

- SUBJECT:** Limiting liability for directors of the Charter School Finance Corporation
- COMMITTEE:** Investments and Financial Services — committee substitute recommended
- VOTE:** 7 ayes — Parker, Longoria, Capriglione, Flynn, Landgraf, Pickett, Stephenson
- 0 nays
- WITNESSES:** For — None
- Against — None
- On — (*Registered, but did not testify*: Lee Deviney, Kevin Van Oort, Texas Public Finance Authority)
- BACKGROUND:** Education Code, sec. 53.351 directs the Texas Public Finance Authority to create a nonprofit corporation for the purpose of issuing bonds to pay for the acquisition, construction, repair, or renovation of open-enrollment charter schools. The Texas Public Finance Authority is required to appoint the directors of the Charter School Finance Corporation in consultation with the commissioner of education.
- Government employees enjoy certain immunities from liability for actions taken in the performance of their duties. The directors of the Charter School Finance Corporation serve without compensation for their work with the corporation, so they are not considered government employees. Thus, many of the protections available to traditional government employees do not apply to them.
- DIGEST:** CSHB 2851 would amend the Education Code so that the directors, officers, or employees of the Charter School Finance Corporation would not be held personally liable for:
- damage, loss, or injury resulting from the performance of their duties;
 - or

- any commitment or agreement that they had executed on behalf of the Charter School Finance Corporation.

The bill would amend Education Code, sec. 51.351(b) to require that any appointment made to the Charter School Finance Corporation by the Texas Public Finance Authority be subject to the approval of the governor.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.