

By: Jackson

S.B. No. 422

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation and functions of the Texas Education  
3 Agency and regional education service centers; providing a penalty.

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

5 ARTICLE 1. TEXAS EDUCATION AGENCY AND REGIONAL  
6 EDUCATION SERVICE CENTERS

7 SECTION 1.01. Section 5.001, Education Code, is amended by  
8 adding Subdivision (1-a) to read as follows:

9 (1-a) "Charter school" means any school or program  
10 that is operating under a charter authorized by Chapter 12 or other  
11 law, including:

12 (A) a home-rule school district under Subchapter  
13 B, Chapter 12;

14 (B) a campus or campus program under Subchapter  
15 C, Chapter 12;

16 (C) an open-enrollment charter school under  
17 Subchapter D, Chapter 12; and

18 (D) a college or university charter school under  
19 Subchapter E, Chapter 12.

20 SECTION 1.02. Section 7.004, Education Code, is amended to  
21 read as follows:

22 Sec. 7.004. SUNSET PROVISION. The Texas Education Agency  
23 is subject to Chapter 325, Government Code (Texas Sunset Act).  
24 Unless continued in existence as provided by that chapter, the

1 agency is abolished September 1, 2017 [~~2005~~].

2 SECTION 1.03. Subchapter A, Chapter 7, Education Code, is  
3 amended by adding Section 7.010 to read as follows:

4 Sec. 7.010. BEST PRACTICES. (a) The agency and the  
5 regional education service centers shall solicit and collect from  
6 exemplary or recognized school districts and open-enrollment  
7 charter schools, as rated under Section 39.072, best practices  
8 information and shall disseminate that information. The agency and  
9 the regional education service centers shall enter into a  
10 memorandum of understanding that establishes the respective duties  
11 of the agency and the regional education service centers in  
12 soliciting, collecting, and disseminating the best practices  
13 information.

14 (b) The best practices information may include:

15 (1) information concerning available programs,  
16 products, and policies that have been successfully adopted or  
17 developed and used by school districts or open-enrollment charter  
18 schools;

19 (2) specific examples of successful best practices;  
20 and

21 (3) resources available to assist school districts and  
22 open-enrollment charter schools in complying with applicable state  
23 or federal education laws.

24 (c) The best practices information must include information  
25 collected by the agency or a regional education service center  
26 concerning the effective use of online courses, including:

27 (1) methods for using online courses to provide

1 curriculum solutions;

2 (2) information to assist school districts and  
3 open-enrollment charter schools in investigating the quality of  
4 online courses; and

5 (3) a list of funding sources available for various  
6 types of online courses.

7 (d) The agency and the regional education service centers  
8 are not required to evaluate and may not endorse the best practices  
9 information collected under this section.

10 (e) The agency and the regional education service centers  
11 shall develop incentives for school districts and open-enrollment  
12 charter schools to implement best practices.

13 SECTION 1.04. Section 7.027, Education Code, as added by  
14 Chapter 201, Acts of the 78th Legislature, Regular Session, 2003,  
15 is redesignated as Section 7.028, Education Code, and amended to  
16 read as follows:

17 Sec. 7.028 [~~7.027~~]. LIMITATION ON COMPLIANCE MONITORING.

18 (a) Except as provided by Section 29.001(5), 29.010(a), [~~39.074,~~]  
19 or 39.075, the agency may monitor compliance with requirements  
20 applicable to a process or program provided by a school district,  
21 campus, program, or school granted charters under Chapter 12,  
22 including the process described by Subchapter F, Chapter 11, or a  
23 program described by Subchapter B, C, D, E, F, H, or I, Chapter 29,  
24 Subchapter A, Chapter 37, or Section 38.003, and the use of funds  
25 provided for such a program under Subchapter C, Chapter 42, only as  
26 necessary to ensure:

27 (1) compliance with federal law and regulations;

1           (2) financial accountability, including compliance  
2 with grant requirements; and

3           (3) data integrity for purposes of:

4                 (A) the Public Education Information Management  
5 System (PEIMS); and

6                 (B) accountability under Chapter 39.

7           (b) The board of trustees of a school district or the  
8 governing body of an open-enrollment charter school has primary  
9 responsibility for ensuring that the district or school complies  
10 with all applicable requirements of state educational programs.

11           SECTION 1.05. Subchapter B, Chapter 7, Education Code, is  
12 amended by adding Sections 7.032 and 7.033 to read as follows:

13           Sec. 7.032. RECORDS OF COMPLAINTS. (a) The agency shall  
14 maintain a system to promptly and efficiently act on complaints  
15 filed with the agency that the agency has the authority to resolve.  
16 The agency shall maintain:

17                 (1) information about the parties to the complaint and  
18 the subject matter of the complaint;

19                 (2) a summary of the results of the review or  
20 investigation of the complaint; and

21                 (3) information about the disposition of the  
22 complaint.

23           (b) The agency shall make information available describing  
24 its procedures for complaint investigation and resolution.

25           (c) The agency shall periodically notify the parties of the  
26 status of the complaint until final disposition of the complaint.

27           Sec. 7.033. COMPREHENSIVE MONITORING SYSTEM. To the extent

1 permissible under Section 7.028, the agency shall develop and  
2 implement a comprehensive, integrated monitoring system for  
3 monitoring school district and charter school overall performance  
4 under and compliance with federal and state education laws. The  
5 system must incorporate performance and compliance information  
6 collected by various agency divisions for each school district and  
7 charter school, including information relating to:

- 8           (1) data integrity;
- 9           (2) the performance of district or school programs;
- 10          (3) financial accountability;
- 11          (4) academic accountability;
- 12          (5) previous history of compliance;
- 13          (6) complaints issues; and
- 14          (7) governance issues.

15           SECTION 1.06. Subsections (a) and (d), Section 7.057,  
16 Education Code, are amended to read as follows:

17           (a) Except as provided by Subsection (e) or Section 7.0571,  
18 a person may appeal in writing to the commissioner if the person is  
19 aggrieved by:

20           (1) the school laws of this state; or  
21           (2) actions or decisions of any school district board  
22 of trustees that violate:

23           (A) the school laws of this state; or  
24           (B) a provision of a written employment contract  
25 between the school district and a school district employee, if a  
26 violation causes or would cause monetary harm to the employee.

27           (d) Except as provided by Section 7.0571, a [A] person

1 aggrieved by an action of the agency or decision of the commissioner  
2 may appeal to a district court in Travis County. An appeal must be  
3 made by serving the commissioner with citation issued and served in  
4 the manner provided by law for civil suits. The petition must state  
5 the action or decision from which the appeal is taken. At trial,  
6 the court shall determine all issues of law and fact, except as  
7 provided by Section 33.081(g).

8 SECTION 1.07. Subchapter C, Chapter 7, Education Code, is  
9 amended by adding Sections 7.0571, 7.061, 7.062, and 7.063 to read  
10 as follows:

11 Sec. 7.0571. INFORMAL REVIEW BY COMMISSIONER. (a) The  
12 commissioner shall adopt rules under which a school district,  
13 open-enrollment charter school, or other person that wishes to  
14 challenge an agency decision made under Chapter 39, 41, 42, or 46  
15 must petition the commissioner for an informal review by the  
16 commissioner of the decision.

17 (b) The commissioner may limit a review under this section  
18 to a written submission of any issue identified by the  
19 commissioner.

20 (c) A final decision under this section is final and may not  
21 be appealed under Section 7.057 or any other law.

22 Sec. 7.061. TECHNOLOGY POLICY. The commissioner shall  
23 implement a policy requiring the agency to use appropriate  
24 technological solutions to improve the agency's ability to perform  
25 its functions. The policy must ensure that the public is able to  
26 interact with the agency on the Internet.

27 Sec. 7.062. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE

1 RESOLUTION. (a) The commissioner shall develop and implement a  
2 policy to encourage the use of:

3 (1) negotiated rulemaking procedures under Chapter  
4 2008, Government Code, for the adoption of agency rules; and

5 (2) appropriate alternative dispute resolution  
6 procedures under Chapter 2009, Government Code, to assist in the  
7 resolution of internal and external disputes under the agency's  
8 jurisdiction.

9 (b) The agency's procedures relating to alternative dispute  
10 resolution must conform, to the extent possible, to any model  
11 guidelines issued by the State Office of Administrative Hearings  
12 for the use of alternative dispute resolution by state agencies.

13 (c) The commissioner shall designate a trained person to:

14 (1) coordinate the implementation of the policy  
15 developed under Subsection (a);

16 (2) serve as a resource for any training needed to  
17 implement the procedures for negotiated rulemaking or alternative  
18 dispute resolution; and

19 (3) collect data concerning the effectiveness of those  
20 procedures, as implemented by the agency.

21 Sec. 7.063. ASSESSMENT OF EDUCATOR WORKLOAD IN ADOPTION OF  
22 RULES. Before adopting a new rule, the commissioner shall assess  
23 whether the proposed rule will impose additional paperwork  
24 requirements on educators and attempt to minimize any such  
25 additional requirements.

26 SECTION 1.08. Chapter 7, Education Code, is amended by  
27 adding Subchapter E to read as follows:

1           SUBCHAPTER E. PERFORMANCE-BASED GRANT SYSTEM

2           Sec. 7.151. PERFORMANCE-BASED GRANT SYSTEM. (a) The  
3 agency shall implement a comprehensive performance-based grant  
4 system to collect and report grant performance and spending  
5 information and to use that information in making future grants.

6           (b) The grant system must:

7           (1) connect grant activities and funding to student  
8 academic performance; and

9           (2) provide for efficient grant application and  
10 reporting procedures for grant programs administered by the agency.

11          Sec. 7.152. GRANT PROGRAM PROCEDURES. The agency shall  
12 ensure that:

13          (1) the mission, purpose, and objectives of each  
14 agency grant program supports student academic performance or  
15 another public education mission, objective, or goal specified  
16 under Sections 4.001 and 4.002;

17          (2) each agency grant program coordinates with other  
18 grant programs administered by the agency;

19          (3) grant programs with similar objectives have common  
20 performance measures; and

21          (4) the most efficient methods for coordinating grant  
22 objectives, grant activities, academic performance measures, and  
23 funding are used in the agency's grant application and reporting  
24 systems.

25          Sec. 7.153. GRANT ELIGIBILITY NOTIFICATION. The agency may  
26 use existing data to identify and notify an eligible school  
27 district or charter school of the opportunity to apply for a



1 state-funded discretionary grant.

2 Sec. 7.154. APPLICATION FOR STATE-FUNDED FORMULA GRANTS.

3 The agency shall develop one or more consolidated applications to  
4 be used by school districts and charter schools in applying for any  
5 state-funded formula grant administered by the agency.

6 Sec. 7.155. AVAILABILITY OF GRANT INFORMATION. The agency  
7 shall ensure that information relating to the grant system is  
8 available to the legislature and the public.

9 Sec. 7.156. BEST PRACTICES GRANT INFORMATION. (a) The  
10 agency, in coordination with regional education service centers,  
11 shall use data relating to grant programs, including grant spending  
12 and performance information, to identify successful grant  
13 programs. Based on the identification of successful grant  
14 programs, each regional education service center shall provide  
15 information concerning those programs to the school districts in  
16 the service center's region.

17 (b) This section applies beginning with the 2009-2010  
18 school year. This subsection expires June 1, 2010.

19 Sec. 7.157. DEVELOPMENT OF GRANT SYSTEM. (a) In  
20 developing the performance-based grant system, the agency shall:

21 (1) identify each area of data collected for grant  
22 programs and the method in which the agency collects the data;

23 (2) determine whether grant data that a school  
24 district or charter school is required to collect is useful and  
25 supports:

26 (A) a grant program's objectives; and

27 (B) the goals for academic performance and

1 accountability or another public education mission, objective, or  
2 goal;

3 (3) determine whether grant data is analyzed and  
4 disseminated efficiently; and

5 (4) review the agency's policies, procedures, and  
6 reporting requirements relating to grant programs administered by  
7 the agency to simplify and make more efficient the grant  
8 application, award, and reporting processes for school districts  
9 and charter schools.

10 (b) This section expires June 1, 2010.

11 Sec. 7.158. GRANT ADMINISTRATION DURING CERTAIN SCHOOL  
12 YEARS; STATUS REPORT. (a) Not later than January 1, 2007, the  
13 agency shall provide the legislature with a status report  
14 concerning the agency's development of the grant system. The  
15 report may suggest any statutory changes needed to facilitate a  
16 full transition to a performance-based grant system.

17 (b) Beginning with the 2009-2010 school year, the agency  
18 shall make the performance-based grant system fully available to  
19 school districts and charter schools.

20 (c) This section expires June 1, 2010.

21 SECTION 1.09. Subchapter A, Chapter 8, Education Code, is  
22 amended by adding Section 8.0031 to read as follows:

23 Sec. 8.0031. TRAINING FOR MEMBERS OF BOARD OF DIRECTORS.

24 (a) The commissioner shall adopt rules prescribing training for  
25 members of regional education service center boards of directors.  
26 The training curriculum may include:

27 (1) an overview of this code and any rules adopted

1 under this code;

2 (2) a review of recent state and federal education  
3 legislation, rules, and regulations;

4 (3) a review of the powers and duties of a regional  
5 education service center board of directors; and

6 (4) a review of any statewide or regional strategic  
7 planning applicable to regional education service centers.

8 (b) A member of a regional education service center board of  
9 directors must complete any training required by commissioner rule.

10 SECTION 1.10. Subsections (b), (c), and (d), Section 8.051,  
11 Education Code, are amended to read as follows:

12 (b) Each regional education service center shall annually  
13 develop and submit to the commissioner for approval a plan for  
14 improvement. Each plan must include the purposes and description  
15 of the services the center will provide to:

16 (1) campuses rated academically unacceptable  
17 ~~[identified as low-performing based on the indicators adopted]~~  
18 under Section 39.072 ~~[39.051]~~;

19 (2) the lowest-performing campuses in the region; and

20 (3) other campuses.

21 (c) Each regional education service center shall provide  
22 services that enable school districts to operate more efficiently  
23 and economically, including collecting and disseminating:

24 (1) best practices information as provided by Section  
25 7.010; and

26 (2) information concerning successful grant programs  
27 to school districts as provided by Section 7.156.

1 (d) Each regional education service center shall maintain  
2 core services for purchase by school districts and campuses. The  
3 core services are:

4 (1) training and assistance in teaching each subject  
5 area assessed under Section 39.023;

6 (2) training and assistance in providing each program  
7 that qualifies for a funding allotment under Section 42.151,  
8 42.152, 42.153, or 42.156;

9 (3) assistance specifically designed for a school  
10 district or campus rated academically unacceptable under Section  
11 39.072 [~~39.072(a) or a campus whose performance is considered~~  
12 ~~unacceptable based on the indicators adopted under Section 39.051~~];

13 (4) training and assistance to teachers,  
14 administrators, members of district boards of trustees, and members  
15 of site-based decision-making committees;

16 (5) assistance specifically designed for a school  
17 district that is considered out of compliance with state or federal  
18 special education requirements, based on the agency's most recent  
19 compliance review of the district's special education programs; and

20 (6) assistance in complying with state laws and rules.

