

BILL ANALYSIS

Senate Research Center
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S.B. 562
By: Shapiro
Education
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DIGEST AND PURPOSE

Current law provides for an administrative cost ratio that compares administrative costs to instructional costs. Over the last several years, many school districts have not been able to agree on what costs are defined as administrative and those that are instructional, and accordingly, information on these costs are being misreported. S.B. 562 discontinues the use of administrative cost ratios and creates performance measures that determine the percentage of school district employment engaged in classroom instruction.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Section 44.0071, 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 that, each fiscal year, a school district compute and report to the commissioner of education (commissioner) the percentage of the district's total expenditures for the preceding fiscal year that were used to fund direct instructional activities, and the percentage of the district's full-time equivalent employees during the preceding fiscal year whose only job function was to directly provide classroom instruction to students.

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

(c) Provides that for purposes of this section a district's total expenditures include amounts spent on physical plant construction or operation, and the computation of a district's expenditures used to fund direct instructional activities that may include the salary, including any associated employment taxes, and the value of any benefits provided to a district employee only if the employee's only job function was to provide classroom instruction to students.

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

SECTION 2. Reenacts and amends Section 39.052 (b), Education Code, as amended by Chapters 396 and 1514, Acts of the 76th Legislature, Regular Session, 1999, to require the report card to include, where applicable, the academic excellence indicators adopted under Sections 39.051(b)(1) through (9); average class size by grade level and subject; and the administrative and instructional costs per student, computed in a manner consistent with Section 44.0071; and 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.

SECTION 3. Amends Section 39.052 (c), Education Code, to add language regarding the information required under Subsection (b)(4).

SECTION 4. Amends Section 39.182 (a), Education Code, to add language in the list of information to be included in a certain report requiring a summary and analysis of the instructional expenditures ratios and instructional employees ratios of school districts computed under Section 44.0071. Deletes language regarding the administrative cost ratios set by the commissioner under Section 42.201, including any improvements and cost savings achieved by school districts.

SECTION 5. Repealer: Chapter 42D (Administrative Costs), Education Code.

SECTION 6. Effective date: September 1, 2001.

SECTION 7. Provides that the repeal of Chapter 42D, Education Code, does not affect the liability of a school district for excess administrative costs during the 2000-2001 school year that the commissioner of education is entitled to recover during the 2001-2002 school year under Section 42.201 (d), Education Code, as that section existed on January 1, 2001, and the former law is continued in effect for that purpose.