By: Miles S.B. No. 465

A BILL TO BE ENTITLED

AN ACT

relating to the misuse of money received for an open-enrollment charter school to support an out-of-state school.

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

SECTION 1. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1075 to read as follows:

Sec. 12.1075. MISUSE OF MONEY FOR OUT-OF-STATE SCHOOL. (a) A charter holder may not spend money received for an open-enrollment charter school under Section 12.106 to support a school located outside this state. This subsection does not apply to money spent under a contract to provide goods or services to the open-enrollment charter school for which the money was received.

(b) If the commissioner determines that a charter holder has violated this section, the commissioner shall withhold from the amount to which the charter holder is entitled under Section 12.106 for the school year during which the violation occurred an amount equal to three times the amount spent in violation of this section. The commissioner may adjust the charter holder's entitlement under that section for subsequent school years as necessary to recover any remaining amount owed.

SECTION 2. Section 12.115(c), Education Code, is amended to read as follows:

(c) The commissioner shall revoke the charter of an open-enrollment charter school if the charter holder has:

(1) [~~the charter holder has~~] been assigned an unacceptable performance rating under Subchapter C, Chapter 39, for the three preceding school years;

(2) [~~the charter holder has~~] been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance lower than satisfactory for the three preceding school years; [~~or~~]

(3) [~~the charter holder has~~] been assigned any combination of the ratings described by Subdivision (1) or (2) for the three preceding school years; or

(4) spent at least $100,000 in violation of Section 12.1075.

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