21 SECTION 1.11. Subchapter A, Chapter 12, Education Code, is  
22 amended by adding Sections 12.004 and 12.005 to read as follows:

23 Sec. 12.004. MONITORING OF CERTAIN CHARTER SCHOOLS.

24 (a) This section applies only to a charter school that does not  
25 receive an academic performance rating under Section 39.072 or  
26 under an alternative education accountability system for  
27 alternative education campuses for at least two consecutive school

1 years.

2 (b) The agency shall monitor a charter school to which this  
3 section applies to assess:

4 (1) the quality of the school's data; and

5 (2) the school's compliance with assessment  
6 requirements under Chapter 39.

7 Sec. 12.005. FINANCIAL ACCOUNTABILITY. (a) In this  
8 section:

9 (1) "Parent" includes a guardian or other person  
10 having lawful control of a student.

11 (2) "System" means the financial accountability  
12 rating system.

13 (b) The commissioner shall develop and implement a  
14 financial accountability rating system for charter schools. The  
15 system must include uniform indicators adopted by the commissioner  
16 by which to measure a charter school's financial management  
17 performance.

18 (c) The commissioner shall develop, as part of the system, a  
19 reporting procedure under which:

20 (1) each charter school is required to prepare and  
21 distribute an annual financial management report; and

22 (2) the public is provided an opportunity to comment  
23 on the report at a hearing.

24 (d) The annual financial management report must include:

25 (1) a description of the charter school's financial  
26 management performance based on a comparison, provided by the  
27 agency, of the school's performance on the indicators adopted under

1 Subsection (b) to:

2 (A) state-established standards; and

3 (B) the school's previous performance on the  
4 indicators; and

5 (2) any descriptive information required by the  
6 commissioner.

7 (e) The report may include:

8 (1) information concerning the charter school's:

9 (A) financial allocations;

10 (B) financial strengths;

11 (C) operating cost management;

12 (D) personnel management;

13 (E) debt management;

14 (F) cash management;

15 (G) budgetary planning;

16 (H) overall business management;

17 (I) compliance with rules; and

18 (J) data quality; and

19 (2) any other information the school's governing body  
20 determines to be necessary and useful.

21 (f) The governing body of each charter school shall hold a  
22 public hearing on the report. The governing body shall provide  
23 notice of the hearing to the parents of students enrolled in the  
24 school. In addition to other notice required by law, notice of the  
25 hearing must be provided:

26 (1) to a newspaper of general circulation in the  
27 school district in which the charter school is located; and

1           (2) through electronic mail to media serving the  
2 school district in which the charter school is located.

3           (g) After the hearing, the governing body of the charter  
4 school shall provide the report to the parents of students enrolled  
5 in the school.

6           (h) The commissioner shall adopt rules as necessary for the  
7 administration of this section.

8           SECTION 1.12. Subsection (b), Section 12.013, Education  
9 Code, is amended to read as follows:

10           (b) A home-rule school district is subject to:

11                 (1) a provision of this title establishing a criminal  
12 offense;

13                 (2) a provision of this title relating to limitations  
14 on liability; and

15                 (3) a prohibition, restriction, or requirement, as  
16 applicable, imposed by this title or a rule adopted under this  
17 title, relating to:

18                         (A) the Public Education Information Management  
19 System (PEIMS) to the extent necessary to monitor compliance with  
20 this subchapter as determined by the commissioner;

21                         (B) educator certification under Chapter 21 and  
22 educator rights under Sections 21.407, 21.408, and 22.001;

23                         (C) criminal history records under Subchapter C,  
24 Chapter 22;

25                         (D) student admissions under Section 25.001;

26                         (E) school attendance under Sections 25.085,  
27 25.086, and 25.087;

1 (F) inter-district or inter-county transfers of  
2 students under Subchapter B, Chapter 25;

3 (G) elementary class size limits under Section  
4 25.112, in the case of any campus in the district that is rated  
5 academically unacceptable [~~considered low-performing~~] under  
6 Section 39.072 [~~39.132~~];

7 (H) high school graduation under Section 28.025;

8 (I) special education programs under Subchapter  
9 A, Chapter 29;

10 (J) bilingual education under Subchapter B,  
11 Chapter 29;

12 (K) prekindergarten programs under Subchapter E,  
13 Chapter 29;

14 (L) safety provisions relating to the  
15 transportation of students under Sections 34.002, 34.003, 34.004,  
16 and 34.008;

17 (M) computation and distribution of state aid  
18 under Chapters 31, 42, and 43;

19 (N) extracurricular activities under Section  
20 33.081;

21 (O) health and safety under Chapter 38;

22 (P) public school accountability under  
23 Subchapters B, C, D, and G, Chapter 39;

24 (Q) equalized wealth under Chapter 41;

25 (R) a bond or other obligation or tax rate under  
26 Chapters 42, 43, and 45; and

27 (S) purchasing under Chapter 44.



1 SECTION 1.13. Section 12.115, Education Code, is amended by  
2 amending Subsection (b) and adding Subsection (c) to read as  
3 follows:

4 (b) The action the commissioner takes under Subsection (a)  
5 shall be based on the best interest of the school's students, the  
6 severity of the violation, ~~and~~ any previous violation the school  
7 has committed, and the extent to which the school is in compliance  
8 with any state or federal programmatic or financial requirement  
9 applicable to the school.

10 (c) This section may not be construed to limit the  
11 commissioner's authority to impose a sanction under Subchapter G,  
12 Chapter 39.

13 SECTION 1.14. Subchapter D, Chapter 12, Education Code, is  
14 amended by adding Section 12.1151 to read as follows:

15 Sec. 12.1151. CLOSURE AND REVOCATION OR DENIAL OF RENEWAL  
16 BECAUSE OF UNSATISFACTORY PERFORMANCE. (a) The commissioner  
17 shall order the closure and shall revoke or deny the renewal of a  
18 charter of an open-enrollment charter school under Section 12.115  
19 if:

20 (1) each campus operated under the charter has been  
21 closed under Section 39.1332; or

22 (2) for two consecutive school years at least half of  
23 the campuses operated under the charter have received academically  
24 unacceptable or other unsatisfactory performance ratings under  
25 Section 39.072 or under an alternative education accountability  
26 system for alternative education campuses, unless the charter  
27 holder received an academic performance rating of acceptable or

1 higher under Section 39.072 for either of those school years.

2 (b) A hearing concerning the closure and revocation or  
3 denial of renewal of a charter of an open-enrollment charter school  
4 under this section:

5 (1) is limited to the issue of whether the  
6 open-enrollment charter school or a campus operated under the  
7 charter actually received a particular academic performance  
8 rating; and

9 (2) may not be used to challenge the commissioner's  
10 final academic performance rating for the open-enrollment charter  
11 school or a campus operated under the charter.

12 SECTION 1.15. Section 12.116, Education Code, is amended by  
13 amending Subsection (b) and adding Subsection (d) to read as  
14 follows:

15 (b) The procedure adopted under Subsection (a) must provide  
16 an opportunity for a hearing to the charter holder and to parents  
17 and guardians of students in the school. A hearing under this  
18 subsection must be held at:

19 (1) the facility at which the program is operated;

20 (2) an alternative facility designated by the  
21 commissioner that is located in the same county as the facility at  
22 which the program is operated; or

23 (3) the regional education service center closest to  
24 the facility at which the program is operated.

25 (d) A decision by the commissioner under this section is  
26 final and may not be appealed.

27 SECTION 1.16. Subsection (b), Section 21.453, Education

1 Code, is amended to read as follows:

2 (b) The commissioner may allocate funds from the account to  
3 regional education service centers to provide staff development  
4 resources to school districts that:

5 (1) are rated academically unacceptable;

6 (2) have one or more campuses rated academically  
7 unacceptable [~~as low-performing~~]; or

8 (3) are otherwise in need of assistance as indicated  
9 by the academic performance of students, as determined by the  
10 commissioner.

11 SECTION 1.17. Subchapter A, Chapter 29, Education Code, is  
12 amended by adding Sections 29.0162 and 29.0163 to read as follows:

13 Sec. 29.0162. INFORMATION REGARDING SPECIAL EDUCATION DUE  
14 PROCESS HEARINGS. (a) The agency shall make available to a  
15 parent, student, school district, attorney, or other interested  
16 person, and shall place on the agency's Internet website,  
17 comprehensive, easily understood information concerning the  
18 special education due process hearing process.

19 (b) The information described by Subsection (a) must  
20 include:

21 (1) a description of the steps in the due process  
22 hearing process;

23 (2) the text of any applicable administrative,  
24 procedural, or evidentiary rule;

25 (3) a description of any notice requirements;

26 (4) an explanation of options for alternative dispute  
27 resolution, including mediation;

- 1           (5) an explanation of a resolution session;  
2           (6) answers to frequently asked questions; and  
3           (7) other sources of information, including  
4 electronic sources of information, such as special education case  
5 law available on the Internet.

6           Sec. 29.0163. COLLECTION AND ANALYSIS OF INFORMATION  
7 CONCERNING SPECIAL EDUCATION HEARING OFFICERS. (a) Section 7.032  
8 applies to any complaint regarding the conduct of a special  
9 education hearing officer.

10           (b) The agency shall collect and at least biennially analyze  
11 any information, including complaint information, relating to the  
12 performance of a special education hearing officer for use in  
13 assessing:

14           (1) the effectiveness of the due process hearing  
15 process; and

16           (2) the performance of a special education hearing  
17 officer.

18           (c) The agency shall use the information described by  
19 Subsection (b) in determining whether to renew a contract with a  
20 special education hearing officer.

21           SECTION 1.18. Subsection (a), Section 29.202, Education  
22 Code, is amended to read as follows:

23           (a) A student is eligible to receive a public education  
24 grant or to attend another public school in the district in which  
25 the student resides under this subchapter if the student is  
26 assigned to attend a public school campus:

27           (1) at which 50 percent or more of the students did not

1 perform satisfactorily on an assessment instrument administered  
2 under Section 39.023(a) or (c) in any two of the preceding three  
3 years; or

4 (2) that was, at any time in the preceding three years,  
5 rated academically unacceptable [~~considered low-performing~~] under  
6 Section 39.072 [~~39.132~~].

7 SECTION 1.19. Subchapter H, Chapter 29, Education Code, is  
8 amended by adding Section 29.258 to read as follows:

9 Sec. 29.258. DEVELOPMENT OF WORKPLACE LITERACY AND BASIC  
10 SKILLS CURRICULUM. (a) In this section, "local workforce  
11 development board" means an entity formed under Chapter 2308,  
12 Government Code.

13 (b) The agency shall develop a demand-driven workplace  
14 literacy and basic skills curriculum aimed at assisting local  
15 workforce development boards to equip workers and job seekers with  
16 the skills necessary to compete for current and emerging jobs in  
17 this state.

18 (c) In developing the general curriculum required by  
19 Subsection (b), the agency shall:

20 (1) evaluate existing efforts and potential cost  
21 savings resulting from designing specific curricula that address  
22 the needs of various industry sectors in the business community;

23 (2) contract for field work to solicit the assistance  
24 of workers, employers, providers, and local workforce development  
25 boards in developing industry sector curricula;

26 (3) target up to five industry sectors in the business  
27 community that are likely to benefit from the development of

1 specific curricula; and

2 (4) pilot test the curricula within the targeted  
3 industry sectors and adjust the curricula based on feedback  
4 received from workers and employers in those sectors.

5 (d) Based on the curriculum developed under this section,  
6 the agency shall adopt workforce basic skills credentials to be  
7 used to define, measure, and certify the mastery of the basic skills  
8 required by the curriculum developed under this section.

9 (e) In addition to the curriculum developed under this  
10 section, the agency shall develop and implement a plan to encourage  
11 participants who successfully complete the curriculum to pursue  
12 postsecondary educational opportunities leading to certificates  
13 and degrees.

14 (f) The Texas Workforce Commission shall provide the agency  
15 with the resources, industry-specific information, and expertise  
16 needed by the agency in developing and implementing the curriculum  
17 under this section.

18 (g) This section expires September 1, 2007.

19 SECTION 1.20. Section 31.025, Education Code, is amended by  
20 adding Subsection (a-1) to read as follows:

21 (a-1) The agency shall recommend to the State Board of  
22 Education a limit on the cost that may be paid from the state  
23 textbook fund for a textbook placed on the nonconforming list that  
24 is prorated in relation to the percentage of elements of the  
25 essential knowledge and skills of the subject and grade level that  
26 are missing from the textbook.

27 SECTION 1.21. Subsections (a), (b), and (c), Section

1 31.1011, Education Code, are amended to read as follows:

2 (a) The commissioner shall implement a program that allows  
3 ~~[to study the use of credits for textbooks. The program shall be~~  
4 ~~designed to allow]~~ a ~~[participating]~~ school district or  
5 open-enrollment charter school to receive credit for textbooks  
6 purchased at a cost below the cost limit established under Section  
7 31.025(a).

8 (b) The credit is an amount equal to the difference between  
9 the price paid for a textbook and the cost limit established under  
10 Section 31.025(a) for that textbook multiplied by the number of  
11 copies of that textbook the ~~[participating]~~ school district or  
12 open-enrollment charter school purchases.

13 (c) Fifty percent of the total textbook credit of a  
14 ~~[participating]~~ school district or open-enrollment charter school  
15 shall be credited to the state textbook fund, and 50 percent of the  
16 credit shall be credited to the ~~[participating]~~ district or school  
17 to apply toward the requisition of additional textbooks or  
18 electronic textbooks on the conforming or nonconforming list.

19 SECTION 1.22. Chapter 33, Education Code, is amended by  
20 adding Subchapter F to read as follows:

21 SUBCHAPTER F. SAFETY REGULATIONS FOR CERTAIN

22 EXTRACURRICULAR ACTIVITIES

23 Sec. 33.201. APPLICABILITY. This subchapter applies to  
24 each public school in this state and to any other school in this  
25 state subject to University Interscholastic League regulations.

26 Sec. 33.202. SAFETY TRAINING REQUIRED. (a) The  
27 commissioner by rule shall develop and adopt a safety training

1 program as provided by this section. In developing the program, the  
2 commissioner may use materials available from the American Red  
3 Cross or another appropriate entity.

4 (b) The following persons must satisfactorily complete the  
5 safety training program:

6 (1) a coach, trainer, or sponsor for an  
7 extracurricular athletic activity;

8 (2) except as provided by Subsection (f), a physician  
9 who is employed by a school or school district or who volunteers to  
10 assist with an extracurricular athletic activity; and

11 (3) a director responsible for a school marching band.

