

1-1 By: Shapiro S.B. No. 900
1-2 (In the Senate - Filed March 5, 2003; March 11, 2003, read
1-3 first time and referred to Committee on Education; March 19, 2003,
1-4 reported favorably by the following vote: Yeas 8, Nays 0;
1-5 March 19, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to computation and reporting of the ratios of a school
1-9 district's expenditures and personnel relating to direct student
1-10 instruction.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter A, Chapter 44, Education Code, is
1-13 amended by adding Section 44.0071 to read as follows:

1-14 Sec. 44.0071. COMPUTATION OF INSTRUCTIONAL EXPENDITURES
1-15 RATIO AND INSTRUCTIONAL EMPLOYEES RATIO. (a) Each fiscal year, a
1-16 school district shall compute and report to the commissioner:

1-17 (1) the percentage of the district's total
1-18 expenditures for the preceding fiscal year that were used to fund
1-19 direct instructional activities; and

1-20 (2) the percentage of the district's full-time
1-21 equivalent employees during the preceding fiscal year whose only
1-22 job function was to directly provide classroom instruction to
1-23 students.

1-24 (b) At least annually a school district shall provide
1-25 educators employed by the district with a list of district
1-26 employees determined by the district for purposes of this section
1-27 to be engaged only in providing classroom instruction to students.

1-28 (c) For purposes of this section:

1-29 (1) a district's total expenditures include amounts
1-30 spent on physical plant construction or operation; and

1-31 (2) the computation of a district's expenditures used
1-32 to fund direct instructional activities may include the salary,
1-33 including any associated employment taxes, and value of any
1-34 benefits provided to a district employee only if the employee's
1-35 only job function was to provide classroom instruction to students.

1-36 (d) The commissioner shall adopt rules as necessary to
1-37 implement this section.

1-38 SECTION 2. Subsections (b) and (c), Section 39.052,
1-39 Education Code, are amended to read as follows:

1-40 (b) The report card shall include the following information
1-41 ~~[where applicable]~~:

1-42 (1) where applicable, the academic excellence
1-43 indicators adopted under Sections 39.051(b)(1) through (9);

1-44 (2) average class size by grade level and subject;
1-45 ~~[and]~~

1-46 (3) the administrative and instructional costs per
1-47 student, computed in a manner consistent with Section 44.0071; and

1-48 (4) the district's instructional expenditures ratio
1-49 and instructional employees ratio computed under Section 44.0071,
1-50 and the statewide average of those ratios, as determined by the
1-51 commissioner.

1-52 (c) The commissioner shall adopt rules ~~[for]~~ requiring
1-53 dissemination of the information required under Subsection (b)(4)
1-54 and appropriate class size and student performance portions of
1-55 campus report cards annually to the parent, guardian, conservator,
1-56 or other person having lawful control of each student at the campus.
1-57 On written request, the school district shall provide a copy of a
1-58 campus report card to any other party.

1-59 SECTION 3. Subsection (a), Section 39.182, Education Code,
1-60 is amended to read as follows:

1-61 (a) Not later than December 1 of each year, the agency shall
1-62 prepare and deliver to the governor, the lieutenant governor, the
1-63 speaker of the house of representatives, each member of the
1-64 legislature, the Legislative Budget Board, and the clerks of the

- 2-1 standing committees of the senate and house of representatives with
 2-2 primary jurisdiction over the public school system a comprehensive
 2-3 report covering the preceding school year and containing:
- 2-4 (1) an evaluation of the achievements of the state
 2-5 educational program in relation to the statutory goals for the
 2-6 public education system under Section 4.002;
- 2-7 (2) an evaluation of the status of education in the
 2-8 state as reflected by the academic excellence indicators adopted
 2-9 under Section 39.051;
- 2-10 (3) a summary compilation of overall student
 2-11 performance on academic skills assessment instruments required by
 2-12 Section 39.023 with the number and percentage of students exempted
 2-13 from the administration of those instruments and the basis of the
 2-14 exemptions, aggregated by grade level, subject area, campus, and
 2-15 district, with appropriate interpretations and analysis, and
 2-16 disaggregated by race, ethnicity, gender, and socioeconomic
 2-17 status;
- 2-18 (4) a summary compilation of overall performance of
 2-19 students placed in an alternative education program established
 2-20 under Section 37.008 on academic skills assessment instruments
 2-21 required by Section 39.023 with the number of those students
 2-22 exempted from the administration of those instruments and the basis
 2-23 of the exemptions, aggregated by district, grade level, and subject
 2-24 area, with appropriate interpretations and analysis, and
 2-25 disaggregated by race, ethnicity, gender, and socioeconomic
 2-26 status;
- 2-27 (5) a summary compilation of overall performance of
 2-28 students at risk of dropping out of school, as defined by Section
 2-29 29.081(d), on academic skills assessment instruments required by
 2-30 Section 39.023 with the number of those students exempted from the
 2-31 administration of those instruments and the basis of the
 2-32 exemptions, aggregated by district, grade level, and subject area,
 2-33 with appropriate interpretations and analysis, and disaggregated
 2-34 by race, ethnicity, gender, and socioeconomic status;
- 2-35 (6) an evaluation of the correlation between student
 2-36 grades and student performance on academic skills assessment
 2-37 instruments required by Section 39.023;
- 2-38 (7) a statement of the dropout rate of students in
 2-39 grade levels 7 through 12, expressed in the aggregate and by grade
 2-40 level, and a statement of the completion rates of students for grade
 2-41 levels 9 through 12;
- 2-42 (8) a statement of:
- 2-43 (A) the completion rate of students who enter
 2-44 grade level 9 and graduate not more than four years later;
- 2-45 (B) the completion rate of students who enter
 2-46 grade level 9 and graduate, including students who require more
 2-47 than four years to graduate;
- 2-48 (C) the completion rate of students who enter
 2-49 grade level 9 and not more than four years later receive a high
 2-50 school equivalency certificate;
- 2-51 (D) the completion rate of students who enter
 2-52 grade level 9 and receive a high school equivalency certificate,
 2-53 including students who require more than four years to receive a
 2-54 certificate; and
- 2-55 (E) the number and percentage of all students who
 2-56 have not been accounted for under Paragraph (A), (B), (C), or (D);
- 2-57 (9) a statement of the projected cross-sectional and
 2-58 longitudinal dropout rates for grade levels 9 through 12 for the
 2-59 next five years, assuming no state action is taken to reduce the
 2-60 dropout rate;
- 2-61 (10) a description of a systematic, measurable plan
 2-62 for reducing the projected cross-sectional and longitudinal
 2-63 dropout rates to five percent or less for the 1997-1998 school year;
- 2-64 (11) a summary of the information required by Section
 2-65 29.083 regarding grade level retention of students and information
 2-66 concerning:
- 2-67 (A) the number and percentage of students
 2-68 retained; and
- 2-69 (B) the performance of retained students on

