

Amend **HB 2** by Grusendorf by striking SECTION 2A.13 in its entirety, beginning on page 78, line 6 and continuing through page 80, line 17, and substituting it with the following text:

SECTION 2A.13. Subchapter H, Chapter 21, Education Code, is amended by adding Section 21.358 to read as follows:

Sec. 21.358. LEARNING ENHANCEMENT AWARD PROGRAM (LEAP) FOR PUBLIC SCHOOL EMPLOYEES. (a) The commissioner shall establish the Learning Enhancement Award Program to encourage school districts to reward those employees who make outstanding contributions at the local level to the enhancement of student learning. Each school district shall develop a local incentive plan for distributing incentive payments to qualifying employees under the Learning Enhancement Award Program and shall submit the plan to the commissioner for approval.

(b) A local incentive plan developed under this section shall include learning enhancement goals and priorities established annually by the school district through meetings and discussions with classroom teachers and administrators at each campus in the district. The local incentive plan shall delineate specific criteria for awarding incentive payments to individual employees and shall demonstrate the relationship between those criteria and each of the learning enhancement goals in the plan. The criteria for awarding incentive payments may include indicators of employee performance, such as teacher evaluations conducted by principals, peer reviews and objective measures of student achievement.

(c) The local incentive plan developed under this section must be approved by the district-level planning and decision-making committee, as well as the commissioner.

(d) From funds appropriated for purposes of this section, the commissioner shall award grants to each school district that has developed an approved local incentive plan. The commissioner shall distribute the grant payments each year to qualifying school districts on the basis of the district's actual average daily attendance for the preceding school year. The total amount of grant

payments made to school districts under this section from funds appropriated for the Learning Enhancement Award Program may not exceed \$50 million each fiscal year.

(d-1) The commissioner may not award grant payments to school districts under this section before the 2006-2007 school year. This subsection expires September 1, 2007.

(e) Each year a school district shall use grant funds received under this section to provide incentive payments to individual employees who have contributed to the advancement or fulfillment of the learning enhancement goals established by the district in its local incentive plan. The district-level planning and decision-making committee shall determine the appropriate distribution of funds received by the district under this section, in accordance with subsections (f) and (g) and the criteria established in the local incentive plan.

(f) At least 50% of the grant funds received by a district under this section shall be used to pay incentives to employees in any of the following categories:

(1) Experienced teachers who are serving as trained mentors to beginning teachers in the same school district, in accordance with a state-approved mentoring program, such as the Texas Beginning Educator Support System (TxBESS);

(2) Teachers who are certified in and teaching in a curriculum subject area in which the district is experiencing a shortage of qualified teacher as determined by the commissioner;

(3) Teachers who are assigned to teach full-time at a campus that is difficult to staff, as determined by the commissioner, including a rural or academically unacceptable campus; and

(4) Employees who, as determined by the district, have assisted a campus in overcoming an extraordinary or unexpected hardship that is believed to have detrimentally affected student learning at the campus.

(g) Not more than 50% of the funds received under this section may be used to pay incentives to full-time classroom teachers whose students demonstrate outstanding achievements and/or improvements in scholarship, as delineated in criteria in

the local incentive plan.

(h) Using funds appropriated for purposes of this section, the commissioner shall adopt rules necessary to implement this section. In adopting rules, the commissioner shall include criteria and guidelines for evaluating and approving local incentive plans and shall promote flexibility in the design of local incentive plans.

(i) The commissioner shall annually evaluate the effectiveness of the Learning Enhancement Award Program at each participating campus. The evaluation must consider:

(1) the performance of the district's students on assessment instruments administered under Section 39.023;

(2) the district's high school graduation and completion rates;

(3) the district's teacher attrition rates;

(4) the accountability ratings of the district; and

(5) the district's success in closing performance gaps between educationally disadvantaged students and other populations of students.

(j) A school district shall include the following information in employment contract:

(1) that qualifying employees may qualify for and receive incentive payments under the Learning Enhancement Award Program (LEAP); and

(2) that incentive payments awarded under the Learning Enhancement Award Program (LEAP) are considered bonuses and are not an entitlement as part of an employee's salary.

(k) A school district's decision to provide an incentive payment under the Learning Enhancement Award Program is final and may not be appealed.