

1-1 By: Bettencourt S.B. No. 1886
1-2 (In the Senate - Filed March 10, 2017; March 23, 2017, read
1-3 first time and referred to Committee on Education; May 1, 2017,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 11, Nays 0; May 1, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
Taylor of Galveston	X			
Lucio	X			
Bettencourt	X			
Campbell	X			
Hall	X			
Huffines	X			
Hughes	X			
Seliger	X			
Taylor of Collin	X			
Uresti	X			
West	X			

1-19 COMMITTEE SUBSTITUTE FOR S.B. No. 1886 By: Bettencourt

1-20 A BILL TO BE ENTITLED
1-21 AN ACT

1-22 relating to the oversight of public education, including the
1-23 creation of the office of inspector general at the Texas Education
1-24 Agency.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Chapter 7, Education Code, is amended by adding
1-27 Subchapter E to read as follows:

1-28 SUBCHAPTER E. OFFICE OF INSPECTOR GENERAL

1-29 Sec. 7.151. DEFINITIONS. In this subchapter:

1-30 (1) "Fraud" means an intentional deception or
1-31 misrepresentation made by a person with the knowledge that the
1-32 deception could result in some unauthorized benefit to that person
1-33 or some other person. The term includes any act that constitutes
1-34 fraud under applicable federal or state law.

1-35 (2) "Office" means the office of inspector general
1-36 established under this subchapter.

1-37 Sec. 7.152. OFFICE OF INSPECTOR GENERAL. (a) The office
1-38 of inspector general is established as a division within the
1-39 agency.

1-40 (b) The commissioner shall appoint an inspector general to
1-41 serve as director of the office. The inspector general serves until
1-42 removed by the commissioner.

1-43 Sec. 7.153. GENERAL RESPONSIBILITIES. (a) The office is
1-44 responsible for the investigation, prevention, and detection of
1-45 criminal misconduct and wrongdoing and of fraud, waste, and abuse
1-46 in the administration of public education by:

1-47 (1) school districts, including school districts
1-48 described by Section 11.301(a);

1-49 (2) open-enrollment charter schools;

1-50 (3) regional education service centers;

1-51 (4) county systems described by Section 11.301(a); and

1-52 (5) other local education agencies in this state.

1-53 (b) The office shall investigate allegations of fraud,
1-54 waste, and abuse and violations of this code or other law.

1-55 (c) The office may:

1-56 (1) conduct criminal, civil, and administrative
1-57 investigations and initiate reviews of:

1-58 (A) a school district, including a school

1-59 district described by Section 11.301(a);

1-60 (B) an open-enrollment charter school;

11.301(a); or

(C) a regional education service center;
(D) a county system described by Section

considered appropriate by the inspector general;
(2) receive and investigate complaints from any source
on its own initiative; and
(3) conduct special accreditation investigations
authorized by the commissioner under Section 39.057(a).

(d) The office shall perform all other duties and exercise all other powers granted to the office by this subchapter or another law.

Sec. 7.154. GENERAL POWERS. The office has all the powers necessary or appropriate to carry out its responsibilities and functions under this subchapter and other law.

Sec. 7.155. SUBPOENAS. (a) The inspector general may issue a subpoena to compel the attendance of a relevant witness at a hearing or deposition under this subchapter or to compel the production, for inspection or copying, of books, papers, records, documents, or other relevant materials, including electronic data, in connection with an investigation, review, hearing, or deposition conducted under this subchapter.

(b) A subpoena may be served personally or by certified mail. If a person fails to comply with a subpoena, the inspector general, acting through the attorney general, may file suit to enforce the subpoena in a district court in this state.

(c) On finding that good cause exists for issuing the subpoena, the court shall order the person to comply with the subpoena. The court may hold in contempt a person who fails to obey the court order.

Sec. 7.156. COOPERATION WITH LAW ENFORCEMENT OFFICIALS AND OTHER ENTITIES. (a) The office may provide information and evidence relating to criminal acts to the State Auditor's Office and appropriate law enforcement officials.

(b) The office may refer matters for further civil, criminal, and administrative action to appropriate administrative and prosecutorial agencies, including the attorney general.

