

**Report of the State Board of Education
Committee on School Finance/Permanent School Fund
April 16, 2020**

(School Finance Items)

The State Board of Education Committee on School Finance/Permanent School Fund conducted a virtual meeting at 3:46 p.m. on Thursday, April 16, 2020. Attendance was noted as follows:

Present: Tom Maynard, chair; Lawrence A. Allen, Jr., vice chair; Donna Bahorich; Patricia Hardy; Ken Mercer

Public Testimony

The Committee on School Finance received no presentations of public testimony.

ACTION ITEMS

- 1. Proposed Repeal of 19 TAC Chapter 105, Foundation School Program, Subchapter B, Use of State Funds (Second Reading and Final Adoption) .**
(Board agenda page III-1)
[Official agenda item #10]

David Marx, director, financial compliance, explained that the proposed repeals would implement House Bill (HB) 3, 86th Texas Legislature, 2019, which removed the State Board of Education's rulemaking authority related to maximum allowable indirect costs and the basic allotment for the Foundation School Program.

MOTION AND VOTE: *It was moved by Mr. Allen, seconded by Mrs. Bahorich, and carried unanimously to recommend that the State Board of Education approve for second reading and final adoption the proposed repeal of 19 Texas Administrative Code (TAC) Chapter 105, Foundation School Program, Subchapter B, Use of State Funds; and*

Make an affirmative finding that immediate adoption of the proposed repeal of 19 TAC Chapter 105, Foundation School Program, Subchapter B, Use of State Funds, is necessary and shall have an effective date of 20 days after filing as adopted with the Texas Register.

- 2. Proposed Amendment to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter B, Texas Education Agency Audit Functions, §109.23, School District Independent Audits and Agreed-Upon Procedures (First Reading and Filing Authorization)**
(Board agenda page III-5)
[Official agenda item #11]

Mr. Marx presented this item for first reading and filing authorization. Mr. Marx explained that the proposed amendment would reflect changes made by HB 1520, 86th Texas Legislature, 2019, which eliminated the requirement for out-of-state certified public accountancy (CPA) firms to be licensed in Texas. Mr. Maynard commented on the item.

MOTION AND VOTE: *It was moved by Mr. Allen and carried unanimously to recommend that the State Board of Education approve for first reading and filing authorization the proposed amendment to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter B, Texas Education Agency Audit Functions, §109.23, School District Independent Audits and Agreed-Upon Procedures.*