

AN ACT

relating to regional education service centers.

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

SECTION 1. Subchapter A, Chapter 8, Education Code, is amended by adding Sections 8.008, 8.009, and 8.010 to read as follows:

Sec. 8.008. APPLICABILITY OF CERTAIN LAWS RELATING TO POLITICAL ACTIVITIES. A regional education service center and each center employee is subject to Chapter 556, Government Code, and for purposes of that chapter:

- (1) the center is considered to be a state agency; and
- (2) each center employee is considered to be a state employee.

Sec. 8.009. APPLICABILITY OF CERTAIN LAWS RELATING TO CONFLICT OF INTEREST. (a) A member of the board of directors and the executive director of a regional education service center are each considered to be a local public official for purposes of Chapter 171, Local Government Code. For purposes of that chapter a member of the board of directors and the executive director of a regional education service center are each considered to have a substantial interest in a business entity if a person related to the member or the executive director in the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest in the business entity

1 under Section 171.002, Local Government Code.

2 (b) A regional education service center is considered to be  
3 a political subdivision for purposes of Section 131.903, Local  
4 Government Code.

5 (c) To the extent consistent with this section, if a law  
6 described by this section applies to a school district or the board  
7 of trustees of a school district, the law applies to a regional  
8 education service center and the board of directors and executive  
9 director of a regional education service center.

10 Sec. 8.010. SUNSET PROVISION. (a) Notwithstanding any  
11 other law, regional education service centers are subject to  
12 Chapter 325, Government Code (Texas Sunset Act). Unless continued  
13 in existence as provided by that chapter, the regional education  
14 service centers are abolished and this chapter expires September 1,  
15 2005. Review of regional education service centers under this  
16 section shall be conducted in conjunction with review of the agency  
17 under Section 7.004.

18 (b) To assist the Sunset Advisory Commission in its review,  
19 the comptroller shall conduct a review of the regional education  
20 service centers and report the results of the review to the  
21 commission not later than June 1, 2004. The comptroller shall  
22 consult with the commission regarding the scope of the review. The  
23 comptroller shall also transmit the report to the presiding  
24 officers of the standing committees in the senate and house of  
25 representatives responsible for public education.

26 SECTION 2. Subchapter B, Chapter 8, Education Code, is  
27 amended by adding Section 8.056 to read as follows:

1           Sec. 8.056. LIMITATION ON COMPENSATION FOR CERTAIN  
2 SERVICES. A regional education service center that acts as a fiscal  
3 agent or broker in connection with an agreement between two school  
4 districts under Subchapter E, Chapter 41, may not, unless  
5 authorized in writing by the district receiving transferred funds  
6 in accordance with the agreement:

7           (1) be compensated by the districts in an amount that  
8 exceeds the administrative cost of providing the service; or

9           (2) otherwise retain for use by the center any amount  
10 other than the compensation permitted under Subdivision (1) from  
11 the funds transferred between the districts in accordance with the  
12 agreement.

13           SECTION 3. (a) The comptroller of public accounts shall  
14 contract with a consultant for a comprehensive audit of regional  
15 education service centers in this state. The audit must include:

16           (1) a detailed analysis of all services provided by  
17 regional education service centers that identifies, for each  
18 service provided:

19                   (A) the percentage of school districts receiving  
20 the service;

21                   (B) the costs to the regional education service  
22 centers of providing the service;

23                   (C) the charges imposed on school districts by  
24 the regional education service centers for providing the service;  
25 and

26                   (D) the difference between the amount determined  
27 under Paragraph (B) of this subdivision and the amount determined

1 under Paragraph (C) of this subdivision;

2 (2) an evaluation of whether any services provided by  
3 a regional education service center could be provided at a lower  
4 cost by an alternative service provider, as determined based on a  
5 survey of potential alternative service providers;

6 (3) an analysis of the governance structures of  
7 regional education service centers;

8 (4) a review of the financial condition of regional  
9 education service centers and their current funding sources to  
10 determine the adequacy of state appropriations to regional  
11 education service centers and whether those appropriations should  
12 continue to be made;

13 (5) a review of the number and geographic distribution  
14 of regional education service centers;

15 (6) a review of the institutional structure of  
16 regional education service centers, with consideration of whether a  
17 separate system of Texas Education Agency field offices would be  
18 appropriate or whether any regional education service center  
19 functions should be transferred to Texas Education Agency  
20 facilities; and

21 (7) an analysis of the support functions of regional  
22 education service centers to determine whether support  
23 requirements could be decreased through business processes or  
24 application redesigns.

25 (b) Costs of the audit required by Subsection (a) of this  
26 section shall be paid using amounts appropriated for the fiscal  
27 biennium ending August 31, 2005, to regional education service

1 centers or to the Texas Education Agency for the costs of services  
2 provided by regional education service centers, not to exceed a  
3 total amount of \$750,000.

4 (c) Not later than June 1, 2004, the comptroller of public  
5 accounts shall submit a report to the legislature concerning the  
6 results of the audit required by Subsection (a) of this section.

7 SECTION 4. This Act takes effect September 1, 2003.

Raid Newkirk  
President of the Senate

Jim Caddick  
Speaker of the House

I hereby certify that S.B. No. 929 passed the Senate on May 7, 2003, by a viva-voce vote; May 30, 2003, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 31, 2003, House granted request of the Senate; June 1, 2003, Senate adopted Conference Committee Report by a viva-voce vote.

Patsy Law  
Secretary of the Senate

I hereby certify that S.B. No. 929 passed the House, with amendments, on May 28, 2003, by a non-record vote; May 31, 2003, House granted request of the Senate for appointment of Conference Committee; June 1, 2003, House adopted Conference Committee Report by a non-record vote.

Robert Haney  
Chief Clerk of the House

Approved:

18 JUN '03

Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:30 P.M. O'CLOCK

JUN 18 2003  
Ann Shea  
Secretary of State