

BILL ANALYSIS

S.B. 900
By: Shapiro
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, school districts must report their administrative cost ratio--that is, the ratio of administrative to instructional costs. However, there has been disagreement over precisely what constitutes an administrative cost and what constitutes an instructional cost. S.B. 900 specifies which costs should be reported as administrative and which costs may be considered instructional.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Section 44.0071, Education Code) and SECTION 2 (Section 39.052, Education Code) of this bill.

ANALYSIS

SECTION 1. Amends Chapter 44A, Education Code, by adding Section 44.0071, as follows:

Sec. 44.0071. COMPUTATION OF INSTRUCTIONAL EXPENDITURES RATIO AND INSTRUCTIONAL EMPLOYEES RATIO. (a) Requires a school district to compute and report to the commissioner of education (commissioner) each fiscal year the percentage of expenditures used to directly fund instructional activities and the percentage of the district's full-time employees whose job function was to directly provide classroom instruction, determined by dividing the number of hours spent by employees in providing direct classroom instruction by the total number of hours worked by all district employees.

(b) Requires a school district to provide educators at least annually with a list of employees determined to be engaged in providing direct classroom instruction and the percentage of time spent by each employee in directly providing classroom instruction to students.

(c) Provides that, for the purposes of this section, the computation of a district's expenditures used to fund direct instructional activities shall include the salary and benefits provided to any district employee who directly provided classroom instruction to students, but only in proportion to the percentage of time spent by the employee in directly providing classroom instruction to students.

(d) Requires the commissioner to adopt rules as necessary to implement this section.

SECTION 2. Amends Section 39.052, Education Code, as follows:

(b) Requires the report card to include the administrative and instructional costs per student computed in accordance with Section 44.0071, the district's instructional expenditures ratio and instructional employees ratio computed under Section 44.0071, and the statewide average of those

ratios as determined by the commissioner.

(c) Requires the commissioner to adopt rules requiring dissemination of the information required under Subsection (b)(4), in addition to other information.

SECTION 3. Amends Section 39.182, Education Code, to require a report that the Texas Education Agency must prepare and deliver to certain officials to include a summary and analysis of the instructional expenditures ratios and instructional employees ratios of school districts computed under Section 44.0071, rather than compliance with cost ratios set by the commissioner.

SECTION 4. Repeals Chapter 42D, Education Code (Administrative Costs).

The bill provides that the repeal of Chapter 42D, Education Code, does not affect the liability of a school district for excess administrative costs during the 2002-2003 school year that the commissioner is entitled to recover during the 2003-2004 school year under Section 42.201(d), Education Code, as that Section existed on January 1, 2003, and continues the former law in effect for that purpose.

EFFECTIVE DATE

September 1, 2003.