

SUBJECT: Prohibiting school district work on non-district construction projects

COMMITTEE: Public Education — favorable, without amendment

VOTE: 8 ayes — Grusendorf, Branch, Delisi, Dutton, Eissler, Hochberg, B. Keffer, Mowery

0 nays

1 absent — Oliveira

WITNESSES: For — Jack Baxley, Michael J. Chatron, Texas Building Branch, Associated General Contractors; Harold Freeman, Texas Construction Association; Ron Hamm, Speed Fab-Crete Corporation

Against — None

DIGEST: HB 1826 would prohibit school boards from authorizing the use of school district employees, property, or resources for the repair, maintenance, or construction of improvements to real property not owned or leased by the district.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

SUPPORTERS SAY: HB 1826 would clarify that school districts should be in the business of educating students and not providing construction services for other school districts or public entities. In recent years, a school district in north Texas has entered into contracts with other governmental entities to serve as the primary contractor on new construction and renovation and repair projects. Historically, construction contracts for school districts, cities, and other governmental entities have been awarded to private companies through a competitive bidding process. These projects usually are highly technical and involve a certain amount of risk. School districts, which are subsidized by tax dollars, should be prohibited from providing these services and taking business away from private construction companies.

OPPONENTS
SAY:

School districts that have the expertise and interest in providing construction services should not be prohibited from doing so just because private construction companies do not want the competition. Many school districts and regional education service centers are becoming more entrepreneurial and coming up with new ways to generate additional resources. If a district can offer a better service at a lower cost, and if another entity wants to contract with the district, it should not be prohibited from doing so.