

By: Patrick, Dan

S.B. No. 550

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the percentage of available general fund revenue  
3 allocated by a school district for instructional activities.

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

5 SECTION 1. Section 44.0071, Education Code, is amended by  
6 amending Subsections (a) and (c) and adding Subsection (a-1) to  
7 read as follows:

8 (a) Each fiscal year, a school district shall compute and  
9 report to the commissioner:

10 (1) the percentage of the district's total available  
11 general fund revenue [~~expenditures~~] for the preceding fiscal year  
12 that was [~~were~~] used to fund direct instructional activities; and

13 (2) the percentage of the district's full-time  
14 equivalent employees during the preceding fiscal year whose job  
15 function was to directly provide classroom instruction to students,  
16 determined by dividing the number of hours spent by employees in  
17 providing direct classroom instruction by the total number of hours  
18 worked by all district employees.

19 (a-1) The commissioner by rule shall determine the manner in  
20 which a district's total available general fund revenue for  
21 purposes of this section is computed.

22 (c) For purposes of this section, the computation of a  
23 district's total available general fund revenue [~~expenditures~~]  
24 used to fund direct instructional activities shall include the

1 salary, including any associated employment taxes, and value of any  
2 benefits provided to any district employee who directly provided  
3 classroom instruction to students, but only in proportion to the  
4 percentage of time spent by the employee in directly providing  
5 classroom instruction to students.

6 SECTION 2. Subchapter A, Chapter 44, Education Code, is  
7 amended by adding Section 44.012 to read as follows:

8 Sec. 44.012. EXPENDITURES FOR DIRECT INSTRUCTIONAL  
9 ACTIVITIES. (a) A school district shall allocate at least 65  
10 percent of the district's total available general fund revenue to  
11 fund direct instructional activities in the district. The  
12 commissioner by rule shall determine the manner in which a  
13 district's total available general fund revenue for purposes of  
14 this section is computed. In adopting rules under this subsection,  
15 the commissioner may not include local school district revenue from  
16 sources other than taxes, including grants and donations, in  
17 computing a district's total available general fund revenue.

18 (b) For purposes of this section, whether an expenditure is  
19 an expenditure for direct instructional activities is determined in  
20 accordance with standards and definitions adopted by the National  
21 Center for Education Statistics of the United States Department of  
22 Education.

23 (c) The commissioner may adopt rules for purposes of this  
24 section in a manner consistent with Subsection (b) of this section,  
25 Section 44.0071, and standards used by the commissioner in  
26 submitting relevant data to the National Center for Education  
27 Statistics of the United States Department of Education for the

1 2002-2003 school year.

2 SECTION 3. This Act applies beginning with the 2007-2008  
3 school year.

4 SECTION 4. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2007.