3-1 assessment instruments required under Section 39.023(a);
3-2 (12) information, aggregated by district type and
3-3 disaggregated by race, ethnicity, gender, and socioeconomic
3-4 status, on:
3-5 (A) the number of students placed in an
3-6 alternative education program established under Section 37.008;
3-7 (B) the average length of a student's placement
3-8 in an alternative education program established under Section
3-9 37.008;
3-10 (C) the academic performance of students on
3-11 assessment instruments required under Section 39.023(a) during the
3-12 year preceding and during the year following placement in an
3-13 alternative education program; and
3-14 (D) the dropout rates of students who have been
3-15 placed in an alternative education program established under
3-16 Section 37.008;
3-17 (13) a list of each school district or campus that does
3-18 not satisfy performance standards, with an explanation of the
3-19 actions taken by the commissioner to improve student performance in
3-20 the district or campus and an evaluation of the results of those
3-21 actions;
3-22 (14) an evaluation of the status of the curriculum
3-23 taught in public schools, with recommendations for legislative
3-24 changes necessary to improve or modify the curriculum required by
3-25 Section 28.002;
3-26 (15) a description of all funds received by and each
3-27 activity and expenditure of the agency;
3-28 (16) a summary and analysis of the instructional
3-29 expenditures ratios and instructional employees ratios
3-30 [compliance] of school districts computed [with administrative
3-31 cost ratios set by the commissioner] under Section 44.0071 [42.201,
3-32 including any improvements and cost savings achieved by school
3-33 districts];
3-34 (17) a summary of the effect of deregulation,
3-35 including exemptions and waivers granted under Section 7.056 or
3-36 39.112;
3-37 (18) a statement of the total number and length of
3-38 reports that school districts and school district employees must
3-39 submit to the agency, identifying which reports are required by
3-40 federal statute or rule, state statute, or agency rule, and a
3-41 summary of the agency's efforts to reduce overall reporting
3-42 requirements;
3-43 (19) a list of each school district that is not in
3-44 compliance with state special education requirements, including:
3-45 (A) the period for which the district has not
3-46 been in compliance;
3-47 (B) the manner in which the agency considered the
3-48 district's failure to comply in determining the district's
3-49 accreditation status; and
3-50 (C) an explanation of the actions taken by the
3-51 commissioner to ensure compliance and an evaluation of the results
3-52 of those actions;
3-53 (20) a comparison of the performance of
3-54 open-enrollment charter schools and school districts on the
3-55 academic excellence indicators specified in Section 39.051(b) and
3-56 accountability measures adopted under Section 39.051(g), with a
3-57 separately aggregated comparison of the performance of
3-58 open-enrollment charter schools predominantly serving students at
3-59 risk of dropping out of school, as defined by Section 29.081(d),
3-60 with the performance of school districts; and
3-61 (21) any additional information considered important
3-62 by the commissioner or the State Board of Education.
3-63 SECTION 4. Subchapter D, Chapter 42, Education Code, is
3-64 repealed.
3-65 SECTION 5. This Act takes effect September 1, 2003.
3-66 SECTION 6. The repeal of Subchapter D, Chapter 42,
3-67 Education Code, by this Act does not affect the liability of a
3-68 school district for excess administrative costs during the
3-69 2002-2003 school year that the commissioner of education is

4-1 entitled to recover during the 2003-2004 school year under
4-2 Subsection (d), Section 42.201, Education Code, as that subsection
4-3 existed on January 1, 2003, and the former law is continued in
4-4 effect for that purpose.

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