

## **BILL ANALYSIS**

Senate Research Center  
85R5004 CAE-D

S.B. 1605  
By: Creighton  
Education  
4/25/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, school districts are not required to maintain public transaction registers. Also, school districts are not required to report teacher salaries to anyone other than Texas Education Agency, the Teacher Retirement System of Texas, and the Internal Revenue Service. It would be helpful for both the local residents and the state to see where and how local school districts are spending their taxpayer dollars. Local residents and parents could have a more effective say in their school districts if they knew how the district was spending. Likewise, the state is able to budget school finance money more effectively if it is clear how local districts are operating financially.

S.B. 1605 requires the 50 most populous districts in the state to maintain an electronic database of their district finances. This requirement matches the Traditional Finances Guidelines Star of the Transparency Stars Program under the Texas comptroller of public accounts.

Background for the committee:

- Currently eight of the 50 largest independent school districts (ISDs) have received the Traditional Finances Guidelines Star
- 21 ISDs have received the Traditional Finances Guidelines Star
- ISDs, counties, cities, special purpose districts, and community colleges have received (and can apply for) the Traditional Finances Guidelines Star

As proposed, S.B. 1605 amends current law relating to the availability of certain school district financial information on certain districts' Internet websites.

### **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 Chapter 44, Education Code, by adding Subchapter D, as follows:

#### **SUBCHAPTER D. FINANCIAL DISCLOSURE**

Sec. 44.101. **APPLICABILITY.** Provides that this subchapter applies only to a school district that is ranked among the 50 highest in student enrollment, as determined by the commissioner of education (commissioner).

Sec. 44.102. **FINANCIAL DISCLOSURE.** (a) Requires a school district to maintain on the district's Internet website an electronic database of district finances. Requires that the database include certain information.

(b) Requires that district budget data be formatted in a manner that allows any person using the district's Internet website to perform an analysis of the data.

(c) Requires that the district's financial report for the current fiscal year be posted not later than the first anniversary of the end of the fiscal year.

(d) Requires a school district to take certain actions regarding financial information.

SECTION 2. Effective date: September 1, 2017.