

By: Griggs

H.B. No. 2296

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain educational mandates imposed on school
3 districts.

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

5 SECTION 1. Section 39.112, Education Code, is amended by
6 adding Subsection (e) to read as follows:

7 (e) [~~(g)~~ Notwithstanding Subsection (b), a school campus
8 or school district that is rated as exemplary for three successive
9 school years is exempt for the subsequent three-year period from
10 each assessment requirement imposed by Subchapter B, other than the
11 secondary exit-level assessment requirement imposed by Section
12 39.023(c) and each assessment requirement imposed by Section 39.023
13 that applies to students in grade three. After the expiration of
14 the three-year exemption period, each student at the campus or
15 district, as applicable, must be assessed in compliance with
16 Subchapter B. If the campus or district maintains an exemplary
17 rating as a result of those assessments, the campus or district is
18 entitled to a subsequent three-year exemption period as described
19 by this subsection. A campus or district may receive an unlimited
20 number of exemptions under this subsection, provided that at the
21 end of each exemption period each student at the campus or district,
22 as applicable, is assessed to determine the entitlement of the
23 campus or district to a subsequent exemption period.

24 SECTION 2. Subchapter A, Chapter 42, Education Code, is

1 amended by adding Sections 42.008 and 42.009 to read as follows:

2 Sec. 42.008. PROGRAM AUDITS. Except as otherwise required
3 by federal law as necessary for federal funds, an agency audit of a
4 school district program for which a district receives an allotment
5 under Section 42.151, 42.153, 42.154, or 42.156 must be initially
6 conducted by the agency electronically through a desk audit. If the
7 desk audit indicates that a district is not at high risk of having
8 misused an allotment or having inadequately reported and audited
9 allotment funds, the district may not be subject to on-site
10 monitoring under this section.

11 Sec. 42.009. RESTRICTIONS ON USE OF ALLOTMENTS. (a)
12 Notwithstanding any other provision of this code, a school district
13 that is determined through an agency program audit and the audit
14 conducted by the district under Section 44.008 to be in compliance
15 with all requirements associated with receipt of an allotment under
16 Section 42.151, 42.152, 42.153, 42.154, or 42.156 is subsequently
17 entitled to an exemption from any requirement relating to the
18 percentage of the allotment that must be used for a program for
19 which the allotment was provided. The district is entitled to the
20 exemption until an agency program audit or the audit conducted by
21 the district under Section 44.008 identifies an area of
22 noncompliance.

23 (b) The agency may require a school district that is
24 determined through an agency program audit or the audit conducted
25 by the district under Section 44.008 to be out of compliance with a
26 requirement associated with receipt of an allotment under Section
27 42.151, 42.152, 42.153, 42.154, or 42.156 to include in the

1 district's corrective plan a requirement that a specified
2 percentage of subsequently received allotment funds be spent on
3 program costs.

4 SECTION 3. Sections 42.152(c) and (q), Education Code, are
5 amended to read as follows:

6 (c) Funds allocated under this section [~~shall be used only~~
7 ~~to fund supplemental programs and services designed to eliminate~~
8 ~~any disparity in performance on assessment instruments~~
9 ~~administered under Subchapter B, Chapter 39, or disparity in the~~
10 ~~rates of high school completion between students at risk of~~
11 ~~dropping out of school, as defined by Section 29.081, and all other~~
12 ~~students. Specifically, the funds], other than an indirect cost
13 allotment established under State Board of Education rule, which
14 may not exceed 15 percent, may be used only to improve and enhance
15 programs and services funded under the regular education program
16 ~~[meet the costs of providing a compensatory, intensive, or~~
17 ~~accelerated instruction program under Section 29.081 or an~~
18 ~~alternative education program established under Section 37.008 or~~
19 ~~to support a program eligible under Title I of the Elementary and~~
20 ~~Secondary Education Act of 1965, as provided by Pub. L. No. 103-382~~
21 ~~and its subsequent amendments, and by federal regulations~~
22 ~~implementing that Act, at a campus at which at least 50 percent of~~
23 ~~the students are educationally disadvantaged. In meeting the costs~~
24 ~~of providing a compensatory, intensive, or accelerated instruction~~
25 ~~program under Section 29.081, a district's compensatory education~~
26 ~~allotment may be used only for costs supplementary to the regular~~
27 ~~education program, such as costs for program and student~~~~

