

BILL ANALYSIS

C.S.H.B. 37
By: Hochberg
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

This summer, it was reported that several school district superintendents around the state were earning extra income from companies that do substantial business with their school districts. This is a clear conflict of interest. Superintendents are the primary source of information and recommendations to the board about how to spend taxpayer money and which companies to contract with. This bill prohibits school district superintendents from working for companies that do business with their school district. The bill also requires any other outside employment by the superintendent to be approved by the local school board in a public hearing.

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

This bill amends Section 11.201 of the Education Code to prohibit superintendents from working for any business entity that conducts or solicits business with the school district. The bill requires any employment by the superintendent for an entity that does not conduct or solicit business with the school district to be approved by the board of trustees on a case by case basis in an open meeting. This bill defines that this legislation applies only to a contract between a superintendent and a business entity that is entered on or after the effective date of this bill. Any contract before the effective date of this bill is governed by the law when the contract was entered into.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect on the 91st day after the last day of the legislative session.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute is a legislative council draft, unlike the original bill. When revising the bill, Legislative Council changed the wording in the caption. This bill also added language that gave a clear definition of when this bill would take effect and how the law would apply to current contracts.