

SUBJECT: School superintendent financial disclosure and contract prohibitions

COMMITTEE: Public Education — committee substitute recommended

VOTE: 5 ayes — Grusendorf, Branch, Eissler, B. Keffer, Mowery

1 nay — Hochberg

3 absent — Oliveira, Delisi, Dutton

WITNESSES: For — Brenda Gonzalez

Against — Amy Beneski, Texas Association of School Administrators;
Karen Slay, Texas Association of School Boards

DIGEST: CSHB 104 would require superintendents of school districts to file verified financial statements with the school board and the Texas Ethics Commission. A financial statement would have to include information required of state officers, candidates and party chairmen, and would be subject to rules governing contents, timeliness of filing, and public inspection of the statement that applied to state officers, candidates, and party chairmen. Failing to file the required financial statement would be a class B misdemeanor (up to 180 days in jail and/or a maximum fine of \$2,000). This provision would take effect January 1, 2007.

The bill would prohibit a school board from entering into a contract for services provided to the district with the superintendent or a retired superintendent who served within the past three years or a business entity in which the superintendent or former superintendent had a business interest. This provision would apply to a contract executed on or after September 1, 2005.

The bill would take effect September 1, 2005.

SUPPORTERS SAY: CSHB 104 would help prevent conflicts of interest that could arise when a school superintendent contracted with entities that had a business interest in the district. Superintendents are the primary source of information and recommendations to the school board about how to spend taxpayer money and with which companies to contract. The superintendent develops close

working relationships with board members and often has a great deal of influence over board decisions. The bill would eliminate the possibility of a superintendent or former superintendent influencing the school board to enter into a contract with an entity in which the superintendent had a substantial financial interest.

The bill would not prevent superintendents from entering into outside contracts that did not involve the school district, but, by requiring the superintendent to disclose all financial interests, would give the public access to information about these outside contracts.

Superintendents are public figures with responsibility for significant taxpayer resources. They should be subject to the same financial disclosure requirements as state officers and candidates.

OPPONENTS
SAY:

School boards may have legitimate reasons to want to retain former superintendents on a contract basis, such as to retain continuity during a transition period to a new superintendent or for a special project, and they should not be prevented from doing so.

Superintendents are not elected officials, and they should not be subject to the same detailed financial disclosure requirements as state officers and candidates. School districts may have trouble attracting qualified candidates if they are subjected to this public scrutiny.

OTHER
OPPONENTS
SAY:

The bill should prohibit superintendents from contracting with outside entities altogether. Superintendents are full-time management employees, and are paid well for their services. The public should be able to expect a full-time superintendent to devote all working hours to addressing the challenges facing their school districts.

NOTES:

The committee substitute added the financial disclosure requirements.