1 ~~evaluation, instructional materials and equipment and other~~
2 ~~supplies required for quality instruction, supplemental staff~~
3 ~~expenses, salary for teachers of at-risk students, smaller class~~
4 ~~size, and individualized instruction. A home-rule school district~~
5 ~~or an open-enrollment charter school must use funds allocated under~~
6 ~~Subsection (a) for a purpose authorized in this subsection but is~~
7 ~~not otherwise subject to Subchapter C, Chapter 29. Notwithstanding~~
8 ~~any other provisions of this section:~~

9 ~~[(1) to ensure that a sufficient amount of the funds~~
10 ~~allotted under this section are available to supplement~~
11 ~~instructional programs and services, no more than 18 percent of the~~
12 ~~funds allotted under this section may be used to fund disciplinary~~
13 ~~alternative education programs established under Section 37.008,~~
14 ~~and~~

15 ~~[(2) the commissioner may waive the limitations of~~
16 ~~Subdivision (1) upon an annual petition, by a district's board and a~~
17 ~~district's site-based decision making committee, presenting the~~
18 ~~reason for the need to spend supplemental compensatory education~~
19 ~~funds on disciplinary alternative education programs under Section~~
20 ~~37.008. The district shall in its petition report the number of~~
21 ~~students in each grade level, by demographic subgroup, not making~~
22 ~~satisfactory progress under the state's assessment system. The~~
23 ~~commissioner will make this waiver request information available~~
24 ~~annually to the public on the agency's website].~~

25 (q) The State Board of Education, with the assistance of the
26 state auditor and the comptroller, shall develop and implement by
27 rule a reporting and auditing system for district and campus

1 expenditures of compensatory education funds to ensure that
2 compensatory education funds, other than the indirect cost
3 allotment, are spent only to improve and enhance [~~supplement~~] the
4 regular program. The reporting and auditing requirements shall be
5 managed electronically to minimize local administrative costs. The
6 commissioner shall develop a system that uses agency desk audits to
7 identify school districts that are at high risk of having used
8 compensatory education funds other than in compliance with
9 Subsection (c) or of having inadequately reported and audited those
10 funds and, as a result, require on-site monitoring under this
11 subsection. If the agency desk audit indicates that a district is
12 not at high risk of having misused compensatory education funds or
13 having inadequately reported and audited those funds, the district
14 may not be subject to on-site monitoring under this subsection. The
15 commissioner, in the year following an audit of compensatory
16 education expenditures, shall withhold from a district's
17 foundation school fund payment an amount equal to the amount of
18 compensatory education funds the agency determines were not used in
19 compliance with Subsection (c). The commissioner shall release to
20 a district funds withheld under this subsection when the district
21 provides to the commissioner a detailed plan to spend those funds in
22 compliance with Subsection (c).

23 SECTION 4. Section 42.154(c), Education Code, is amended to
24 read as follows:

25 (c) Funds allocated under this section, other than an
26 indirect cost allotment established under State Board of Education
27 rule, may [~~must~~] be used to achieve any goal included in the

1 district's technology plan [~~in providing career and technology~~
2 ~~education programs in grades nine through 12 or career and~~
3 ~~technology education programs for students with disabilities in~~
4 ~~grades seven through 12 under Sections 29.182, 29.183, and 29.184]~~.

5 SECTION 5. To the extent consistent with its existing
6 authority, the Texas Education Agency shall promote the
7 establishment and operation of pilot programs under which school
8 districts and campuses that exhibit excellence in education are
9 provided with exemptions from state educational regulations.

10 SECTION 6. Sections 39.055(b)-(d), Education Code, are
11 repealed.

12 SECTION 7. This Act takes effect September 1, 2003.