

BILL ANALYSIS

C.S.H.B. 758
By: Giddings
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, members of local boards of trustees are not prevented from doing business with the school districts they serve. Although board members are required to declare their interests in businesses and abstain from voting on issues that involve contracts with those businesses, there is clear evidence that board members are benefitting from contracts obtained within these guidelines from business dealings with the districts they serve. To ensure that all business transactions made by a school district are truly independent of any undue influence, are highly ethical and are always conducted in the best interest of the students and taxpayers of the community, board members should be prohibited from doing business either directly or indirectly with the school district they are serving as elected officials. C.S.H.B. 758 amends the Local Government Code relating to contracts between school districts and business entities.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 758 amends the Local Government Code prohibiting certain school districts from entering into a contract with a business entity where a district trustee has substantial interest. The bill authorizes a school district to enter into a contract with a business entity in which a trustee has a substantial interest if the board of trustees at an open meeting determines, based on credible evidence, that no other business entity within a 50-mile radius of the school district's central administrative office is capable of providing the same or better quality goods or services at the same or lower cost.

The bill requires that a school district entering such a contract comply with Section 44.031, Education Code, and that each trustee with a substantial interest comply with Section 171.004, Local Government Code.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 758 modifies the original version by adding a provision requiring school districts to comply with Section 44.031 Education Code relating to purchasing contracts. C.S.H.B. 758 modifies the original version by removing provisions that stipulate that a local public official commits an offense if the official violates this added section (Section 171.0041, Education Code).

