

BILL ANALYSIS

Senate Research Center

S.B. 2927
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Education K-16
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1882 (2017) created incentives for school districts to partner with eligible open-enrollment charter schools, higher education institutions, nonprofits, or government entities, allowing more students to benefit from innovative educational approaches. Under S.B. 1882, qualifying campuses can receive enhanced state funding and a two-year exemption from certain accountability interventions, thereby encouraging districts and their partners to explore unique models that improve student outcomes. However, to maximize these benefits, clear expectations and strong planning are crucial.

S.B. 2927 refines existing provisions to ensure that S.B. 1882 partnerships are structured for long-term success. By requiring a thorough vetting process—including accurate projections of student enrollment, transparent shared service fees, and direct pass-through of federal funds—this legislation promotes financial clarity and accountability. Additionally, it provides the Texas Education Agency authority to offer guidance and conduct audits, further safeguarding the program's integrity. These measures help districts and charter partners enter into contracts with confidence, ensuring that students, families, and taxpayers truly benefit from the innovative opportunities S.B. 1882 intended.

As proposed, S.B. 2927 amends current law relating to a contract regarding the operation of a school district campus.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.174, Education Code, by adding Subsections (o) and (p) and amending Subsection (h), as follows:

(h) Requires that a contract, rather than a contract subject to Subsection (i) (relating to requiring that the contract of a certain campus establish certain enrollment preference for certain students), entered into by the board of trustees of a school district and the governing body of an open-enrollment charter school or entity for the operation of a district campus as provided by Subsection (a) (relating to providing that a district campus qualifies for an exemption from intervention and funding if the board of trustees takes certain actions):

(1) engage in a thorough vetting process, including exercising due diligence to assess performance, cultural alignment, and shared goals to ensure accurate projections of student enrollment, average daily attendance, and associated costs to minimize financial discrepancies and clearly state any shared service fees and include a formula for any adjustment based on actual use or changes in the student population;

(2) require that all federal money received by the district for a student at the campus under the Americans with Disabilities Act of 1990 (42 U.S.C. Section

12101 et seq.), Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Section 6301 et seq.), and any other supplementary funding identified in the contract is passed directly from the district to the school or entity, without any deduction that is not specifically authorized in the contract; and

(3) creates this subdivision from existing text; subject to Subsection (i), include a provision addressing student eligibility for enrollment.

(o) Provides that each school year for which the board of trustees of a school district enters into a contract to partner with an open-enrollment charter school or entity to operate a district campus under Subsection (a) the district and open-enrollment charter school or entity are required to conduct a financial review of the partnership and reconcile all payments for the operation of the partnership at the end of the school year.

(p) Provides that the Texas Education Agency is authorized to provide guidance to school districts, open-enrollment charter schools, and entities described by Subsection (a)(2) (relating to an entity, on approval by the commissioner of education, granted a certain charter by the district) on contracts to partner to operate a district campus under Subsection (a) and to audit a partnership to operate a district campus under Subsection (a).

SECTION 2. Provides that a contract entered into or renewed before the effective date of this Act is governed by the law in effect on the date the contract was entered into or renewed, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2025.