

AN ACT

relating to computation and reporting of the ratios of a school district's expenditures and personnel relating to direct student instruction.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.0071 to read as follows:

Sec. 44.0071. COMPUTATION OF INSTRUCTIONAL EXPENDITURES RATIO AND INSTRUCTIONAL EMPLOYEES RATIO. (a) Each fiscal year, a school district shall compute and report to the commissioner:

(1) the percentage of the district's total expenditures for the preceding fiscal year that were used to fund direct instructional activities; and

(2) the percentage of the district's full-time equivalent employees during the preceding fiscal year whose job function was to directly provide classroom instruction to students, 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) At least annually a school district shall provide educators employed by the district with a list of district employees determined by the district for purposes of this section to be engaged in directly providing classroom instruction to students. The list must include the percentage of time spent by

1 each employee in directly providing classroom instruction to
2 students.

3 (c) For purposes of this section, the computation of a
4 district's expenditures used to fund direct instructional
5 activities shall include the salary, including any associated
6 employment taxes, and value of any benefits provided to any
7 district employee who directly provided classroom instruction to
8 students, but only in proportion to the percentage of time spent by
9 the employee in directly providing classroom instruction to
10 students.

11 (d) The commissioner shall adopt rules as necessary to
12 implement this section. To the extent possible, the rules must
13 provide for development of the information required by this section
14 using information otherwise compiled by school districts for
15 reporting through the Public Education Information Management
16 System (PEIMS).

17 SECTION 2. Subsections (b) and (c), Section 39.052,
18 Education Code, are amended to read as follows:

19 (b) The report card shall include the following information
20 ~~[where applicable]:~~

21 (1) where applicable, the academic excellence
22 indicators adopted under Sections 39.051(b)(1) through (9);

23 (2) average class size by grade level and subject;
24 ~~[and]~~

25 (3) the administrative and instructional costs per
26 student, computed in a manner consistent with Section 44.0071; and

27 (4) the district's instructional expenditures ratio

1 and instructional employees ratio computed under Section 44.0071,
2 and the statewide average of those ratios, as determined by the
3 commissioner.

4 (c) The commissioner shall adopt rules [~~for~~] requiring
5 dissemination of the information required under Subsection (b)(4)
6 and appropriate class size and student performance portions of
7 campus report cards annually to the parent, guardian, conservator,
8 or other person having lawful control of each student at the campus.
9 On written request, the school district shall provide a copy of a
10 campus report card to any other party.

11 SECTION 3. Subsection (a), Section 39.182, Education Code,
12 is amended to read as follows:

13 (a) Not later than December 1 of each year, the agency shall
14 prepare and deliver to the governor, the lieutenant governor, the
15 speaker of the house of representatives, each member of the
16 legislature, the Legislative Budget Board, and the clerks of the
17 standing committees of the senate and house of representatives with
18 primary jurisdiction over the public school system a comprehensive
19 report covering the preceding school year and containing:

20 (1) an evaluation of the achievements of the state
21 educational program in relation to the statutory goals for the
22 public education system under Section 4.002;

23 (2) an evaluation of the status of education in the
24 state as reflected by the academic excellence indicators adopted
25 under Section 39.051;

26 (3) a summary compilation of overall student
27 performance on academic skills assessment instruments required by

1 Section 39.023 with the number and percentage of students exempted
2 from the administration of those instruments and the basis of the
3 exemptions, aggregated by grade level, subject area, campus, and
4 district, with appropriate interpretations and analysis, and
5 disaggregated by race, ethnicity, gender, and socioeconomic
6 status;

7 (4) a summary compilation of overall performance of
8 students placed in an alternative education program established
9 under Section 37.008 on academic skills assessment instruments
10 required by Section 39.023 with the number of those students
11 exempted from the administration of those instruments and the basis
12 of the exemptions, aggregated by district, grade level, and subject
13 area, with appropriate interpretations and analysis, and
14 disaggregated by race, ethnicity, gender, and socioeconomic
15 status;

16 (5) a summary compilation of overall performance of
17 students at risk of dropping out of school, as defined by Section
18 29.081(d), on academic skills assessment instruments required by
19 Section 39.023 with the number of those students exempted from the
20 administration of those instruments and the basis of the
21 exemptions, aggregated by district, grade level, and subject area,
22 with appropriate interpretations and analysis, and disaggregated
23 by race, ethnicity, gender, and socioeconomic status;

24 (6) an evaluation of the correlation between student
25 grades and student performance on academic skills assessment
26 instruments required by Section 39.023;

27 (7) a statement of the dropout rate of students in

1 grade levels 7 through 12, expressed in the aggregate and by grade
2 level, and a statement of the completion rates of students for grade
3 levels 9 through 12;

