

**BILL ANALYSIS**

Senate Research Center  
80R18914 PAM-D

C.S.H.B. 273  
By: Truitt (Harris)  
Education  
5/9/2007  
Committee Report (Substituted)

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current statute allows a school district to award contracts to vendors based on the best value in consideration of purchase price, vendor reputation, product quality, prior vendor relationships, and other factors. Further, school districts can form purchasing consortiums to buy collectively and pay management fees to those consortiums for services rendered. However, school districts are not required to inform their boards of trustees and the public that they have entered into such arrangements.

C.S.H.B. 273 requires school districts to make certain considerations when entering into a purchasing contract and to follow certain fee reporting requirements.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 34.007(a), Education Code, to authorize a board of county school trustees or a school district board of trustees to establish and operate an economical public school transportation system outside the county or district, as applicable, if the county or school district enters into an interlocal contract as provided by Chapter 791 (Interlocal Cooperation Contracts), Government Code.

SECTION 2. Amends the heading to Section 34.008, Education Code, to read as follows:

Sec. 34.008. CONTRACT WITH TRANSIT AUTHORITY, COMMERCIAL TRANSPORTATION COMPANY, OR JUVENILE BOARD.

SECTION 3. Amends Section 34.008(a), Education Code, as follows:

(a) Authorizes a board of county school trustees or school district board of trustees to contract with a juvenile board for all or any part of a district's public school transportation if certain conditions exist. Makes conforming and nonsubstantive changes.

SECTION 4. Amends Section 44.031(b), Education Code, to require the district, rather than authorize the district, to consider certain information in determining to whom to award a purchasing contract.

SECTION 5. Amends Subchapter B, Chapter 44, Education Code, by adding Section 44.0331, as follows:

Sec. 44.0331. MANAGEMENT FEES UNDER CERTAIN COOPERATIVE PURCHASING CONTRACTS. (a) Requires a school district that enters into a certain purchasing contract, to document by law any contract-related fee, including any management fee, and the purpose of each fee under the contract.

(b) Requires the amount, purpose, and disposition of any fee described by Subsection (a) to be presented in a written report and submitted annually in an

open meeting of the board of trustees of the school district. Requires the report to appear as an agenda item.

(c) Authorizes the commissioner to audit the written report described by Subsection (b).

SECTION 6. Makes application of Section 44.031(b), Education Code, as amended by this Act, and Section 44.0331, Education Code, as added by this Act, prospective.

SECTION 7. Effective date: upon passage or September 1, 2007.