SECTION 2. Subchapter G, Chapter 11, Education Code, is amended by adding Section 11.305 to read as follows:

Sec. 11.305. OVERSIGHT OF CERTAIN ENTITIES. (a) Each school district or county system described by Section 11.301(a) shall provide a report to the agency not later than February 27 of

each year. The annual report must include, at a minimum:

(1) a summary of the district's or system's operations for the preceding fiscal year; and

(2) the district's or system's financial statements, audited by a certified public accountant, for the preceding fiscal year.

year. (b) The commissioner may direct the agency to investigate a school district or county system described by Section 11.301(a) for potential fraud, waste, or abuse.

(c) If after an investigation described by Subsection (b) the commissioner determines that a school district or county system has engaged in fraud, waste, or abuse and the school district or county system does not timely correct the fraud, waste, or abuse to the satisfaction of the commissioner, the commissioner may replace the governing board of the school district or county system with a board of managers in accordance with Chapter 39 and rules adopted under that chapter.

(d) If a school district or county system described by Section 11.301(a) discovers an instance of fraud, waste, or abuse, the school district or county system shall report the fraud, waste, or abuse to the agency not later than the 20th day after the date the fraud, waste, or abuse is discovered.

(e) If a school district or county system described by Section 11.301(a) fails to file an annual report under Subsection (a) or fails to report fraud, waste, or abuse under Subsection (d), the commissioner may replace the governing board of the school district or county system with a board of managers in accordance

3-1 with Chapter 39 and rules adopted under that chapter.

3-2 (f) The commissioner may adopt rules as necessary to
3-3 implement this section.

3-4 SECTION 3. Section 39.057(a), Education Code, is amended to
3-5 read as follows:

3-6 (a) The commissioner may authorize special accreditation
3-7 investigations to be conducted:

3-8 (1) when excessive numbers of absences of students
3-9 eligible to be tested on state assessment instruments are
3-10 determined;

3-11 (2) when excessive numbers of allowable exemptions
3-12 from the required state assessment instruments are determined;

3-13 (3) in response to complaints submitted to the agency
3-14 with respect to alleged violations of civil rights or other
3-15 requirements imposed on the state by federal law or court order;

3-16 (4) in response to established compliance reviews of
3-17 the district's financial accounting practices and state and federal
3-18 program requirements;

3-19 (5) when extraordinary numbers of student placements
3-20 in disciplinary alternative education programs, other than
3-21 placements under Sections 37.006 and 37.007, are determined;

3-22 (6) in response to an allegation involving a conflict
3-23 between members of the board of trustees or between the board and
3-24 the district administration if it appears that the conflict
3-25 involves a violation of a role or duty of the board members or the
3-26 administration clearly defined by this code;

3-27 (7) when excessive numbers of students in special
3-28 education programs under Subchapter A, Chapter 29, are assessed
3-29 through assessment instruments developed or adopted under Section
3-30 39.023(b);

3-31 (8) in response to an allegation regarding or an
3-32 analysis using a statistical method result indicating a possible
3-33 violation of an assessment instrument security procedure
3-34 established under Section 39.0301, including for the purpose of
3-35 investigating or auditing a school district under that section;

3-36 (9) when a significant pattern of decreased academic
3-37 performance has developed as a result of the promotion in the
3-38 preceding two school years of students who did not perform
3-39 satisfactorily as determined by the commissioner under Section
3-40 39.0241(a) on assessment instruments administered under Section
3-41 39.023(a), (c), or (l);

3-42 (10) when excessive numbers of students eligible to
3-43 enroll fail to complete an Algebra II course or any other advanced
3-44 course as determined by the commissioner;

3-45 (11) when resource allocation practices as evaluated
3-46 under Section 39.0821 indicate a potential for significant
3-47 improvement in resource allocation;

3-48 (12) when a disproportionate number of students of a
3-49 particular demographic group is graduating with a particular
3-50 endorsement under Section 28.025(c-1);

3-51 (13) when an excessive number of students is
3-52 graduating with a particular endorsement under Section
3-53 28.025(c-1);

3-54 (14) in response to a complaint submitted to the
3-55 agency with respect to alleged inaccurate data that is reported
3-56 through the Public Education Information Management System (PEIMS)
3-57 or through other reports required by state or federal law or rule or
3-58 court order and that is used by the agency to make a determination
3-59 relating to public school accountability, including accreditation,
3-60 under this chapter; [or]

3-61 (15) by the office of inspector general for the
3-62 purpose of investigating allegations of fraud, waste, and abuse in
3-63 the administration of public education; or

3-64 (16) as the commissioner otherwise determines
3-65 necessary.

3-66 SECTION 4. This Act takes effect September 1, 2017.

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