12 (c) The safety training program must include:

13 (1) certification of participants by the American Red  
14 Cross, the American Heart Association, or a similar organization or  
15 the University Interscholastic League, as determined by the  
16 commissioner;

17 (2) annual training in:

18 (A) emergency action planning;

19 (B) cardiopulmonary resuscitation if the person  
20 is not required to obtain certification under Section 33.086;

21 (C) communicating effectively with 9-1-1  
22 emergency service operators and other emergency personnel; and

23 (D) recognizing symptoms of potentially  
24 catastrophic injuries, including head and neck injuries,  
25 concussions, injuries related to second impact syndrome, asthma  
26 attacks, heatstroke, cardiac arrest, and injuries requiring use of  
27 a defibrillator; and



1           (3) at least once each school year, a safety drill that  
2 incorporates the training described by Subdivision (2) and  
3 simulates various injuries described by Subdivision (2)(D).

4           (d) A student participating in an extracurricular athletic  
5 activity must receive training related to:

6           (1) recognizing the symptoms of injuries described by  
7 Subsection (c)(2)(D); and

8           (2) the risks of using supplements designed or  
9 marketed to enhance athletic performance.

10          (e) The safety training program and the training under  
11 Subsection (d) may each be conducted by a school or school district  
12 or by an organization described by Subsection (c)(1).

13          (f) A physician who is employed by a school or school  
14 district or who volunteers to assist with an extracurricular  
15 athletic activity is exempt from the requirements of Subsection (b)  
16 if the physician attends a continuing medical education course that  
17 specifically addresses emergency medicine for athletic team  
18 physicians.

19          Sec. 33.203. COMPLETION OF UNIVERSITY INTERSCHOLASTIC  
20 LEAGUE MEDICAL HISTORY FORM. (a) Each student participating in an  
21 extracurricular athletic activity must complete the University  
22 Interscholastic League forms entitled "Preparticipation Physical  
23 Evaluation--Medical History" and "Acknowledgment of Rules." Each  
24 form must be signed by both the student and the student's parent or  
25 guardian.

26          (b) Each form described by Subsection (a) must clearly state  
27 that failure to accurately and truthfully answer all questions on a

1 form required by statute or by the University Interscholastic  
2 League as a condition for participation in an extracurricular  
3 athletic activity subjects a signer of the form to penalties  
4 determined by the University Interscholastic League.

5 (c) The "Preparticipation Physical Evaluation--Medical  
6 History" form described by Subsection (a) must contain the  
7 following statement:

8 "An individual answering in the affirmative to  
9 any question relating to a possible cardiovascular  
10 health issue, as identified on the form, should be  
11 restricted from further participation until the  
12 individual is examined by the individual's primary  
13 care physician. Ultimately, the individual may need  
14 to be evaluated by a cardiologist and/or undergo  
15 cardiac testing (including an echocardiogram and/or  
16 other heart-related examination) based on the  
17 assessment by the primary care physician."

18 Sec. 33.204. CERTAIN UNSAFE ATHLETIC ACTIVITIES  
19 PROHIBITED. A coach, trainer, or sponsor for an extracurricular  
20 athletic activity may not encourage or permit a student  
21 participating in the activity to engage in any unreasonably  
22 dangerous athletic technique that unnecessarily endangers the  
23 health of a student, including using a helmet or any other sports  
24 equipment as a weapon.

25 Sec. 33.205. CERTAIN SAFETY PRECAUTIONS REQUIRED. (a) A  
26 coach, trainer, or sponsor for an extracurricular athletic activity  
27 shall at each athletic practice or competition ensure that:

1           (1) each student participating in the activity is  
2 adequately hydrated;

3           (2) any prescribed asthma medication for a student  
4 participating in the activity is readily available to the student;

5           (3) emergency lanes providing access to the practice  
6 or competition area are open and clear; and

7           (4) heatstroke prevention materials are readily  
8 available.

9           (b) If a student participating in an extracurricular  
10 athletic activity, including a practice or competition, is rendered  
11 unconscious during the activity, the student may not:

12           (1) return to the practice or competition during which  
13 the student was rendered unconscious; or

14           (2) continue to participate in any extracurricular  
15 athletic activity until the student receives written authorization  
16 from a physician.

17           Sec. 33.206. COMPLIANCE; ENFORCEMENT. (a) On request, a  
18 school shall make available to the public proof of compliance for  
19 each person enrolled in, employed by, or volunteering for the  
20 school who is required to receive safety training described by  
21 Section 33.202.

22           (b) The superintendent of a school district or the director  
23 of a school subject to this subchapter shall maintain complete and  
24 accurate records of the district's or school's compliance with  
25 Section 33.202.

26           (c) A school campus that is determined by the school's  
27 superintendent or director to not be in compliance with Section

1 33.202, 33.204, or 33.205 shall discontinue all extracurricular  
2 athletic activities offered by the school campus, including all  
3 practices and competitions, until the superintendent or director  
4 determines that the school campus is in compliance.

5 Sec. 33.207. CONTACT INFORMATION. (a) The commissioner  
6 shall maintain an existing telephone number and an electronic mail  
7 address to allow a person to report a violation of this subchapter.

8 (b) Each school that offers an extracurricular athletic  
9 activity shall prominently display at the administrative offices of  
10 the school the telephone number and electronic mail address  
11 maintained under Subsection (a).

12 Sec. 33.208. NOTICE REQUIRED. (a) A school that offers an  
13 extracurricular athletic activity shall provide to each student  
14 participating in an extracurricular athletic activity and to the  
15 student's parent or guardian a copy of the text of Sections  
16 33.201-33.207 and a copy of the University Interscholastic League's  
17 parent information manual.

18 (b) A document required to be provided under this section  
19 may be provided in an electronic format unless otherwise requested  
20 by a student, parent, or guardian.

21 Sec. 33.209. INCORPORATION OF SAFETY REGULATIONS. The  
22 University Interscholastic League shall incorporate the provisions  
23 of Sections 33.203-33.207 into the league's constitution and  
24 contest rules.

25 Sec. 33.210. IMMUNITY FROM LIABILITY. An action taken  
26 under this subchapter is not considered to be a ministerial act for  
27 purposes of Section 22.0511.

1 SECTION 1.23. Subchapter D, Chapter 33, Education Code, is  
2 amended by adding Section 33.087 to read as follows:

3 Sec. 33.087. REPORT CONCERNING AUTOMATED EXTERNAL  
4 DEFIBRILLATORS. (a) Using existing funds and other resources  
5 available for the purpose, the agency and the University  
6 Interscholastic League shall jointly investigate the availability  
7 of federal, state, local, and private funds for purchasing  
8 automated external defibrillators, as defined by Section 779.001,  
9 Health and Safety Code, for use by University Interscholastic  
10 League member schools, and the possibility of receiving a bulk  
11 discount on such purchases.

12 (b) The agency and the University Interscholastic League  
13 shall submit a report describing the findings of the investigation  
14 to the legislature not later than June 1, 2006.

15 (c) This section expires July 1, 2006.

16 SECTION 1.24. Subchapter B, Chapter 39, Education Code, is  
17 amended by adding Section 39.0232 to read as follows:

18 Sec. 39.0232. SECURITY IN ADMINISTRATION OF ASSESSMENT  
19 INSTRUMENTS. The agency shall make every effort to ensure the  
20 appropriate administration of assessment instruments under Section  
21 39.023 and to protect the integrity of the assessment program  
22 established under this subchapter.

23 SECTION 1.25. Subsection (a), Section 39.053, Education  
24 Code, is amended to read as follows:

25 (a) Each board of trustees shall publish an annual report  
26 describing the educational performance of the district and of each  
27 campus in the district that includes uniform student performance

1 and descriptive information as determined under rules adopted by  
2 the commissioner. The annual report must also include:

3 (1) campus performance objectives established under  
4 Section 11.253 and the progress of each campus toward those  
5 objectives, which shall be available to the public;

6 (2) the academic performance rating for the district  
7 and each campus in the district as provided under Section 39.072  
8 ~~[39.072(a) and the performance rating of each campus in the~~  
9 ~~district as provided under Section 39.072(c)]~~;

10 (3) the district's current special education  
11 compliance status with the agency;

12 (4) a statement of the number, rate, and type of  
13 violent or criminal incidents that occurred on each district  
14 campus, to the extent permitted under the Family Educational Rights  
15 and Privacy Act of 1974 (20 U.S.C. Section 1232g);

16 (5) information concerning school violence prevention  
17 and violence intervention policies and procedures that the district  
18 is using to protect students; ~~and~~

19 (6) the findings that result from evaluations  
20 conducted under the Safe and Drug-Free Schools and Communities Act  
21 of 1994 (20 U.S.C. Section 7101 et seq.) ~~[and its subsequent~~  
22 ~~amendments]~~; and

23 (7) information received under Section 51.403(e) for  
24 each high school campus in the district, presented in a form  
25 determined by the commissioner.

26 SECTION 1.26. Section 39.055, Education Code, is amended to  
27 read as follows:

1           Sec. 39.055. [~~ANNUAL~~] AUDIT OF DROPOUT RECORDS; REPORT.

2       (a) The commissioner shall develop a process for auditing school  
3       district dropout records electronically. The commissioner shall  
4       also develop a system and standards for review of the audit or use  
5       systems already available at the agency. The system must be  
6       designed to identify districts that are at high risk of having  
7       inaccurate dropout records and that, as a result, may be subject to  
8       a special accreditation investigation under Section 39.075  
9       ~~[require on-site monitoring of dropout records. If the electronic~~  
10      ~~audit of a district's dropout records indicates that a district is~~  
11      ~~not at high risk of having inaccurate dropout records, the district~~  
12      ~~may not be subject to on-site monitoring under this subsection. If~~  
13      ~~the risk-based system indicates that a district is at high risk of~~  
14      ~~having inaccurate dropout records, the district is entitled to an~~  
15      ~~opportunity to respond to the commissioner's determination before~~  
16      ~~on-site monitoring may be conducted. The district must respond not~~  
17      ~~later than the 30th day after the date the commissioner notifies the~~  
18      ~~district of the commissioner's determination. If the district's~~  
19      ~~response does not change the commissioner's determination that the~~  
20      ~~district is at high risk of having inaccurate dropout records or if~~  
21      ~~the district does not respond in a timely manner, the commissioner~~  
22      ~~shall order agency staff to conduct on-site monitoring of the~~  
23      ~~district's dropout records].~~

24      (b) [~~(e)~~] The commissioner shall notify the superintendent  
25      ~~[board of trustees]~~ of a school district of any objection the  
26      commissioner has to the district's dropout data, any violation of  
27      sound accounting practices or of a law or rule revealed by the data,

1 or any recommendation by the commissioner concerning the data. If  
2 the data reflect that a penal law has been violated, the  
3 commissioner shall notify the county attorney, district attorney,  
4 or criminal district attorney, as appropriate, and the attorney  
5 general. The commissioner is entitled to access to all district  
6 records the commissioner considers necessary or appropriate for the  
7 review, analysis, or approval of district dropout data.

8 SECTION 1.27. Sections 39.071 and 39.072, Education Code,  
9 are amended to read as follows:

10 Sec. 39.071. ACCREDITATION. (a) Accreditation of a school  
11 district is determined in accordance with this section  
12 ~~[subchapter]~~.

13 (b) Each year, the commissioner shall determine the  
14 accreditation status of each school district. In determining  
15 accreditation status, the commissioner:

16 (1) shall evaluate and consider the performance of the  
17 district under:

18 (A) the academic accountability system under  
19 Section 39.072; and

20 (B) the applicable financial accountability  
21 system under Section 12.005 or Subchapter I;

22 (2) shall evaluate and consider:

23 (A) the results of any special accreditation  
24 investigation under Section 39.075; and

25 (B) the district's current special education  
26 monitoring or compliance status with the agency; and

27 (3) may consider:



1           (A) the district's compliance with statutory  
2 requirements and requirements imposed by rule of the commissioner  
3 or State Board of Education under specific statutory authority that  
4 relate to:

5                   (i) reporting data through the Public  
6 Education Information Management System (PEIMS) or other reports  
7 required by state or federal law or court order;

8                   (ii) the high school graduation  
9 requirements under Section 28.025; or

10                   (iii) an item listed under Sections  
11 7.056(e)(3)(C)-(I) that applies to the district;

12           (B) the effectiveness of the district's programs  
13 for special populations; and

14           (C) the effectiveness of the district's career  
15 and technology program.

16           (c) Based on a school district's performance under  
17 Subsection (b), the commissioner shall:

18                   (1) assign a district an accreditation status of:

19                           (A) accredited;

20                           (B) accredited-warned; or

21                           (C) accredited-probation; or

22           (2) revoke the accreditation of the district and order  
23 closure of the district under Section 39.1332.

24           (d) The commissioner shall notify a school district that  
25 receives an accreditation status of accredited-warned or  
26 accredited-probation that the performance of the district is below  
27 a standard required under this section. The commissioner shall

1 require the district to notify the parents of students enrolled in  
2 the district and property owners in the district of the district's  
3 accreditation status and the implications of that accreditation  
4 status.

5 (e) A school district that is not accredited may not  
6 receive funds from the agency or hold itself out as operating a  
7 public school of this state.

8 (f) This chapter may not be construed to invalidate a  
9 diploma awarded, course credit earned, or grade promotion granted  
10 by a school district before the commissioner revoked the district's  
11 accreditation.

12 Sec. 39.072. ACADEMIC ACCOUNTABILITY SYSTEM [~~ACCREDITATION~~  
13 ~~STANDARDS~~]. (a) The commissioner [~~State Board of Education~~] shall  
14 adopt rules for assigning [~~to evaluate the performance of school~~  
15 ~~districts and to assign~~] to each school district and campus a  
16 performance rating as follows:

17 (1) exemplary (meets or exceeds state exemplary  
18 standards);

19 (2) recognized (meets or exceeds required improvement  
20 or [~~and~~] within 10 percent of state exemplary standards);

21 (3) academically acceptable (below the exemplary and  
22 recognized standards but exceeds the academically unacceptable  
23 standards); or

24 (4) academically unacceptable (below the state  
25 clearly unacceptable performance standard and does not meet  
26 required improvement).

27 (b) The academic excellence indicators adopted under

1 Section 39.051(b) [~~Sections 39.051(b)(1) through (7) and the~~  
2 ~~district's current special education compliance status with the~~  
3 ~~agency]~~ shall be the main considerations of the agency in the rating  
4 of a school [~~the~~] district or campus under this section.

