but as part of a broader effort to optimize the use of educational resources.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4359 amends Government Code to require the Sunset Advisory Commission to review the operations and conduct a forensic audit of certain independent school districts or consolidated school districts. The bill establishes that a school district identified for review by the sunset commission is subject to the requirements of the Texas Sunset Act as if it was a state agency but may not be abolished.

C.S.H.B. 4359 requires the sunset commission to do the following:

- review two school districts each review cycle;
- not later than October 31 of each odd-numbered year, select an education service center region from which the school districts to be reviewed will be selected;

- review the school districts within the selected region that have the lowest instructional spending per student and highest instructional spending per student, respectively, according to the most recent information reported to the Texas Education Agency; and
- prepare a report identifying areas of each district's operations that do not effectively or efficiently use the district's funds and that detract from instructional spending and make recommendations to address its findings.

The bill authorizes the sunset commission's review to include recommendations related to the district's governance, management, operating structure, and compliance with legislative requirements.

C.S.H.B. 4359 defines "education service center region" as a geographic region served by a regional education service center established under applicable statute.

#### **EFFECTIVE DATE**

September 1, 2025.

#### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

C.S.H.B. 4359 differs from the introduced in minor or nonsubstantive ways by conforming to certain bill drafting conventions.