

## **BILL ANALYSIS**

Senate Research Center  
77R2690 BDH-D

C.S.S.B. 646  
By: Bivins  
Education  
3/22/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

C.S.S.B. 646 adds a completion rate for grades 9 through 12 to the list of Academic Excellence Indicators to be used in the state's accountability system, institutes a comprehensive annual audit of dropout records, and repeals the provisions requiring the Texas Education Agency to prepare a projection of estimated dropout rates for the next five years.

### **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. Reenacts and amends Section 39.051 (b), Education Code, as amended by Chapters 396, 397, and 1422, Acts of the 76th Legislature, Regular Session, 1999, to add language specifying that dropout rates, including dropout rates and district completion rates for grade levels 9 through 12, are required to be included in the indicators adopted under this section.

SECTION 2. Amends Chapter 39C, Education Code, by adding Section 39.055, as follows:

Sec. 39.055. ANNUAL AUDIT OF DROPOUT RECORDS; REPORT. (a) Requires the board of trustees of each school district to have the district's dropout record audited annually at district expense by a public accountant or certified public account who meets certain requirements.

(b) Requires the audit of dropout records (audit) to be completed following the end of each school year.

(c) Requires the audit to meet at least the minimum requirements and be in the format prescribed by the commissioner of education (commissioner), subject to review and comment by the state auditor.

(d) Requires a copy of the report of the audit, approved by the district's board of trustees, to be filed by the district with the Texas Education Agency (agency) not later than the 90th day after the last day permissible for resubmission of information required under Section 42.006. Requires the board of trustees to file with the agency a copy of the report with the board's statement giving detailed reasons for not approving the report, if the board declines or refuses to approve the report.

(e) Requires the agency to review reports of audits of dropout records. Requires the commissioner to notify the board of trustees of a school district of any objections the commissioner has to the report, violations of sound accounting practices or law and rule requirements revealed by the report. Requires the commissioner, if the report reflects that penal laws have been violated, to notify the county attorney, district attorney, or

criminal district attorney, as appropriate, and the attorney general. Entitles the commissioner to access all district records the commissioner considers necessary and appropriate for review, analysis, and approval of the reports.

SECTION 3. Amends Section 39.182 (a), Education Code, to add language regarding a statement of the completion rates of students for grade levels 9 through 12 to be included in the report covering the preceding two school years including certain information.

SECTION 4. Requires each school district to have its dropout records audited as required by Section 39.055, Education Code, as added by this Act, beginning with dropout records for the 2001-2002 school year.

SECTION 5. Requires that not later than February 1, 2002, the Texas Education Agency develop a training program for public accountants and certified public accountants in auditing public school dropout records under Section 39.055, Education Code, as added by this Act, and make the training program readily available to public accountants and certified public accountants throughout this state.

SECTION 6. Effective date: September 1, 2001.

### **SUMMARY OF COMMITTEE CHANGES**

Differs from original in SECTION 2, Section 39.055(d), Education Code, by changing the language to require a copy of the report of the audit of dropout records to be filed by the district with the Texas Education Agency not later than the 90th day after the last day permissible for resubmission of information required under Section 42.006, rather than the 120th day after the end of the school year for which the audit was made.

Differs from original in SECTION 3, Section 39.182(a), Education Code, by restoring items required to be included in the report on the completion rates of students for grade levels 9-12 that were deleted in the original.

Differs from original by deleting original SECTION 4 that made conforming changes in Section 39.185, Education Code, relating to the items originally deleted from SECTION 3.

Renumbers original SECTION 5, 6, and 7 to SECTIONS 4, 5, and 6, relating to application of this Act and the effective date of the Act.