5 [~~Additional criteria in the rules may include consideration of:~~

6 ~~(1) compliance with statutory requirements and~~  
7 ~~requirements imposed by rule of the State Board of Education under~~  
8 ~~specific statutory authority that relate to:~~

9 ~~(A) reporting data through the Public Education~~  
10 ~~Information Management System (PEIMS);~~

11 ~~(B) the high school graduation requirements~~  
12 ~~under Section 28.025; or~~

13 ~~(C) an item listed in Sections~~  
14 ~~7.056(e)(3)(C)-(I) that applies to the district;~~

15 ~~(2) the effectiveness of the district's programs for~~  
16 ~~special populations; and~~

17 ~~(3) the effectiveness of the district's career and~~  
18 ~~technology programs.]~~

19 (c) The agency shall evaluate [~~against state standards~~] and  
20 [~~shall~~], not later than August 15 [~~1~~] of each year, report the  
21 performance of each school [~~campus in a~~] district and campus [~~each~~  
22 ~~open-enrollment charter school on the basis of the campus's~~  
23 ~~performance on the indicators adopted under Sections 39.051(b)(1)~~  
24 ~~through (7). Consideration of the effectiveness of district~~  
25 ~~programs under Subsection (b)(2) or (3) must be based on data~~  
26 ~~collected through the Public Education Information Management~~  
27 ~~System for purposes of accountability under this chapter and~~

1 ~~include the results of assessments required under Section 39.023]~~.

2       (d) The agency shall annually review the performance of each  
3 school district and campus and determine if a change in the academic  
4 performance rating of the district or campus is warranted. The  
5 commissioner may determine how the indicators adopted under Section  
6 39.051(b) may be used to determine academic performance ratings and  
7 to select districts and campuses for acknowledgment.

8       (e) Each annual review shall include an analysis of the  
9 indicators under Section 39.051(b) to determine district and campus  
10 performance in relation to:

- 11               (1) state standards established for each indicator;  
12               (2) required improvement as defined under Section  
13 39.051(c); and  
14               (3) comparable improvement as determined under  
15 Section 39.051(c).

16       (f) The academic performance rating of a school district may  
17 be raised or lowered based on the district's performance or may be  
18 lowered based on the unacceptable performance of one or more  
19 campuses in the district. The academic performance rating of a  
20 school district may also be lowered based on a determination that  
21 data provided to the agency by the district that is necessary for  
22 conducting an annual review under this section is unreliable.

23       (g) The commissioner shall notify a school district if the  
24 performance of the district or a campus in the district is below a  
25 standard required under this section. The commissioner shall  
26 require the school district to notify the parents of students who  
27 are enrolled in the district and property owners in the district of

1 the academic performance rating and the implications of that  
2 rating.

3 (h) Notwithstanding any other provision of this code, for  
4 purposes of determining the performance of a school district or  
5 open-enrollment charter school under this chapter, including the  
6 academic performance rating [accreditation status] of the district  
7 or school, a student attending a campus that is a [confined by court  
8 order in a residential program or] facility operated by or under  
9 contract with the Texas Youth Commission, a pre-adjudication secure  
10 detention facility or a post-adjudication secure correctional  
11 facility that is registered with the Texas Juvenile Probation  
12 Commission, or a residential facility is not considered to be a  
13 student of the school district or open-enrollment charter school  
14 serving the student [in which the program or facility is physically  
15 located]. The performance of a student who attends such a campus  
16 [student] on an assessment instrument or other academic excellence  
17 indicator adopted under Section 39.051 shall be determined and [7]  
18 reported, but may not be used to determine the rating of the school  
19 district or open-enrollment charter school unless the campus is the  
20 only campus operated by the district or school [and considered  
21 separately from the performance of students attending a school of  
22 the district in which the program or facility is physically  
23 located].

24 SECTION 1.28. Subsection (a), Section 39.075, Education  
25 Code, is amended to read as follows:

26 (a) The commissioner may [~~shall~~] authorize special  
27 accreditation investigations to be conducted:

1           (1) when excessive numbers of absences of students  
2 eligible to be tested on state assessment instruments are  
3 determined;

4           (2) when excessive numbers of allowable exemptions  
5 from the required state assessment instrument are determined;

6           (3) in response to complaints submitted to the agency  
7 with respect to alleged violations of civil rights or other  
8 requirements imposed on the state by federal law or court order;

9           (4) in response to established monitoring or  
10 compliance reviews of the district's financial accounting  
11 practices and state and federal program requirements;

12           (5) when extraordinary numbers of student placements  
13 in alternative education programs, other than placements under  
14 Sections 37.006 and 37.007, are determined;

15           (6) in response to an allegation involving a conflict  
16 between members of the board of trustees or between the board and  
17 the district administration if it appears that the conflict  
18 involves a violation of a role or duty of the board members or the  
19 administration clearly defined by this code;

20           (7) when excessive numbers of students in special  
21 education programs under Subchapter A, Chapter 29, are assessed  
22 through assessment instruments developed or adopted under Section  
23 39.023(b); [~~or~~]

24           (8) in response to questions concerning a program,  
25 including special education, required by federal law or for which  
26 the district receives federal funds;

27           (9) when an annual review indicates the academically

1 unacceptable performance under Section 39.072 of one or more  
2 campuses in a district, except that the resulting investigation is  
3 limited to those campuses;

4 (10) in response to concerns regarding the integrity  
5 of data submitted to the agency;

6 (11) in response to allegations of a violation of  
7 student assessment procedures for assessment instruments adopted  
8 under Section 39.023; or

9 (12) as the commissioner otherwise determines  
10 necessary.

11 SECTION 1.29. Subsection (c), Section 39.075, Education  
12 Code, as amended by Chapters 396 and 931, Acts of the 76th  
13 Legislature, Regular Session, 1999, is reenacted and amended to  
14 read as follows:

15 (c) Based on the results of a special accreditation  
16 investigation, the commissioner may:

17 (1) take appropriate action under Subchapter G;

18 (2) raise or lower the district's accreditation status  
19 [rating]; or

20 (3) take action under both Subdivisions (1) and (2).

21 SECTION 1.30. Section 39.076, Education Code, is amended by  
22 amending Subsection (a) and adding Subsections (a-1), (a-2), (a-3),  
23 and (c) to read as follows:

24 (a) The agency shall adopt written procedures for  
25 conducting ~~[on-site]~~ investigations under this subchapter. The  
26 agency shall make the procedures available to the complainant, the  
27 alleged violator, and the public. Agency staff must be trained in

1 the procedures and must follow the procedures in conducting the  
2 investigation.

3 (a-1) An investigation conducted under this subchapter may  
4 be an on-site, desk, or data-based investigation as determined by  
5 the commissioner.

6 (a-2) If conducting an on-site investigation, the  
7 investigators may obtain information from administrators,  
8 teachers, or parents of students enrolled in the school district.  
9 The commissioner shall adopt rules for:

10 (1) obtaining information from parents and using that  
11 information in the investigator's report; and

12 (2) obtaining information from teachers in a manner  
13 that prevents a campus or district from screening the information.

14 (a-3) The agency may give written notice of any impending  
15 on-site investigation to the superintendent and the board of  
16 trustees of a school district.

17 (c) The investigators conducting an on-site investigation  
18 shall report the results of the investigation orally and in writing  
19 to the board of trustees of the district and, as appropriate, to  
20 campus administrators, and shall make recommendations concerning  
21 any necessary improvements or sources of aid, such as regional  
22 education service centers.

23 SECTION 1.31. Subchapter D, Chapter 39, Education Code, is  
24 amended by adding Sections 39.077 and 39.078 to read as follows:

25 Sec. 39.077. FINALITY OF DECISION BY COMMISSIONER. (a) A  
26 school district, open-enrollment charter school, or other person  
27 that wishes to challenge a decision to assign or lower an



1 accreditation status, an academic performance rating, or a  
2 financial accountability rating must petition for an informal  
3 review as provided by Section 7.0571.

4 (b) A final decision by the commissioner to assign or lower  
5 an accreditation status, an academic performance rating, or a  
6 financial accountability rating following a review under Section  
7 7.0571 is final and may not be appealed.

8 Sec. 39.078. RULES. The commissioner may adopt rules as  
9 necessary to administer this subchapter.

10 SECTION 1.32. Sections 39.131, 39.132, and 39.133,  
11 Education Code, are amended to read as follows:

12 Sec. 39.131. SANCTIONS FOR DISTRICTS. (a) If a school  
13 district does not satisfy the accreditation criteria under Section  
14 39.071, the academic performance standards under Section 39.072, or  
15 any financial accountability standard as determined by  
16 commissioner rule, the commissioner shall take any of the following  
17 actions[~~, listed in order of severity,~~] to the extent the  
18 commissioner determines necessary:

19 (1) issue public notice of the deficiency to the board  
20 of trustees;

21 (2) order a hearing conducted by the board of trustees  
22 of the district for the purpose of notifying the public of the  
23 unacceptable performance, the improvements in performance expected  
24 by the agency, and the sanctions that may be imposed under this  
25 section if the performance does not improve;

26 (3) order the preparation of a student achievement  
27 improvement plan that addresses each academic excellence indicator

1 for which the district's performance is unacceptable, the  
2 submission of the plan to the commissioner for approval, and  
3 implementation of the plan;

4 (4) order a hearing to be held before the commissioner  
5 or the commissioner's designee at which the president of the board  
6 of trustees of the district and the superintendent shall appear and  
7 explain the district's low performance, lack of improvement, and  
8 plans for improvement;

9 (5) arrange an on-site investigation of the district;

10 (6) appoint an agency monitor to participate in and  
11 report to the agency on the activities of the board of trustees or  
12 the superintendent;

13 (7) appoint a conservator to oversee the operations of  
14 the district;

15 (8) appoint a management team to direct the operations  
16 of the district in areas of unacceptable performance or require the  
17 district to obtain certain services under a contract with another  
18 person;

19 (9) if a district has a current accreditation status  
20 of accredited-warned or accredited-probation, is [been] rated [as]  
21 academically unacceptable, or fails to satisfy financial  
22 accountability standards as determined by commissioner rule [for a  
23 period of one year or more], appoint a board of managers to exercise  
24 the powers and duties of the board of trustees;

25 (10) if for two consecutive school years, including  
26 the current school year, a district has received an accreditation  
27 status of accredited-warned or accredited-probation, has been

1 rated academically unacceptable, or has failed to satisfy financial  
2 accountability standards as determined by commissioner rule,  
3 revoke the district's accreditation and [~~been rated as academically~~  
4 ~~unacceptable for a period of two years or more~~]:

5 (A) order closure of the district and annex the  
6 district to one or more adjoining districts under Section 13.054;  
7 or

8 (B) in the case of a home-rule school district or  
9 open-enrollment charter school, order closure of all programs  
10 operated under the district's or school's charter; or

11 (11) if a district has been rated [~~as~~] academically  
12 unacceptable for [~~a period of~~] two consecutive school years,  
13 including the current school year, [~~or more~~] due to the district's  
14 dropout rates, impose sanctions designed to improve high school  
15 completion rates, including:

16 (A) ordering the development of a dropout  
17 prevention plan for approval by the commissioner;

18 (B) restructuring the district or appropriate  
19 school campuses to improve identification of and service to  
20 students who are at risk of dropping out of school, as defined by  
21 Section 29.081;

22 (C) ordering lower student-to-counselor ratios  
23 on school campuses with high dropout rates; and

24 (D) ordering the use of any other intervention  
25 strategy effective in reducing dropout rates, including mentor  
26 programs and flexible class scheduling.

27 (b) This subsection applies regardless of whether a

1 district has satisfied the accreditation criteria. If for two  
2 consecutive school years, including the current school year, [~~a~~  
3 ~~period of one year or more~~] a district has had a conservator or  
4 management team assigned, the commissioner may appoint a board of  
5 managers, a majority of whom must be residents of the district, to  
6 exercise the powers and duties of the board of trustees.

7 Sec. 39.132. SANCTIONS FOR CAMPUSES. (a) If a campus  
8 receives an academic performance rating of academically  
9 unacceptable under Section 39.072 [~~is below any standard under~~  
10 ~~Section 39.073(b)~~], the [~~campus is considered a low-performing~~  
11 ~~campus. The~~] commissioner may permit the campus to participate in  
12 an innovative redesign of the campus to improve campus performance  
13 or may take any of the other following actions[~~, listed in order of~~  
14 ~~severity,~~] to the extent the commissioner determines necessary:

15 (1) issue public notice of the deficiency to the board  
16 of trustees;

17 (2) order a hearing conducted by the board of trustees  
18 at the campus for the purpose of:

19 (A) notifying the public of the unacceptable  
20 performance, the improvements in performance expected by the  
21 agency, and the sanctions that may be imposed under this section if  
22 the performance does not improve within a designated period of  
23 time; and

24 (B) soliciting public comment on the initial  
25 steps being taken to improve performance;

26 (3) order the preparation of a report regarding the  
27 parental involvement program at the campus and a plan describing

1 strategies for improving parental involvement at the campus;

2 (4) order the preparation of a report regarding the  
3 effectiveness of the district- and campus-level planning and  
4 decision-making committees established under Subchapter F, Chapter  
5 11, and a plan describing strategies for improving the  
6 effectiveness of those committees;

7 (5) order the preparation of a student achievement  
8 improvement plan that addresses each academic excellence indicator  
9 for which the campus's performance is unacceptable, the submission  
10 of the plan to the commissioner for approval, and implementation of  
11 the plan;

12 (6) order a hearing to be held before the commissioner  
13 or the commissioner's designee at which the president of the board  
14 of trustees, the superintendent, and the campus principal shall  
15 appear and explain the campus's low performance, lack of  
16 improvement, and plans for improvement;

17 (7) appoint a special campus intervention team to:

18 (A) conduct a comprehensive on-site evaluation  
19 of the campus to determine the cause for the campus's low  
20 performance and lack of progress;

21 (B) recommend actions, including reallocation of  
22 resources and technical assistance, changes in school procedures or  
23 operations, staff development for instructional and administrative  
24 staff, intervention for individual administrators or teachers,  
25 waivers from state statute or rule, or other actions the team  
26 considers appropriate;

27 (C) assist in the development of a campus plan

1 for student achievement; and

2 (D) assist the commissioner in monitoring the  
3 progress of the campus in implementing the campus plan for  
4 improvement of student achievement; ~~or~~

5 (8) appoint an agency monitor to participate in and  
6 report to the agency on activities relating to operation of the  
7 campus; or

8 (9) if a campus is currently rated academically  
9 unacceptable [~~has been a low-performing campus for a period of one~~  
10 ~~year or more~~], appoint a board of managers composed of residents of  
11 the district to exercise the powers and duties of the board of  
12 trustees of the district in relation to the campus.