4 (8) a statement of:

5 (A) the completion rate of students who enter
6 grade level 9 and graduate not more than four years later;

7 (B) the completion rate of students who enter
8 grade level 9 and graduate, including students who require more
9 than four years to graduate;

10 (C) the completion rate of students who enter
11 grade level 9 and not more than four years later receive a high
12 school equivalency certificate;

13 (D) the completion rate of students who enter
14 grade level 9 and receive a high school equivalency certificate,
15 including students who require more than four years to receive a
16 certificate; and

17 (E) the number and percentage of all students who
18 have not been accounted for under Paragraph (A), (B), (C), or (D);

19 (9) a statement of the projected cross-sectional and
20 longitudinal dropout rates for grade levels 9 through 12 for the
21 next five years, assuming no state action is taken to reduce the
22 dropout rate;

23 (10) a description of a systematic, measurable plan
24 for reducing the projected cross-sectional and longitudinal
25 dropout rates to five percent or less for the 1997-1998 school year;

26 (11) a summary of the information required by Section
27 29.083 regarding grade level retention of students and information

1 concerning:

2 (A) the number and percentage of students
3 retained; and

4 (B) the performance of retained students on
5 assessment instruments required under Section 39.023(a);

6 (12) information, aggregated by district type and
7 disaggregated by race, ethnicity, gender, and socioeconomic
8 status, on:

9 (A) the number of students placed in an
10 alternative education program established under Section 37.008;

11 (B) the average length of a student's placement
12 in an alternative education program established under Section
13 37.008;

14 (C) the academic performance of students on
15 assessment instruments required under Section 39.023(a) during the
16 year preceding and during the year following placement in an
17 alternative education program; and

18 (D) the dropout rates of students who have been
19 placed in an alternative education program established under
20 Section 37.008;

21 (13) a list of each school district or campus that does
22 not satisfy performance standards, with an explanation of the
23 actions taken by the commissioner to improve student performance in
24 the district or campus and an evaluation of the results of those
25 actions;

26 (14) an evaluation of the status of the curriculum
27 taught in public schools, with recommendations for legislative

1 changes necessary to improve or modify the curriculum required by
2 Section 28.002;

3 (15) a description of all funds received by and each
4 activity and expenditure of the agency;

5 (16) a summary and analysis of the instructional
6 expenditures ratios and instructional employees ratios
7 [compliance] of school districts computed ~~[with administrative~~
8 ~~cost ratios set by the commissioner]~~ under Section 44.0071 ~~[42.201,~~
9 ~~including any improvements and cost savings achieved by school~~
10 ~~districts]~~;

11 (17) a summary of the effect of deregulation,
12 including exemptions and waivers granted under Section 7.056 or
13 39.112;

14 (18) a statement of the total number and length of
15 reports that school districts and school district employees must
16 submit to the agency, identifying which reports are required by
17 federal statute or rule, state statute, or agency rule, and a
18 summary of the agency's efforts to reduce overall reporting
19 requirements;

20 (19) a list of each school district that is not in
21 compliance with state special education requirements, including:

22 (A) the period for which the district has not
23 been in compliance;

24 (B) the manner in which the agency considered the
25 district's failure to comply in determining the district's
26 accreditation status; and

27 (C) an explanation of the actions taken by the

1 commissioner to ensure compliance and an evaluation of the results
2 of those actions;

3 (20) a comparison of the performance of
4 open-enrollment charter schools and school districts on the
5 academic excellence indicators specified in Section 39.051(b) and
6 accountability measures adopted under Section 39.051(g), with a
7 separately aggregated comparison of the performance of
8 open-enrollment charter schools predominantly serving students at
9 risk of dropping out of school, as defined by Section 29.081(d),
10 with the performance of school districts; and

11 (21) any additional information considered important
12 by the commissioner or the State Board of Education.

13 SECTION 4. Subchapter D, Chapter 42, Education Code, is
14 repealed.

15 SECTION 5. This Act takes effect September 1, 2003.

16 SECTION 6. The repeal of Subchapter D, Chapter 42,
17 Education Code, by this Act does not affect the liability of a
18 school district for excess administrative costs during the
19 2002-2003 school year that the commissioner of education is
20 entitled to recover during the 2003-2004 school year under
21 Subsection (d), Section 42.201, Education Code, as that subsection
22 existed on January 1, 2003, and the former law is continued in
23 effect for that purpose.

S.B. No. 900

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 900 passed the Senate on March 26, 2003, by a viva-voce vote; and that the Senate concurred in House amendment on May 29, 2003, by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 900 passed the House, with amendment, on May 25, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor