

BILL ANALYSIS

C.S.H.B. 104
By: Van Arsdale
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

CSHB 104 is designed to prevent cronyism regarding the contracting of retired superintendents or their business interests for projects within their former school district, including active superintendents.

CSHB 104 adds specific instructions to the Education Code that prohibit certain school district service contracts to be entered into between a district's board of trustees and active or retired superintendents or their direct business efforts.

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

CSHB 104 amends the Education Code by prohibiting certain school district service contracts involving active or retired superintendents. This bill sets forth that a superintendent of an independent school district shall file a verified financial statement as set forth. The bill includes a definition for business entity. A superintendent or retired superintendent has a substantial interest in a business entity if that person would have a substantial interest in the business as described by the local government code as designated. The board of trustees of a school district may not enter into a contract under which the district agrees to pay for services provided to the district with designated individuals as set forth by this bill.

The section on the filing of a financial statement by superintendent, as added, applies beginning January 1, 2007. A superintendent subject to this section is not required to include financial activity occurring before January 1, 2006 in a verified financial statement as required by this Act.

The section on certain school district service contracts involving superintendents prohibited, as added, applies only to a contract executed on or after September 1, 2005. A contract executed before September 1, 2005 is governed by law as it existed on the date the contract was executed and the former law is continued in effect for that purpose.

EFFECTIVE DATE

The Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 104 differs from the introduced version by adding a section for the filing of a financial statement by a superintendent. The substitute also adds active superintendents to the language of the bill so that neither they nor retired superintendents can enter into service contracts where they have a substantial business interest. Language is created as to when the section on filing of a financial statement by a superintendent is applicable.