13 (b) If a campus has been rated academically unacceptable [~~a~~  
14 ~~low-performing campus~~] for [~~a period of~~] two or more consecutive  
15 school years, including the current school year [~~or more~~], the  
16 commissioner shall order the closure of the district or charter  
17 program on the campus or reconstitute the campus. In  
18 reconstituting the campus, a special campus intervention team shall  
19 be assembled for the purpose of deciding which educators may be  
20 retained at that campus. If an educator is not retained, the  
21 educator may be assigned to another position in the district.

22 Sec. 39.133. ANNUAL REVIEW. (a) The commissioner shall  
23 review annually the performance of a district or campus subject to a  
24 sanction under this subchapter to determine the appropriate actions  
25 to be implemented under this subchapter. The determination shall  
26 take into account the number, severity, and duration of the  
27 problems identified [~~The commissioner must review at least annually~~

1 ~~the performance of a district for which the accreditation rating~~  
2 ~~has been lowered due to unacceptable student performance and may~~  
3 ~~not raise the rating until the district has demonstrated improved~~  
4 ~~student performance]~~. If the review reveals a lack of improvement,  
5 the commissioner shall increase the level of state intervention and  
6 sanction unless the commissioner finds good cause for maintaining  
7 the current status.

8 (b) The commissioner shall review at least annually the  
9 performance of a school district for which the academic performance  
10 rating has been lowered due to unacceptable student performance and  
11 may not raise the rating until the district has demonstrated  
12 improved student performance.

13 SECTION 1.33. Subchapter G, Chapter 39, Education Code, is  
14 amended by adding Sections 39.1331, 39.1332, and 39.1333 to read as  
15 follows:

16 Sec. 39.1331. ACQUISITION OF PROFESSIONAL SERVICES. In  
17 addition to other sanctions authorized under Sections 39.131 and  
18 39.132, the commissioner may order a school district or campus to  
19 acquire professional services at the expense of the district or  
20 campus to address the applicable financial, assessment, data  
21 quality, program, or governance deficiency. The commissioner's  
22 order may require the district or campus to:

23 (1) select an external auditor, data quality expert,  
24 professional authorized to monitor district assessment instrument  
25 administration, or curriculum or program expert; or

26 (2) provide for the appropriate training of district  
27 staff or board of trustees members in the case of a district, or

1 campus staff, in the case of a campus.

2 Sec. 39.1332. CLOSURE OF SCHOOL DISTRICT OR CAMPUS.

3 (a) The commissioner may revoke the accreditation of a school  
4 district and order the closure of the district or a campus, as  
5 appropriate, under the following circumstances:

6 (1) the commissioner is authorized to close the  
7 district or campus under Section 39.131(a)(10) or 39.132(b);

8 (2) the commissioner determines that the district is  
9 insolvent and unable to complete the school year; or

10 (3) the commissioner determines that the district has  
11 ceased operations for 11 or more instructional days during the  
12 current or most recent scheduled school year without the  
13 commissioner's authorization.

14 (b) The commissioner shall issue an order of closure under  
15 this section that includes provisions necessary for the  
16 continuation of the education of students enrolled in the district  
17 or campus, including annexation to one or more adjoining districts  
18 as provided by Section 13.054. An order of closure may:

19 (1) establish an effective date for accreditation  
20 revocation and closure that is not later than the first anniversary  
21 of the date of the order;

22 (2) provide for an interim board of managers to  
23 exercise the duties of the board of trustees of the district as  
24 designated by the commissioner;

25 (3) require enrollment or student services to be  
26 provided by another district as necessary to allow students  
27 enrolled in the closed district to complete a school year, and make



1 adjustments in the state and federal funding to which the district  
2 would otherwise be entitled as determined by the commissioner; and

3 (4) require the preservation, transfer, or surrender  
4 of all student records and other records required for an audit of  
5 any state and federal funding provided to the district.

6 (c) A person who intentionally destroys, conceals, or  
7 tampers with a record that is required to be preserved,  
8 transferred, or surrendered under Subsection (b)(4) commits an  
9 offense punishable under Section 37.10(c)(2), Penal Code.

10 (d) A board of managers exercising authority under  
11 Subsection (b)(2) may exercise the authority of the board of  
12 trustees with regard to financial management of the district and  
13 personnel actions. The board of managers is not required to be  
14 composed of residents of the district.

15 (e) An open-enrollment charter school ordered closed under  
16 this section is not entitled to a separate hearing concerning the  
17 revocation or nonrenewal of the charter under Section 12.116.

18 Sec. 39.1333. FINALITY OF DECISION BY COMMISSIONER. (a) A  
19 school district, open-enrollment charter school, or other person  
20 that wishes to challenge a decision to impose a sanction under this  
21 subchapter, including a decision to close a district, school, or  
22 campus under Section 39.1332, must petition for an informal review  
23 as provided by Section 7.0571.

24 (b) A final decision by the commissioner to impose a  
25 sanction under this subchapter, including a decision to close a  
26 school district or a campus under Section 39.1332, following a  
27 review under Section 7.0571 is final and may not be appealed.

1        (c) A school district may not collaterally contest an  
2 academic performance rating or other accreditation standard as part  
3 of the review of a sanction under this subchapter if a review  
4 opportunity has already been provided for the academic performance  
5 rating.

6        SECTION 1.34. Section 39.134, Education Code, is amended to  
7 read as follows:

8        Sec. 39.134. COSTS PAID BY DISTRICT. The costs of providing  
9 a monitor, conservator, management team, [~~or~~] special campus  
10 intervention team, or service provider under Section 39.1331 shall  
11 be paid by the district. If the district fails or refuses to pay the  
12 costs in a timely manner, the commissioner may:

13            (1) pay the costs using amounts withheld from any  
14 funds to which the district is otherwise entitled; or

15            (2) recover the amount of the costs in the manner  
16 provided for recovery of an overallocation of state funds under  
17 Section 42.258.

18        SECTION 1.35. Section 39.182, Education Code, is amended by  
19 adding Subsections (b-1), (b-2), and (b-3) to read as follows:

20        (b-1) The report must include a summary of:

21            (1) investigations authorized by the agency into  
22 inappropriate administrations of assessment instruments under  
23 Section 39.023; and

24            (2) the efforts the agency has made under Section  
25 39.0232 to ensure the appropriate administration of assessment  
26 instruments and to protect the integrity of the assessment program  
27 established under Subchapter B.

1       (b-2) The report must include an assessment of the impact of  
2 the performance-based grant system developed under Subchapter E,  
3 Chapter 7, on student academic performance, including:

4           (1) an analysis of performance and spending  
5 information relating to grants administered by the agency; and

6           (2) recommendations on any statutory changes needed  
7 for the agency to more effectively administer grant programs,  
8 including recommendations on whether to eliminate or modify  
9 inefficient grant programs, expand effective grant programs, or  
10 consolidate similar grant programs to maximize the effectiveness  
11 and efficiencies of those programs.

12       (b-3) Subsection (b-2) applies beginning January 1, 2009.  
13 This subsection expires February 1, 2009.

14       SECTION 1.36. Subchapter C, Chapter 45, Education Code, is  
15 amended by adding Section 45.0561 to read as follows:

16       Sec. 45.0561. PRIORITY FOR CERTAIN BONDS. (a) In  
17 determining which bonds to approve for guarantee under this  
18 subchapter, the commissioner shall give priority to a school  
19 district that has had bonds refunded and defeased under Subchapter  
20 D, Chapter 46.

21       (b) The commissioner may adopt rules to administer this  
22 section.

23       SECTION 1.37. Chapter 46, Education Code, is amended by  
24 adding Subchapter D to read as follows:

25       SUBCHAPTER D. REFUNDING TO INCREASE PERMANENT SCHOOL FUND CAPACITY

26       Sec. 46.091. DEFINITIONS. In this subchapter:

27           (1) "Allocated revenue" means that portion of state

1 assistance under Subchapter A or B equal to the scheduled debt  
2 service payments in effect immediately before the refunding of  
3 eligible bonds being refunded under this subchapter.

4 (2) "Authority" means the Texas Public Finance  
5 Authority.

6 (3) "Authority obligation" means any type of revenue  
7 obligation, including a bond, note, certificate, or other  
8 instrument issued under this subchapter. The term includes an  
9 obligation issued to refund an obligation issued under this  
10 subchapter.

11 (4) "Credit agreement" has the meaning assigned by  
12 Section 1371.001, Government Code.

13 (5) "Obligation administrative expenses" means  
14 expenses incurred in administering authority obligations,  
15 including:

16 (A) administrative expenses incurred by the  
17 commissioner or the authority relating to the administration of  
18 this subchapter; and

19 (B) fees for:

20 (i) paying agents, trustees, and attorneys;

21 (ii) other professional services necessary  
22 to ensure compliance with applicable state or federal law; and

23 (iii) for a school district with eligible  
24 bonds refunded under this subchapter, professional service  
25 expenses in an amount approved by the commissioner.

26 Sec. 46.092. ISSUANCE OF AUTHORITY OBLIGATIONS. (a) If  
27 the commissioner determines that it is feasible to refund eligible

1 school district bonds as provided by this subchapter, the  
2 commissioner may request that the authority issue authority  
3 obligations necessary to accomplish the refunding. On request of  
4 the commissioner, the authority shall issue authority obligations,  
5 in accordance with Title 9, Government Code, in an amount  
6 sufficient to:

7 (1) refund eligible bonds;

8 (2) pay all obligation administrative expenses;

9 (3) pay the costs of issuing the authority  
10 obligations;

11 (4) pay the costs of any credit agreement; and

12 (5) provide any reserve funds.

13 (b) Authority obligations and any related credit agreements  
14 must be secured by allocated revenue.

15 (c) The commissioner's request for the issuance of  
16 authority obligations must state:

17 (1) the maximum principal amount of bonds to be  
18 refunded under this subchapter;

19 (2) the maximum term of bonds to be refunded; and

20 (3) the amount of state assistance under Subchapter A  
21 or B to support the payment of the bonds to be refunded.

22 (d) To best achieve the economic goals of this subchapter  
23 and accomplish the borrowing at the lowest practicable cost, the  
24 authority may determine:

25 (1) the method of sale of authority obligations;

26 (2) the type and form of obligation;

27 (3) the maximum interest rates and other terms of

1 authority obligations; and

2 (4) the need for related credit agreements.

3 (e) The authority shall certify to the commissioner that  
4 each series of authority obligations issued under this subchapter  
5 will result in an aggregate present value savings.

6 (f) Section 46.007 does not apply to the issuance of  
7 authority obligations under this subchapter.

8 Sec. 46.093. ELIGIBILITY OF BONDS FOR REFUNDING. School  
9 district bonds are eligible for refunding under this subchapter if:

10 (1) the district receives state assistance for payment  
11 of the bonds under Subchapter A or B; and

12 (2) the principal and interest of the bonds are  
13 guaranteed by the permanent school fund under Subchapter C, Chapter  
14 45.

15 Sec. 46.094. IDENTIFICATION OF ELIGIBLE BONDS; NOTICE TO  
16 SCHOOL DISTRICTS. (a) If the commissioner determines that it is  
17 feasible to refund eligible school district bonds as provided by  
18 this subchapter, the commissioner shall periodically identify  
19 which outstanding school bonds are eligible for refunding under  
20 this subchapter. The commissioner shall notify the school  
21 districts issuing the bonds that:

22 (1) the bonds are subject to being refunded and  
23 defeased through the issuance of authority obligations; and

24 (2) a school district whose bonds are refunded under  
25 this subchapter is entitled to priority in the allocation of  
26 resulting increases in the capacity of the permanent school fund to  
27 guarantee school district bonds under Subchapter C, Chapter 45, as

1 provided by Section 45.0561.

2 (b) The district may elect to direct the commissioner to  
3 include any of the district's eligible bonds for consideration for  
4 refunding under this subchapter. If the district does not elect to  
5 direct the commissioner to include the district's bonds for  
6 consideration for refunding within the time prescribed by this  
7 subsection, the bonds may not be refunded under this subchapter.

8 (c) Notice under Subsection (a) must:

9 (1) identify the bonds the commissioner proposes to  
10 refund under this subchapter;

11 (2) state that the school district may elect to direct  
12 the commissioner to include any of the district's bonds for  
13 consideration for refunding; and

14 (3) advise the district of:

15 (A) the effect of electing to have the bonds  
16 considered for refunding; and

17 (B) the effect of not electing to have the bonds  
18 considered for refunding.

19 Sec. 46.095. AGREEMENT BETWEEN COMMISSIONER AND AUTHORITY.

20 (a) To permit the authority to pledge allocated revenue to the  
21 payment of authority obligations, the commissioner shall enter into  
22 an agreement with the authority under which:

23 (1) the commissioner, acting on behalf of each school  
24 district whose bonds are being refunded under this subchapter, may  
25 pledge the allocated revenue to secure the payment of the principal  
26 of and interest and premium on authority obligations; and

27 (2) each school year, the commissioner shall allocate

1 and distribute to the authority allocated revenue equal to the  
2 scheduled debt service payments for that year on the bonds being  
3 refunded.

4 (b) An agreement under this section must state that the  
5 funding for allocated revenue is subject to legislative  
6 appropriation. A distribution to the authority under the agreement  
7 is considered to be a distribution for purposes of Section 46.009.  
8 If the commissioner determines that the amount appropriated for any  
9 year for allocated revenue is insufficient, the commissioner may  
10 act under Section 46.009(b) to ensure the sufficiency of allocated  
11 revenue.

12 Sec. 46.096. USE OF PROCEEDS OF AUTHORITY OBLIGATIONS.

13 (a) The authority shall use the proceeds of authority obligations,  
14 less the cost of issuing those obligations and the cost of  
15 administrative expenses incurred by the commissioner or the  
16 authority relating to the administration of this subchapter, to  
17 refund and defease eligible bonds as requested by the commissioner.  
18 To accomplish the refunding and defeasance:

19 (1) the commissioner, on behalf of the school  
20 districts issuing the bonds, may:

21 (A) exercise any reserved right of optional  
22 redemption; and

23 (B) issue any required notice of redemption and  
24 defeasance; and

25 (2) the authority, on behalf of the districts issuing  
26 the bonds, may enter into escrow agreements and purchase escrow  
27 securities as provided by Chapter 1207, Government Code, with the



1 same effect under that chapter as if the authority were the issuer  
2 of the bonds being refunded and defeased.

3 (b) The authority shall provide to a school district whose  
4 bonds are refunded under this subchapter appropriate documentation  
5 showing that the bonds have been refunded and defeased.

6 Sec. 46.097. PAYMENT OF OBLIGATION ADMINISTRATIVE  
7 EXPENSES. After paying the current debt service on authority  
8 obligations, the authority may use allocated revenue to pay  
9 obligation administrative expenses.

10 Sec. 46.098. DISTRIBUTION OF ALLOCATED REVENUE IN EXCESS OF  
11 DISTRICT'S ENTITLEMENT TO STATE ASSISTANCE. (a) If the  
12 commissioner allocates and distributes to the authority allocated  
13 revenue for a school district's bonds refunded under this  
14 subchapter in an amount in excess of the state assistance to which  
15 the district is entitled in connection with all of the district's  
16 bonds, the district shall reimburse the commissioner in the amount  
17 of the excess.

