By: Hinojosa of Hidalgo S.B. No. 418

A BILL TO BE ENTITLED

AN ACT

relating to the approval by the commissioner of education of and terms of certain contracts or contract amendments entered into by a school district during the pendency of certain special investigations authorized by the commissioner.

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

SECTION 1. Subchapter A, Chapter 39, Education Code, is amended by adding Section 39.0041 to read as follows:

Sec. 39.0041. COMMISSIONER APPROVAL OF CERTAIN SCHOOL DISTRICT CONTRACTS DURING PENDENCY OF CERTAIN SPECIAL INVESTIGATIONS. (a) In this section, "severance payment" means any amount paid by a school district to or in behalf of a district employee on early termination of the employee's employment contract that exceeds the amount earned by the employee under the contract as of the date of termination, including any amount that exceeds the amount of earned standard salary and benefits, that is paid as a condition of early termination of the contract.

(b) This section applies to a special investigation conducted under Section 39.003 in response to:

(1) a complaint, allegation, or suspicion of financial or operational impropriety at a school district; or

(2) the violation of procurement policies by a member of the board of trustees of a school district or a district administrator.

(c) Notwithstanding Subchapter D, Chapter 11, or any other law, during the period beginning on the date on which the commissioner authorizes a special investigation to which this section applies and continuing through the date on which the investigation is concluded or, if applicable, the date on which an appeal under this subchapter or Section 39A.301 relating to the investigation is concluded, the board of trustees of the school district that is the subject of the special investigation shall, before entering into a contract or amending a contract, submit the contract or contract amendment to the commissioner for approval if the contract or amendment:

(1) will bind the district for more than one calendar year; or

(2) entitles an employee of the district to a severance payment.

(d) On the date on which the commissioner authorizes a special investigation to which this section applies, the commissioner shall notify the comptroller's statewide procurement division regarding the investigation and the school district subject to the requirements of this section. The commissioner may instruct the division to keep the contents of a notification provided under this subsection confidential.

(e) A court may not enjoin a requirement under this section before the conclusion of a special investigation to which this section applies or, if applicable, the conclusion of an appeal under this subchapter or Section 39A.301 relating to the investigation.

(f) If the commissioner makes a determination to appoint a monitor, conservator, management team, or board of managers to a school district as a result of a special investigation to which this section applies, the commissioner may require the district to submit a contract or contract amendment for approval as described by Subsection (c) until the date of the appointment.

(g) Notwithstanding any other law, each contract or contract amendment that is entered into by a school district during the period described by Subsection (c) must include a provision stating that the contract or amendment is voidable by the district.

(h) A contract or contract amendment that is entered into by a school district in violation of this section is void.

SECTION 2. The changes in law made by this Act apply only to a contract or contract amendment entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2027.