

BILL ANALYSIS

Senate Research Center
78R2630 KKA-D

S.B. 900
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Education
3/13/2003
As Filed

DIGEST 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. As proposed, S.B. 900 amends the Education Code to specify what costs should be reported as administrative and which costs may be considered instructional.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Section 44.0071(d), Education Code) and SECTION 2 (Section 39.052(c), Education Code) of this bill.

SECTION BY SECTION 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 sole function was to directly provide classroom instruction.

(b) Requires a school district to provide educators at least annually with a list of employees determined by the district under this section to be engaged only in providing classroom instruction.

(c) Provides that, for the purposes of this section, certain expenditures are to be considered as part of a district's total expenditures and that the computation of a district's expenditures used to fund direct instructional activities may include certain items.

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

SECTION 2. Amends Sections 39.052(b) and (c), Education Code, as follows:

(b) Requires the report card to include the following information, rather than the following information where applicable:

(1) where applicable, certain academic excellence indicators;

(2) (makes a conforming change)

(3) the administrative and instructional costs per student computed in accordance with Section 44.0071; and

(4) 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. Makes conforming changes.

SECTION 3. Amends Section 39.182(a), Education Code, to require a report that the Texas Education Agency (TEA) 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. Repealer: Chapter 42D, Education Code (Administrative Costs).

SECTION 5. Effective date: September 1, 2003.

SECTION 6. 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.