18 (b) If a school district elects not to reimburse the  
19 commissioner in the amount of excess state assistance as required  
20 under Subsection (a), the commissioner shall direct the comptroller  
21 to withhold the amount of the excess from the succeeding payment of  
22 state assistance payable to the school district and credit the  
23 amount to the account or accounts from which the excess payment was  
24 made.

25 (c) A school may reimburse the commissioner under this  
26 section from any lawfully available source.

27 Sec. 46.099. REFUNDING OF AUTHORITY OBLIGATIONS. The

1 authority may issue authority obligations to refund any previously  
2 issued authority obligations if the authority by resolution  
3 determines that the issuance of refunding obligations will result  
4 in the lowest practicable borrowing cost to the state and school  
5 districts with outstanding eligible bonds.

6 Sec. 46.100. AUTHORITY OBLIGATIONS NOT A PLEDGE OF STATE'S  
7 CREDIT. (a) Authority obligations and any related credit  
8 agreements are not:

9 (1) a debt of the state, a state agency, or a political  
10 subdivision of the state; or

11 (2) a pledge of the faith and credit or taxing power of  
12 the state, a state agency, or a political subdivision of the state.

13 (b) Authority obligations and any related credit agreements  
14 are payable solely from allocated revenue pledged to the payment of  
15 those obligations.

16 (c) Subject to the limitations of Subsection (a), as long as  
17 authority obligations are outstanding, the state may not:

18 (1) take any action to limit or restrict the  
19 authority's responsibility to pay the authority obligations; or

20 (2) in any way impair the rights and remedies of the  
21 owners of authority obligations.

22 (d) The reallocation of allocated revenue to secure  
23 authority obligations to refund school district bonds is:

24 (1) consistent with the original authorization,  
25 allocation, and application of state assistance under Subchapter A  
26 or B;

27 (2) in furtherance of any covenants, agreements, or

1 undertakings by school districts or the commissioner to cause  
2 allocated revenue to be credited to debt service funds for school  
3 district bonds; and

4 (3) consistent with all statutory and regulatory  
5 dedications and restrictions on the allocated revenue.

6 SECTION 1.38. Subsection (c), Section 2175.304, Government  
7 Code, is amended to read as follows:

8 (c) The procedures established under Subsection (b) must  
9 give preference to transferring the property directly to a public  
10 school or school district or to an assistance organization  
11 designated by the school district before disposing of the property  
12 in another manner. If more than one public school or school  
13 district or assistance organization seeks to acquire the same  
14 property on substantially the same terms, the system, institution,  
15 or agency shall give preference to a public school that is rated  
16 academically unacceptable under Section 39.072, Education Code,  
17 ~~[considered low-performing by the commissioner of education]~~ or to  
18 a school district that has a taxable wealth per student that  
19 entitles the district to an allotment of state funds under  
20 Subchapter F, Chapter 42, Education Code, or to the assistance  
21 organization designated by such a school district.

22 SECTION 1.39. Subsection (c), Section 302.006, Labor Code,  
23 is amended to read as follows:

24 (c) To be eligible to receive a scholarship awarded under  
25 this section, a person must:

26 (1) be employed in a child-care facility, as defined  
27 by Section 42.002, Human Resources Code;

1           (2) intend to obtain a credential, certificate, or  
2 degree specified in Subsection (b);

3           (3) agree to work for at least 18 additional months in  
4 a child-care facility, as defined by Section 42.002, Human  
5 Resources Code, that accepts federal Child Care Development Fund  
6 subsidies and that, at the time the person begins to fulfill the  
7 work requirement imposed by this subdivision, is located:

8           (A) within the attendance zone of a public school  
9 campus that is rated academically unacceptable [~~considered~~  
10 ~~low-performing~~] under Section 39.072 [~~39.132~~], Education Code; or

11           (B) in an economically disadvantaged community,  
12 as determined by the commission; and

13           (4) satisfy any other requirements adopted by the  
14 commission.

15           SECTION 1.40. Section 8.010, Subsections (d) and (e),  
16 Section 31.1011, Subsection (d), Section 39.051, and Sections  
17 39.073 and 39.074, Education Code, are repealed.

18           SECTION 1.41. Not later than September 1, 2007, the Texas  
19 Education Agency shall complete the requirements under Section  
20 29.258, Education Code, as added by this Act.

21           SECTION 1.42. (a) Except as otherwise provided by this  
22 section, this article applies beginning with the 2005-2006 school  
23 year.

24           (b) Subchapter F, Chapter 33, Education Code, as added by  
25 this article, applies beginning with the 2006-2007 school year.

26           ARTICLE 2. DRIVER AND TRAFFIC SAFETY EDUCATION

27           SECTION 2.01. Section 1001.001, Education Code, is amended

1 by amending Subdivisions (2) through (5) and adding Subdivision  
2 (13-a) to read as follows:

3 (2) "Approved driving safety course" means a driving  
4 safety course approved by the department [~~commissioner~~].

5 (3) "Commission" [~~"Commissioner"~~] means the Texas  
6 Commission of Licensing and Regulation [~~commissioner of~~  
7 ~~education~~].

8 (4) "Course provider" means an enterprise that:

9 (A) maintains a place of business or solicits  
10 business in this state;

11 (B) is operated by an individual, association,  
12 partnership, or corporation; and

13 (C) has received an approval for a driving safety  
14 course from the department [~~commissioner~~] or has been designated by  
15 a person who has received that approval to conduct business and  
16 represent the person in this state.

17 (5) "Department" means the Texas Department of  
18 Licensing and Regulation [~~Public Safety~~].

19 (13-a) "Executive director" means the executive  
20 director of the department.

21 SECTION 2.02. Subsection (c), Section 1001.002, Education  
22 Code, is amended to read as follows:

23 (c) A driver education course is exempt from this chapter,  
24 other than Section 1001.055, if the course is:

25 (1) conducted by a vocational driver training school  
26 operated to train or prepare a person for a field of endeavor in a  
27 business, trade, technical, or industrial occupation;

1           (2) conducted by a school or training program that  
2 offers only instruction of purely avocational or recreational  
3 subjects as determined by the department [~~commissioner~~];

4           (3) sponsored by an employer to train its own  
5 employees without charging tuition;

6           (4) sponsored by a recognized trade, business, or  
7 professional organization with a closed membership to instruct the  
8 members of the organization; or

9           (5) conducted by a school regulated and approved under  
10 another law of this state.

11           SECTION 2.03. Sections 1001.003 and 1001.004, Education  
12 Code, are amended to read as follows:

13           Sec. 1001.003. LEGISLATIVE INTENT REGARDING SMALL  
14 BUSINESSES. It is the intent of the legislature that commission  
15 [~~agency~~] rules that affect driver training schools that qualify as  
16 small businesses be adopted and administered so as to have the least  
17 possible adverse economic effect on the schools.

18           Sec. 1001.004. COST OF ADMINISTERING CHAPTER. The cost of  
19 administering this chapter shall be included in the state budget  
20 allowance for the department [~~agency~~].

21           SECTION 2.04. Sections 1001.051 and 1001.052, Education  
22 Code, are amended to read as follows:

23           Sec. 1001.051. JURISDICTION OVER SCHOOLS. The department  
24 [~~agency~~] has jurisdiction over and control of driver training  
25 schools regulated under this chapter.

26           Sec. 1001.052. RULES. The commission [~~agency~~] shall adopt  
27 [~~and administer~~] comprehensive rules governing driving safety

1 courses, including rules to ensure the integrity of approved  
2 driving safety courses and enhance program quality.

3 SECTION 2.05. The heading to Section 1001.053, Education  
4 Code, is amended to read as follows:

5 Sec. 1001.053. POWERS AND DUTIES OF DEPARTMENT  
6 ~~[COMMISSIONER]~~.

7 SECTION 2.06. Subsection (a), Section 1001.053, Education  
8 Code, is amended to read as follows:

9 (a) The department ~~[commissioner]~~ shall:

10 (1) administer ~~[the policies of]~~ this chapter;

11 (2) enforce minimum standards for driver training  
12 schools under this chapter;

13 (3) ~~[adopt and]~~ enforce rules adopted by the  
14 commission necessary to administer this chapter; and

15 (4) inspect ~~[visit]~~ a driver training school or course  
16 provider and reexamine the school or course provider for compliance  
17 with this chapter.

18 SECTION 2.07. The heading to Section 1001.054, Education  
19 Code, is amended to read as follows:

20 Sec. 1001.054. RULES RESTRICTING ADVERTISING ~~[OR~~  
21 ~~COMPETITIVE BIDDING]~~.

22 SECTION 2.08. Subsection (c), Section 1001.054, Education  
23 Code, is amended to read as follows:

24 (c) The commission ~~[commissioner]~~ by rule may restrict  
25 advertising by a branch location of a driver training school so that  
26 the location adequately identifies the primary location of the  
27 school in a solicitation.

1 SECTION 2.09. Section 1001.055, Education Code, is amended  
2 to read as follows:

3 Sec. 1001.055. DRIVER EDUCATION CERTIFICATES. (a) The  
4 department [~~agency~~] shall print and supply to each licensed or  
5 exempt driver education school driver education certificates to be  
6 used for certifying completion of an approved driver education  
7 course to satisfy the requirements of Section 521.204(a)(2),  
8 Transportation Code. The certificates must be numbered serially.

9 (b) The commission [~~agency~~] by rule shall provide for the  
10 design and distribution of the certificates in a manner that, to the  
11 greatest extent possible, prevents the unauthorized reproduction  
12 or misuse of the certificates.

13 (c) The department [~~agency~~] may charge a fee of not more  
14 than \$4 for each certificate.

15 SECTION 2.10. Subsections (b) through (e) and (g), Section  
16 1001.056, Education Code, are amended to read as follows:

17 (b) The department [~~agency~~] shall print and supply to each  
18 licensed course provider uniform certificates of course  
19 completion. The certificates must be numbered serially.

20 (c) The commission [~~agency~~] by rule shall provide for the  
21 design and distribution of the certificates in a manner that, to the  
22 greatest extent possible, prevents the unauthorized production or  
23 misuse of the certificates.

24 (d) A certificate under this section must:

25 (1) be in a form required by the department [~~agency~~];

26 and

27 (2) include an identifying number by which the



1 department [~~agency~~], a court, or the Department of Public Safety  
2 [~~department~~] may verify its authenticity with the course provider.

3 (e) The department [~~agency~~] may charge a fee of not more  
4 than \$4 for each certificate. A course provider shall charge an  
5 operator a fee equal to the amount of the fee paid to the department  
6 [~~agency~~] for a certificate.

7 (g) The department [~~agency~~] shall issue duplicate  
8 certificates. The commission [~~commissioner~~] by rule shall  
9 determine the amount of the fee for issuance of a duplicate  
10 certificate.

11 SECTION 2.11. Section 1001.057, Education Code, is amended  
12 to read as follows:

13 Sec. 1001.057. ELECTRONIC TRANSMISSION OF DRIVING SAFETY  
14 COURSE INFORMATION. The department [~~agency~~] shall investigate  
15 options to develop and implement procedures to electronically  
16 transmit information relating to driving safety courses to  
17 municipal and justice courts.

18 SECTION 2.12. Subchapter B, Chapter 1001, Education Code,  
19 is amended by adding Section 1001.058 to read as follows:

20 Sec. 1001.058. DESIGNATION OF PERSON TO ADMINISTER CHAPTER.  
21 The executive director may designate a person knowledgeable in the  
22 administration of regulating driver training schools to administer  
23 this chapter for the department.

24 SECTION 2.13. Sections 1001.101 and 1001.102, Education  
25 Code, are amended to read as follows:

26 Sec. 1001.101. DRIVER EDUCATION COURSE CURRICULUM AND  
27 TEXTBOOKS. The commission [~~commissioner~~] by rule shall establish

1 the curriculum and designate the textbooks to be used in a driver  
2 education course.

3 Sec. 1001.102. ALCOHOL AWARENESS INFORMATION. (a) The  
4 commission [~~agency~~] by rule shall require that information relating  
5 to alcohol awareness and the effect of alcohol on the effective  
6 operation of a motor vehicle be included in the curriculum of any  
7 driver education course or driving safety course.

8 (b) In developing rules under this section, the commission  
9 [~~agency~~] shall consult with the Department of Public Safety  
10 [~~department~~].

11 SECTION 2.14. Subsections (b), (d), and (e), Section  
12 1001.103, Education Code, are amended to read as follows:

13 (b) The department [~~agency~~] shall develop standards for a  
14 separate school certification and approve curricula for drug and  
15 alcohol driving awareness programs that include one or more  
16 courses. Except as provided by commission [~~agency~~] rule, a program  
17 must be offered in the same manner as a driving safety course.

18 (d) In accordance with Section 461.013(b), Health and  
19 Safety Code, the department [~~agency~~] and the Texas Commission on  
20 Alcohol and Drug Abuse shall enter into a memorandum of  
21 understanding for the interagency approval of the required  
22 curricula.

23 (e) The commission [~~Notwithstanding Section 1001.056,~~  
24 ~~Subchapter D, and Sections 1001.213 and 1001.303, the commissioner]~~  
25 may establish fees in connection with the programs under this  
26 section. The fees must be in amounts reasonable and necessary to  
27 administer the department's [~~agency's~~] duties under this section.

1 SECTION 2.15. Sections 1001.104 and 1001.105, Education  
2 Code, are amended to read as follows:

3 Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES.

4 (a) The department [~~agency~~] shall enter into a memorandum of  
5 understanding with the Texas Rehabilitation Commission and the  
6 Department of Public Safety [~~department~~] for the interagency  
7 development of curricula and licensing criteria for hospital and  
8 rehabilitation facilities that teach driver education.

9 (b) The department [~~agency~~] shall administer comprehensive  
10 rules governing driver education courses adopted by mutual  
11 agreement among the commission [~~agency~~], the Texas Rehabilitation  
12 Commission, and the Department of Public Safety [~~department~~].

13 Sec. 1001.105. TEXAS DEPARTMENT OF INSURANCE. The  
14 commission [~~agency~~] shall enter into a memorandum of understanding  
15 with the Texas Department of Insurance for the interagency  
16 development of a curriculum for driving safety courses.

17 SECTION 2.16. Subsections (b), (c), and (d), Section  
18 1001.106, Education Code, are amended to read as follows:

19 (b) The commission [~~commissioner~~] by rule shall provide  
20 minimum standards of curriculum relating to operation of vehicles  
21 at railroad and highway grade crossings.

