

## **BILL ANALYSIS**

Senate Research Center  
76R14117 CAS-F

C.S.S.B. 1325  
By: Gallegos  
Education  
5/6/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, Texas law requires a competitive bidding process for certain services, while certain other services, such as architects, attorneys, and such are exempt from the bidding process. School districts are required to aggregate purchasing contracts from all their campuses for purchases exceeding a certain amount. C.S.S.B. 1325 would establish provisions regarding school district contracts and bonds.

### **PURPOSE**

As proposed, C.S.S.B. 1325 establishes provisions regarding school district contracts and bonds.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 44.031, Education Code, by amending Subsections (f) and (h) and adding Subsection (m), to provide that this section does not apply to a contract for certain professional services rendered. Authorizes a school district to contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. Establishes that if all or part of certain school equipment or facilities are destroyed, severely damaged, or undergoes a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contracting methods would prevent or hamper the conduct of certain school functions, then contracts for the replacement or repairs may be made by a method other than those that are required. Provides that if a purchase is made at the campus level in a school district with an average daily attendance of 190,000 or more. Deletes text regarding competitive bidding.

SECTION 2. Amends Section 44.033, Education Code, by adding Subsection (e), to make conforming changes.

SECTION 3. Amends Section 1(1), Article 717q, V.T.C.S., to redefine "issuer."

SECTION 4. Amends Section 3.028, Article 717s, V.T.C.S., by adding Subsection (g), to establish that a member of a corporation's board of directors who is acting in good faith and in the course and scope of corporate duties or functions has the same immunity or liability as state law provides to a member of the governing body of the sponsor.

SECTION 5. Amends Section 1, Article 717w, V.T.C.S., by amending Subdivisions (6) and (7) and adding Subdivision (8), to define "eligible school district" and "redefine "issuer." Makes conforming changes.

SECTION 6. Amends Section 3, Article 717w, V.T.C.S., to authorize the governing body of an eligible school district to authorize anticipation notes for a described purpose.

SECTION 7. Amends Section 4(a), Article 717w, V.T.C.S., to establish that this section applies only to an eligible school district. Makes conforming changes.

SECTION 8. Amends Section 5, Article 717w, V.T.C.S., to make conforming changes.

SECTION 9. Amends Sections 6(e) - (h), Article 717w, V.T.C.S., to provide that anticipation notes issued by an eligible school district may not exceed 75 percent of the income of the district for the fiscal year preceding the fiscal year in which the attorney general approves the notes. Makes conforming changes.

SECTION 10. Makes application of Section 44.031(f), Education Code, of this Act prospective.

SECTION 11. Makes application of Sections 44.031(m) and 44.031(e), Education Code, of this Act prospective.

SECTION 12. Provides that Section 4.041(d), Article 717s, V.T.C.S., applies to an act or omission of a public facility corporation or its employee regardless of when the act was taken or the omission occurred.

SECTION 13. Effective date: September 1, 1999.

SECTION 14. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

#### SECTION 1.

Amends Section 44.031, Education Code, by amending Subsections (f) and (h) and adding Subsection (m), to provide that this section does not apply to a contract for certain professional services rendered. Authorizes a school district to contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. Establishes that if all or part of certain school equipment or facilities are destroyed or severely damaged, or undergoes a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contracting methods would prevent or hamper the conduct of certain school functions, then contracts for the replacement or repairs may be made by a method other than those that are required. Provides that if a purchase is made at the campus level in a school district with an average daily attendance of 190,000 or more. Deletes proposed Subsection (m).

#### SECTION 2.

Amends Section 44.033(e), Education Code, to make conforming changes. Deletes proposed Subsection (e).

#### SECTION 4.

Amends Section 3.028, Article 717s, V.T.C.S., by adding Subsection (g), to establish that a member of a corporation's board of directors who is acting in good faith and in the course and scope of corporate duties or functions has the same immunity or liability as state law provides to a member of the governing body of the sponsor. Deletes proposed SECTION 4.

#### SECTION 9.

Amends Section 6(g), Article 717w, V.T.C.S., to provide that anticipation notes issued by an eligible school district may not exceed 75 percent of the income of the district for the fiscal year preceding the fiscal year in which the attorney general approves the notes.

#### SECTION 10.

Makes conforming changes.