

BILL ANALYSIS

Senate Research Center
77R9886 KKA-F

C.S.S.B. 562
By: Shapiro
Education
3/15/2001
Committee Report (Substituted)

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. C.S.S.B. 562 provides for the administrative cost ratio to remain in the law to be used to calculate the instructional expenditures ratios and instructional employees ratio. C.S.S.B. 562 also requires the Texas Education Agency to calculate and disseminate the list of role codes on each district's report card, listing the totals and the percentages, and provides for the administrative cost ratio to be included on the district's report card to show how the ratio was calculated.

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 AND DISCLOSURE OF EXPENDITURES AND STAFFING. (a) Requires the Texas Education Agency (agency), each fiscal year, to compute and report to each school district certain information for each accounting function code; the number of the district's full-time equivalent employees for the preceding fiscal year employed in each capacity; and the percentage of the district's total full-time equivalent employees for the preceding fiscal year employed in each capacity, with a comparison of that percentage to the corresponding statewide average percentage of total full-time equivalent employees employed in each capacity.

(b) Requires the agency to include with the information reported in accordance with Subsection (a) a simplified definition of each accounting function code and employment capacity used by the agency in making the computations required under that subsection.

(c) Requires a school district, at least annually, to make available to the employees at each campus a list of all campus employees who were included in making the computations required under Subsections (a)(2) and (3). Requires the list to identify each employee by name and state the capacity in which the employee was classified.

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

SECTION 2. Amends Section 39.053, Education Code, by adding Subsection (h), to require the report to include the district's administrative cost ratio determined under Section 42.204 and a description of the method used to determine that ratio and the accounting function codes used in determining that ratio; and information regarding the district's expenditures and staffing provided to the

district under Section 44.0071.

SECTION 3. 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 compliance of school districts with administrative cost ratios set by the commissioner under Section 42.201, including any improvements and cost savings achieved by school districts, and information regarding expenditures and staffing of school districts computed under Section 44.0071.

SECTION 4. Amends Sections 42.201(g)(2) and (3), Education Code, to make conforming changes.

SECTION 5. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from the original as follows:

- In SECTION 1, Section 44.0071(a), it requires the Texas Education Agency (agency) to compute and report to each school district certain information for each accounting function code, the number of the district's full-time equivalent employees for the preceding fiscal year, and the percentage of the district's full-time equivalent employees for the preceding fiscal year employed in each capacity, with a comparison of that percentage to the corresponding statewide average percentage of total full-time equivalent employees employed in each capacity. The substitute also adds new Subsections (b) and (c). Subsection (a) of the original required the school district to report to the commissioner of education (commissioner) the percentage of the district's full-time employees during the preceding fiscal year whose only job function was to directly provide classroom instruction to students, it required the district to provide the educators employed by the district with a list of employees engaged only in providing classroom instruction to students, and it set forth what constituted a district's total expenditures.
- Adds a new SECTION 2 to amend Section 39.053, Education Code, to require the report to include certain information.
- Amendments to Sections 39.052(b) and (c), Education Code, that are in the original are not included in the substitute.
- Original SECTION 4 is now SECTION 3 and additional language in the list of information to be included in a certain report requires a summary and analysis of the compliance of school districts with administrative cost ratios set by the commissioner under Section 42.201, including any improvements and cost savings achieved by school districts, and information regarding expenditures and staffing of school districts computed under Section 44.0071.
- SECTION 5 in the original, which repealed Chapter 42D of the Education Code, and the original SECTION 7, relating to the implementation of the repealer, are not included in the substitute.
- Adds a new SECTION 4 to amend Sections 42.201(g)(2) and (3), Education Code, to make conforming changes.
- Renumbers SECTION 6 to SECTION 5, the effective date.