22 (c) Subchapter F, Chapter 51, Occupations Code, Section  
23 51.353, Occupations Code, and Section [~~Sections 1001.454,~~  
24 1001.456 of this code [~~, and 1001.553~~] do not apply to a violation of  
25 this section or a rule adopted under this section.

26 (d) Section 51.352, Occupations Code, and Sections  
27 [~~1001.455(a)(6),~~] 1001.501 [~~, 1001.551, 1001.552,~~] and 1001.554 of

1 this code do not apply to a violation of this section.

2 SECTION 2.17. Section 1001.107, Education Code, is amended  
3 to read as follows:

4 Sec. 1001.107. INFORMATION RELATING TO LITTER PREVENTION.

5 (a) The commission [~~commissioner~~] by rule shall require that  
6 information relating to litter prevention be included in the  
7 curriculum of each driver education and driving safety course.

8 (b) In developing rules under this section, the commission  
9 [~~commissioner~~] shall consult the Department of Public Safety  
10 [~~department~~].

11 SECTION 2.18. Subsections (a) and (c), Section 1001.108,  
12 Education Code, are amended to read as follows:

13 (a) The commission [~~commissioner~~] by rule shall require  
14 that information relating to anatomical gifts be included in the  
15 curriculum of each driver education course and driving safety  
16 course.

17 (c) In developing rules under this section, the commission  
18 [~~commissioner~~] shall consult with the Department of Public Safety  
19 [~~department~~] and the [~~Texas~~] Department of State Health Services.

20 SECTION 2.19. Section 1001.151, Education Code, is amended  
21 to read as follows:

22 Sec. 1001.151. APPLICATION, LICENSE, AND REGISTRATION

23 FEES. (a) The commission [~~commissioner~~] shall establish  
24 [~~collect~~] application, license, and registration fees. The fees  
25 must be in amounts sufficient to cover administrative costs and are  
26 nonrefundable. The department shall collect the application,  
27 license, and registration fees.

1 (b) The commission shall establish a fee for:

2 (1) an initial driver education school license and [~~is~~  
3 ~~\$1,000 plus \$850~~] for each branch location; [~~-~~]

4 (2) [~~(c) The fee for~~] an initial driving safety school  
5 license; [~~is an appropriate amount established by the commissioner~~  
6 ~~not to exceed \$200.~~]

7 (3) [~~(d) The fee for~~] an initial course provider  
8 license [~~is an appropriate amount established by the commissioner~~  
9 ~~not to exceed \$2,000~~], except that the commission [~~agency~~] may  
10 waive the fee if revenue received from the course provider is  
11 sufficient to cover the cost of licensing the course provider; [~~-~~]

12 (4) the [~~(e) The~~] annual renewal [~~fee~~] for a course  
13 provider, driving safety school, driver education school, or branch  
14 location [~~is an appropriate amount established by the commissioner~~  
15 ~~not to exceed \$200~~], except that the commission [~~agency~~] may waive  
16 the fee if revenue generated by the issuance of uniform  
17 certificates of course completion and driver education  
18 certificates is sufficient to cover the cost of administering this  
19 chapter and Article 45.0511, Code of Criminal Procedure; [~~-~~]

20 (5) [~~(f) The fee for~~] a change of address of [~~+~~  
21 [~~(1)~~] a driver education school, [~~is \$180, and~~  
22 [~~(2)~~] a driving safety school, or course provider; [~~is~~  
23 ~~\$50.~~]

24 (6) [~~(g) The fee for~~] a change of name of:

25 (A) [~~(1)~~] a driver education school or course  
26 provider or an owner of a driver education school or course provider  
27 [~~is \$100~~]; or [~~and~~]

1            (B) [~~(2)~~] a driving safety school or owner of a  
2 driving safety school; [is \$50.]

3            (7) [~~(h)~~ ~~The application fee for~~] each additional  
4 driver education or driving safety course at a driver training  
5 school; [is \$25.]

6            (8) an [~~(i)~~ ~~The~~] application of a [~~fee for~~]  
7 [~~(1)~~ ~~each~~] director, [is \$30; and  
8 [~~(2)~~ ~~each~~] assistant director, or administrative  
9 staff member; and [is \$15.]

10           (9) an [~~(j)~~ ~~Each~~] application for approval of a  
11 driving safety course that has not been evaluated by the department  
12 [~~commissioner must be accompanied by a nonrefundable fee of~~  
13 ~~\$9,000~~].

14           (c) [~~(k)~~] An application for an original driver education  
15 or driving safety instructor license must be accompanied by a  
16 processing fee [~~of \$50~~] and an annual license fee [~~of \$25~~], except  
17 that the department [~~commissioner~~] may not collect the processing  
18 fee from an applicant for a driver education instructor license who  
19 is currently teaching a driver education course in a public school  
20 in this state.

21           (d) [~~(l)~~] The commission [~~commissioner~~] shall establish the  
22 amount of the fee for a duplicate license.

23           SECTION 2.20. Section 1001.153, Education Code, is amended  
24 to read as follows:

25           Sec. 1001.153. COMPLAINT INVESTIGATION FEE. (a) The  
26 commission [~~commissioner~~] shall establish the amount of the fee to  
27 investigate a driver training school or course provider to resolve

1 a complaint against the school or course provider.

2 (b) The fee may be charged only if:

3 (1) the complaint could not have been resolved solely  
4 by telephone or in writing;

5 (2) a representative of the department [~~agency~~]  
6 visited the school or course provider as a part of the complaint  
7 resolution process; and

8 (3) the school or course provider was found to be at  
9 fault.

10 SECTION 2.21. Subsection (b), Section 1001.202, Education  
11 Code, is amended to read as follows:

12 (b) A driving safety school may use multiple classroom  
13 locations to teach a driving safety course if each location:

14 (1) is approved by the parent school and the  
15 department [~~agency~~];

16 (2) has the same name as the parent school; and

17 (3) has the same ownership as the parent school.

18 SECTION 2.22. Sections 1001.203 through 1001.206,  
19 Education Code, are amended to read as follows:

20 Sec. 1001.203. APPLICATION. To operate or do business in  
21 this state, a driver training school must apply to the department  
22 [~~commissioner~~] for the appropriate license. The application must:

23 (1) be in writing;

24 (2) be in the form prescribed by the department  
25 [~~commissioner~~];

26 (3) include all required information; and

27 (4) be verified.

1           Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION SCHOOL  
2 LICENSE.     The department [~~commissioner~~] shall approve an  
3 application for a driver education school license if, on  
4 investigation of the premises of the school, it is determined that  
5 the school:

6           (1) has courses, curricula, and instruction of a  
7 quality, content, and length that reasonably and adequately achieve  
8 the stated objective for which the courses, curricula, and  
9 instruction are offered;

10          (2) has adequate space, equipment, instructional  
11 material, and instructors to provide training of good quality in  
12 the classroom and behind the wheel;

13          (3) has directors, instructors, and administrators  
14 who have adequate educational qualifications and experience;

15          (4) provides to each student before enrollment:

16           (A) a copy of:

17               (i) the refund policy;

18               (ii) the schedule of tuition, fees, and  
19 other charges; and

20               (iii) the regulations relating to absence,  
21 grading policy, and rules of operation and conduct; and

22           (B) the department's name, mailing address,  
23 [~~and~~] telephone number, and Internet website address [~~of the~~  
24 ~~agency~~] for the purpose of directing complaints to the department  
25 [~~agency~~];

26          (5) maintains adequate records as prescribed by the  
27 department [~~commissioner~~] to show attendance and progress or grades



1 and enforces satisfactory standards relating to attendance,  
2 progress, and conduct;

3 (6) on completion of training, issues each student a  
4 certificate indicating the course name and satisfactory  
5 completion;

6 (7) complies with all county, municipal, state, and  
7 federal regulations, including fire, building, and sanitation  
8 codes and assumed name registration;

9 (8) is financially sound and capable of fulfilling its  
10 commitments for training;

11 (9) has administrators, directors, owners, and  
12 instructors who are of good reputation and character;

13 (10) maintains and publishes as part of its student  
14 enrollment contract the proper policy for the refund of the unused  
15 portion of tuition, fees, and other charges if a student fails to  
16 take the course or withdraws or is discontinued from the school at  
17 any time before completion;

18 (11) does not use erroneous or misleading advertising,  
19 either by actual statement, omission, or intimation, as determined  
20 by the department [~~commissioner~~];

21 (12) does not use a name similar to the name of another  
22 existing school or tax-supported educational institution in this  
23 state, unless specifically approved in writing by the executive  
24 director [~~commissioner~~];

25 (13) submits to the department [~~agency~~] for approval  
26 the applicable course hour lengths and curriculum content for each  
27 course offered by the school;

1           (14) does not owe an administrative penalty for a  
2 violation of [~~under~~] this chapter; and

3           (15) meets any additional criteria required by the  
4 department [~~agency~~].

5           Sec. 1001.205. REQUIREMENTS FOR DRIVING SAFETY SCHOOL  
6 LICENSE.     The department [~~commissioner~~] shall approve an  
7 application for a driving safety school license if on investigation  
8 the department [~~agency~~] determines that the school:

9           (1) has driving safety courses, curricula, and  
10 instruction of a quality, content, and length that reasonably and  
11 adequately achieve the stated objective for which the course,  
12 curricula, and instruction are developed by the course provider;

13           (2) has adequate space, equipment, instructional  
14 material, and instructors to provide training of good quality;

15           (3) has instructors and administrators who have  
16 adequate educational qualifications and experience;

17           (4) maintains adequate records as prescribed by the  
18 department [~~commissioner~~] to show attendance and progress or grades  
19 and enforces satisfactory standards relating to attendance,  
20 progress, and conduct;

21           (5) complies with all county, municipal, state, and  
22 federal laws, including fire, building, and sanitation codes and  
23 assumed name registration;

24           (6) has administrators, owners, and instructors who  
25 are of good reputation and character;

26           (7) does not use erroneous or misleading advertising,  
27 either by actual statement, omission, or intimation, as determined

1 by the department [~~commissioner~~];

2 (8) does not use a name similar to the name of another  
3 existing school or tax-supported educational establishment in this  
4 state, unless specifically approved in writing by the executive  
5 director [~~commissioner~~];

6 (9) maintains and uses the approved contract and  
7 policies developed by the course provider;

8 (10) does not owe an administrative penalty for a  
9 violation of [~~under~~] this chapter;

10 (11) will not provide a driving safety course to a  
11 person for less than \$25; and

12 (12) meets additional criteria required by the  
13 department [~~commissioner~~].

14 Sec. 1001.206. REQUIREMENTS FOR COURSE PROVIDER LICENSE.  
15 The department [~~commissioner~~] shall approve an application for a  
16 course provider license if on investigation the department [~~agency~~]  
17 determines that:

18 (1) the course provider has an approved course that at  
19 least one licensed driving safety school is willing to offer;

20 (2) the course provider has adequate educational  
21 qualifications and experience;

22 (3) the course provider will:

23 (A) develop and provide to each driving safety  
24 school that offers the approved course a copy of:

25 (i) the refund policy; and

26 (ii) the regulations relating to absence,  
27 grading policy, and rules of operation and conduct; and

1 (B) provide to the driving safety school the  
2 department's name, mailing address, [~~and~~] telephone number, and  
3 Internet website address [~~of the agency~~] for the purpose of  
4 directing complaints to the department [~~agency~~];

5 (4) a copy of the information provided to each driving  
6 safety school under Subdivision (3) will be provided to each  
7 student by the school before enrollment;

8 (5) not later than the 15th working day after the date  
9 the person successfully completes the course, the course provider  
10 will mail a uniform certificate of course completion to the person  
11 indicating the course name and successful completion;

12 (6) the course provider maintains adequate records as  
13 prescribed by the department [~~commissioner~~] to show attendance and  
14 progress or grades and enforces satisfactory standards relating to  
15 attendance, progress, and conduct;

16 (7) the course provider complies with all county,  
17 municipal, state, and federal laws, including assumed name  
18 registration and other applicable requirements;

19 (8) the course provider is financially sound and  
20 capable of fulfilling its commitments for training;

21 (9) the course provider is of good reputation and  
22 character;

23 (10) the course provider maintains and publishes as a  
24 part of its student enrollment contract the proper policy for the  
25 refund of the unused portion of tuition, fees, and other charges if  
26 a student fails to take the course or withdraws or is discontinued  
27 from the school at any time before completion;

1           (11) the course provider does not use erroneous or  
2 misleading advertising, either by actual statement, omission, or  
3 intimation, as determined by the department [~~commissioner~~];

4           (12) the course provider does not use a name similar to  
5 the name of another existing school or tax-supported educational  
6 institution in this state, unless specifically approved in writing  
7 by the executive director [~~commissioner~~];

8           (13) the course provider does not owe an  
9 administrative penalty for a violation of [~~under~~] this chapter; and

10           (14) the course provider meets additional criteria  
11 required by the department [~~commissioner~~].

12           SECTION 2.23. Subsections (a) and (b), Section 1001.207,  
13 Education Code, are amended to read as follows:

14           (a) Before a driver education school may be issued a  
15 license, the school must file a corporate surety bond with the  
16 department [~~commissioner~~] in the amount of:

17           (1) \$10,000 for the primary location of the school;  
18 and

19           (2) \$5,000 for each branch location.

20           (b) A bond issued under Subsection (a) must be:

21           (1) issued in a form approved by the department  
22 [~~commissioner~~];

23           (2) issued by a company authorized to do business in  
24 this state;

25           (3) payable to the state to be used only for payment of  
26 a refund due to a student or potential student;

27           (4) conditioned on the compliance of the school and

1 its officers, agents, and employees with this chapter and rules  
2 adopted under this chapter; and

3 (5) issued for a period corresponding to the term of  
4 the license.

5 SECTION 2.24. Subsection (b), Section 1001.209, Education  
6 Code, is amended to read as follows:

7 (b) A bond issued under Subsection (a) must be:

8 (1) issued by a company authorized to do business in  
9 this state;

10 (2) payable to the state to be used:

11 (A) for payment of a refund due a student of the  
12 course provider's approved course;

13 (B) to cover the payment of unpaid fees or  
14 penalties assessed by the department [~~agency~~]; or

15 (C) to recover the cost of uniform certificates  
16 of course completion the department [~~agency~~] demands be returned or  
17 any cost associated with the certificates;

18 (3) conditioned on the compliance of the course  
19 provider and its officers, agents, and employees with this chapter  
20 and rules adopted under this chapter; and

21 (4) issued for a period corresponding to the term of  
22 the license.

23 SECTION 2.25. Section 1001.210, Education Code, is amended  
24 to read as follows:

25 Sec. 1001.210. ALTERNATE FORM OF SECURITY. Instead of the  
26 bond required by Section 1001.207 or 1001.209, a driver education  
27 school or course provider may provide another form of security that

1 is:

2           (1) [~~(A)~~] approved by the department [~~commissioner~~];

3 and

4           (2) [~~(B)~~] in the amount required for a comparable bond  
5 under Section 1001.207 or 1001.209.

