

## **BILL ANALYSIS**

C.S.H.B. 1486  
By: Galindo  
Public Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties suggest that school districts in various communities across Texas face mismanagement and the perception of corruption. While not the case for all school districts, the parties continue, there are parents who worry that their child's school is being managed by trustees with ulterior motives and that deals concerning school contracts are being made with the friends and acquaintances of trustees. C.S.H.B. 1486 seeks to address these worries, implement a best practice, compel school districts to operate in a more transparent and ethical manner, and ensure that contract-related discussions occur in open forums.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 1486 amends the Education Code to prohibit a member of the board of trustees of an independent school district any part of which is located in a county with a population of more than 1.5 million in which more than 75 percent of the population lives in a single municipality from having direct or indirect communication, outside a public meeting of the board, with an actual or prospective bidder or offeror relating to a request for proposals or an advertisement for bids during the period after the district has issued the request for proposals or has advertised for bids on a contract and before the board has awarded the contract that was the subject of the request for proposals or the advertisement for bids. The bill requires the board, if a trustee violates this prohibition by engaging in direct or indirect communication with a bidder or offeror, to reject the bid or offer of the bidder or offeror. The bill authorizes a trustee to have direct or indirect communication with an actual or prospective bidder or offeror if either of the following circumstances exist:

- the trustee has a substantial interest in a business entity or in real property and complies with Local Government Code requirements pertaining to the regulation of conflicts of interest of certain local government officers, if applicable, and the business entity is an actual or prospective bidder or offeror responding to the school district's request for proposals or advertisement for bids and the communication relates to the business entity's response or the real property is offered in response to the school district's request for proposals or advertisement for bids and the communication relates to the real property; or
- the communication occurs at a trade show or convention at which the bidder or offeror was a registered participant and the trustee discloses at a public meeting of the board that

the communication occurred, before the earlier of one week after the date the communication occurred or the date on which the board votes on the request for proposals or advertisement for bids for which the bidder or offeror submitted a proposal or bid.

**EFFECTIVE DATE**

September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1486 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

SECTION 1. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.0353 to read as follows:

Sec. 44.0353. **VENDOR CONTACT PROHIBITED.**

(a) After the board of trustees of an independent school district has issued a request for proposals or has advertised for bids on a contract, a trustee may not have direct communication outside a public meeting of the board of trustees with an actual or prospective bidder or offeror until after the board has awarded the contract that was the subject of the request for proposals or bids.

(b) If a trustee violates Subsection (a) by engaging in direct communication with a bidder or offeror, the board shall reject the bid or offer of the bidder or offeror.

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.0353 to read as follows:

Sec. 44.0353. **VENDOR CONTACT PROHIBITED.** (a) This section applies only to an independent school district any part of which is located in a county with a population of more than 1.5 million in which more than 75 percent of the population lives in a single municipality.

(b) A member of the board of trustees of an independent school district to which this section applies may not, outside a public meeting of the board, have direct or indirect communication with an actual or prospective bidder or offeror relating to a request for proposals or an advertisement for bids during the period:

(1) after the district has issued the request for proposals or has advertised for bids on a contract; and

(2) before the board has awarded the contract that was the subject of the request for proposals or the advertisement for bids.

(c) If a trustee violates Subsection (b) by engaging in direct or indirect communication with a bidder or offeror, the board shall reject the bid or offer of the bidder or offeror.

(d) Notwithstanding Subsection (b), a trustee may have direct or indirect communication with an actual or prospective bidder or offeror if:

(1) the trustee has a substantial interest, as determined under Section 171.002, Local Government Code, in a business entity or in real property and complies with the requirements of Chapter 171, Local

Government Code, if applicable, and:  
(A) the business entity is an actual or prospective bidder or offeror responding to the school district's request for proposals or advertisement for bids and the communication relates to the business entity's response; or  
(B) the real property is offered in response to the school district's request for proposals or advertisement for bids and the communication relates to the real property;  
or  
(2) the communication occurs at a trade show or convention at which the bidder or offeror was a registered participant and the trustee discloses at a public meeting of the board that the communication occurred, before the earlier of:  
(A) one week after the date the communication occurred; or  
(B) the date on which the board votes on the request for proposals or advertisement for bids for which the bidder or offeror submitted a proposal or bid.

SECTION 2. Section 44.0353, Education Code, as added by this Act, applies only to a contract for which the request for proposals or bids was issued on or after the effective date of this Act.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect September 1, 2015.

SECTION 3. Same as introduced version.