

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2927
By: Creighton
Education K-16
4/15/2025
Committee Report (Substituted)

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.

(Original Author's/Sponsor's Statement of Intent)

C.S.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 amending Subsection (h) and adding Subsections (o) and (p), 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) be executed only after the district engages in a vetting process and ensures accurate projections of student enrollment, average daily attendance, and associated costs to minimize financial discrepancies;
- (2) clearly state any shared service fees and include a formula for any adjustment based on actual use or changes in the student population;

(3) 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

(4) subject to Subsection (i), include a provision addressing student eligibility for enrollment.

(o) Requires a school district and open-enrollment charter school or entity, for each school year for which the board of trustees of the school district enters into a contract to partner with the school or entity to operate a district campus under Subsection (a), 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) Authorizes the Texas Education Agency 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 audit a partnership to operate a district campus under Subsection (a).

SECTION 2. Makes application of Section 11.174(h), Education Code, as amended by this Act, and Section 11.174(o), Education Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.