6           SECTION 2.26. Subsections (a) and (b), Section 1001.211,  
7 Education Code, are amended to read as follows:

8           (a) The department [~~commissioner~~] shall issue a license to  
9 an applicant for a license under this subchapter if:

10           (1) the application is submitted in accordance with  
11 this subchapter; and

12           (2) the applicant meets the requirements of this  
13 chapter.

14           (b) A license must be in a form determined by the department  
15 [~~commissioner~~] and must show in a clear and conspicuous manner:

16           (1) the date of issuance, effective date, and term of  
17 the license;

18           (2) the name and address of the driver training school  
19 or course provider;

20           (3) the authority for and conditions of approval;

21           (4) the executive director's [~~commissioner's~~]  
22 signature; and

23           (5) any other fair and reasonable representation that  
24 is consistent with this chapter and that the department  
25 [~~commissioner~~] considers necessary.

26           SECTION 2.27. Section 1001.212, Education Code, is amended  
27 to read as follows:

1           Sec. 1001.212. NOTICE OF DENIAL OF LICENSE. The department  
2 [~~commissioner~~] shall provide a person whose application for a  
3 license under this subchapter is denied a written statement of the  
4 reasons for the denial.

5           SECTION 2.28. Subsections (c) and (d), Section 1001.213,  
6 Education Code, are amended to read as follows:

7           (c) The commission may establish [~~Instead of the~~] fees  
8 [~~required by Section 1001.151, the fee~~] for a new driver education  
9 school or course provider license under Subsection (b) and [~~is~~  
10 ~~\$500, plus \$200~~] for each branch location that are different from  
11 the amounts established under Section 1001.151[7] if:

12                   (1) the new owner is substantially similar to the  
13 previous owner; and

14                   (2) there is no significant change in the management  
15 or control of the driver education school or course provider.

16           (d) The department [~~commissioner~~] is not required to  
17 reinspect a school or a branch location after a change of ownership.

18           SECTION 2.29. Section 1001.214, Education Code, is amended  
19 to read as follows:

20           Sec. 1001.214. DUPLICATE LICENSE. A duplicate license may  
21 be issued to a driver training school or course provider if:

22                   (1) the original license is lost or destroyed; and

23                   (2) an affidavit of that fact is filed with the  
24 department [~~agency~~].

25           SECTION 2.30. Sections 1001.251, 1001.252, and 1001.253,  
26 Education Code, are amended to read as follows:

27           Sec. 1001.251. LICENSE REQUIRED FOR INSTRUCTOR. (a) A



1 person may not teach or provide driver education, either as an  
2 individual or in a driver education school, or conduct any phase of  
3 driver education, unless the person holds a driver education  
4 instructor license issued by the department [~~agency~~].

5 (b) A person may not teach or provide driving safety  
6 training, either as an individual or in a driving safety school, or  
7 conduct any phase of driving safety education, unless the person  
8 holds a driving safety instructor license issued by the department  
9 [~~agency~~]. This subsection does not apply to an instructor of a  
10 driving safety course that does not provide a uniform certificate  
11 of course completion to its graduates.

12 Sec. 1001.252. SIGNATURE AND SEAL ON LICENSE REQUIRED. A  
13 license under this subchapter must be signed by the executive  
14 director [~~commissioner~~].

15 Sec. 1001.253. DRIVER EDUCATION INSTRUCTOR TRAINING.

16 (a) The department [~~commissioner~~] shall establish standards for  
17 certification of professional and paraprofessional personnel who  
18 conduct driver education programs in driver education schools.

19 (b) A driver education instructor license authorizing a  
20 person to teach or provide behind-the-wheel training may not be  
21 issued unless the person has successfully completed six semester  
22 hours of driver and traffic safety education or a program of study  
23 in driver education approved by the department [~~commissioner~~] from  
24 an approved driver education school.

25 (c) A person who holds a driver education instructor license  
26 authorizing behind-the-wheel training may not be approved to assist  
27 a classroom instructor in the classroom phase of driver education

1 unless the person has successfully completed the three additional  
2 semester hours of training required for a classroom instructor or a  
3 program of study in driver education approved by the department  
4 [~~commissioner~~].

5 (d) Except as provided by Section 1001.254, a driver  
6 education instructor license authorizing a person to teach or  
7 provide classroom training may not be issued unless the person:

8 (1) has completed nine semester hours of driver and  
9 traffic safety education or a program of study in driver education  
10 approved by the department [~~commissioner~~] from an approved driver  
11 education school; and

12 (2) holds a teaching certificate and any additional  
13 certification required to teach driver education.

14 (e) A driver education instructor who has completed the  
15 educational requirements prescribed by Subsection (d)(1) may not  
16 teach instructor training classes unless the instructor has  
17 successfully completed a supervising instructor development  
18 program consisting of at least six additional semester hours or a  
19 program of study in driver education approved by the department  
20 [~~commissioner~~] that includes administering driver education  
21 programs and supervising and administering traffic safety  
22 education.

23 (f) A driver education school may submit for department  
24 [~~agency~~] approval a curriculum for an instructor development  
25 program for driver education instructors. The program must:

26 (1) be taught by a person who has completed a  
27 supervising instructor development program under Subsection (e);

1 and

2 (2) satisfy the requirements of this section for the  
3 particular program or type of training to be provided.

4 SECTION 2.31. Subsection (a), Section 1001.254, Education  
5 Code, is amended to read as follows:

6 (a) A temporary driver education instructor license may be  
7 issued authorizing a person to teach or provide classroom driver  
8 education training if the person:

9 (1) has completed the educational requirements  
10 prescribed by Section 1001.253(d)(1);

11 (2) holds a Texas teaching certificate with an  
12 effective date before February 1, 1986;

13 (3) meets all license requirements, other than  
14 successful completion of the examination required under rules  
15 adopted by the State Board for Educator Certification to revalidate  
16 the teaching certificate; and

17 (4) demonstrates, in a manner prescribed by the  
18 department [~~commissioner~~], the intention to comply with the  
19 examination requirement at the first available opportunity.

20 SECTION 2.32. Subsections (a), (b), and (c), Section  
21 1001.255, Education Code, are amended to read as follows:

22 (a) The department [~~agency~~] shall regulate as a driver  
23 education school a driver education instructor who:

24 (1) teaches driver education courses in a county  
25 having a population of 50,000 or less; and

26 (2) does not teach more than 200 students annually.

27 (b) An instructor described by Subsection (a) must submit to

1 the department [~~agency~~] an application for an initial or renewal  
2 driver education school license, together with all required  
3 documentation and information.

4 (c) The department [~~commissioner~~] may waive initial or  
5 renewal driver education school license fees or the fee for a  
6 director or administrative staff member.

7 SECTION 2.33. Section 1001.256, Education Code, is amended  
8 to read as follows:

9 Sec. 1001.256. DUPLICATE LICENSE. A duplicate license may  
10 be issued to a driver education instructor or driving safety  
11 instructor if:

- 12 (1) the original license is lost or destroyed; and  
13 (2) an affidavit of that fact is filed with the  
14 department [~~agency~~].

15 SECTION 2.34. The heading to Subchapter G, Chapter 1001,  
16 Education Code, is amended to read as follows:

17 SUBCHAPTER G. LICENSE EXPIRATION [~~AND RENEWAL~~]

18 SECTION 2.35. Subsection (b), Section 1001.351, Education  
19 Code, is amended to read as follows:

20 (b) A course provider shall electronically submit to the  
21 department [~~agency~~] in the manner established by the department  
22 [~~agency~~] data identified by the department [~~agency~~] relating to  
23 uniform certificates of course completion.

24 SECTION 2.36. Subsections (a) and (b), Section 1001.354,  
25 Education Code, are amended to read as follows:

26 (a) A driving safety course may be taught at a driving  
27 safety school if the school is approved by the department [~~agency~~].

1 (b) A driving safety school may teach an approved driving  
2 safety course by an alternative method that does not require  
3 students to be present in a classroom if the department  
4 [~~commissioner~~] approves the alternative method. The department  
5 [~~commissioner~~] may approve the alternative method if:

6 (1) the department [~~commissioner~~] determines that the  
7 approved driving safety course can be taught by the alternative  
8 method; and

9 (2) the alternative method includes testing and  
10 security measures that are at least as secure as the measures  
11 available in the usual classroom setting.

12 SECTION 2.37. Subsections (b) and (c), Section 1001.404,  
13 Education Code, are amended to read as follows:

14 (b) The department [~~commissioner~~] shall establish annually  
15 the rate of interest for a refund at a rate sufficient to provide a  
16 deterrent to the retention of student money.

17 (c) The department [~~agency~~] may except a driver education  
18 school or course provider from the payment of interest if the school  
19 or course provider makes a good-faith effort to refund tuition,  
20 fees, and other charges but is unable to locate the student to whom  
21 the refund is owed. On request of the department [~~agency~~], the  
22 school or course provider shall document the effort to locate a  
23 student.

24 SECTION 2.38. Sections 1001.451 and 1001.452, Education  
25 Code, are amended to read as follows:

26 Sec. 1001.451. PROHIBITED PRACTICES. A person may not:

27 (1) use advertising designed to mislead or deceive a

1 prospective student;

2 (2) fail to notify the department [~~commissioner~~] of  
3 the discontinuance of the operation of a driver training school  
4 before the fourth working day after the date of cessation of classes  
5 and make available accurate records as required by this chapter;

6 (3) issue, sell, trade, or transfer:

7 (A) a uniform certificate of course completion or  
8 driver education certificate to a person or driver training school  
9 not authorized to possess the certificate;

10 (B) a uniform certificate of course completion to  
11 a person who has not successfully completed an approved, six-hour  
12 driving safety course; or

13 (C) a driver education certificate to a person  
14 who has not successfully completed a department-approved  
15 [~~commissioner-approved~~] driver education course;

16 (4) negotiate a promissory instrument received as  
17 payment of tuition or another charge before the student completes  
18 75 percent of the course, except that before that time the  
19 instrument may be assigned to a purchaser who becomes subject to any  
20 defense available against the school named as payee; or

21 (5) conduct any part of an approved driver education  
22 course or driving safety course without having an instructor  
23 physically present in appropriate proximity to the student for the  
24 type of instruction being given.

25 Sec. 1001.452. COURSE OF INSTRUCTION. A driver training  
26 school may not maintain, advertise, solicit for, or conduct a  
27 course of instruction in this state before the later of:

1 (1) the 30th day after the date the school applies for  
2 a driver training school license; or

3 (2) the date the school receives a driver training  
4 school license from the department [~~commissioner~~].

5 SECTION 2.39. Subsections (d) and (e), Section 1001.453,  
6 Education Code, are amended to read as follows:

7 (d) Subchapter F, Chapter 51, Occupations Code, Section  
8 51.353, Occupations Code, and Section [~~Sections 1001.454,~~  
9 1001.456(a) of this code [~~, and 1001.553~~] do not apply to a violation  
10 of this section or a rule adopted under this section.

11 (e) Section 51.352, Occupations Code, and Sections  
12 [~~1001.455(a)(6),~~] 1001.501 [~~, 1001.551, 1001.552,~~] and 1001.554 of  
13 this code do not apply to a violation of this section.

14 SECTION 2.40. Section 1001.456, Education Code, is amended  
15 to read as follows:

16 Sec. 1001.456. OTHER DISCIPLINARY ACTIONS. (a) If the  
17 department [~~agency~~] believes that a driver education school or  
18 instructor has violated this chapter or a rule or order of the  
19 commission or executive director [~~adopted under this chapter~~], the  
20 department [~~agency~~] may, without notice:

21 (1) order a peer review;

22 (2) suspend the enrollment of students in the school  
23 or the offering of instruction by the instructor; or

24 (3) suspend the right to purchase driver education  
25 certificates.

26 (b) If the department [~~agency~~] believes that a course  
27 provider, driving safety school, or driving safety instructor has

1 violated this chapter or a rule or order of the commission or  
2 executive director [~~adopted under this chapter~~], the department  
3 [~~agency~~] may, without notice:

4 (1) order a peer review of the course provider,  
5 driving safety school, or driving safety instructor;

6 (2) suspend the enrollment of students in the school  
7 or the offering of instruction by the instructor; or

8 (3) suspend the right to purchase uniform certificates  
9 of course completion.

10 (c) A peer review ordered under this section must be  
11 conducted by a team of knowledgeable persons selected by the  
12 department [~~agency~~]. The team shall provide the department  
13 [~~agency~~] with an objective assessment of the content of the  
14 school's or course provider's curriculum and its application. The  
15 school or course provider shall pay the costs of the peer review.

16 (d) A suspension of enrollment under Subsection (a)(2) or  
17 (b)(2) means a ruling by the executive director [~~commissioner~~] that  
18 restricts a school from:

19 (1) accepting enrollments or reenrollments;

20 (2) advertising;

21 (3) soliciting; or

22 (4) directly or indirectly advising prospective  
23 students of its program or course offerings.

24 SECTION 2.41. The heading to Subchapter L, Chapter 1001,  
25 Education Code, is amended to read as follows:

26 SUBCHAPTER L. PENALTIES [~~AND ENFORCEMENT PROVISIONS~~]

27 SECTION 2.42. Subsection (b), Section 1001.555, Education



1 Code, is amended to read as follows:

2 (b) The department [~~agency~~] shall contract with the  
3 Department of Public Safety [~~department~~] to provide undercover and  
4 investigative assistance in the enforcement of Subsection (a).

5 SECTION 2.43. Subsection (b), Article 45.0511, Code of  
6 Criminal Procedure, is amended to read as follows:

7 (b) The judge shall require the defendant to successfully  
8 complete a driving safety course approved by the Texas Department  
9 of Licensing and Regulation [~~Education Agency~~] or a course under  
10 the motorcycle operator training and safety program approved by the  
11 designated state agency under Chapter 662, Transportation Code, if:

12 (1) the defendant elects driving safety course or  
13 motorcycle operator training course dismissal under this article;

14 (2) the defendant has not completed an approved  
15 driving safety course or motorcycle operator training course, as  
16 appropriate, within the 12 months preceding the date of the  
17 offense;

18 (3) the defendant enters a plea under Article 45.021  
19 in person or in writing of no contest or guilty on or before the  
20 answer date on the notice to appear and:

21 (A) presents in person or by counsel to the court  
22 a request to take a course; or

23 (B) sends to the court by certified mail, return  
24 receipt requested, postmarked on or before the answer date on the  
25 notice to appear, a written request to take a course;

26 (4) the defendant has a valid Texas driver's license or  
27 permit;

1           (5) the defendant is charged with an offense to which  
2 this article applies, other than speeding 25 miles per hour or more  
3 over the posted speed limit; and

4           (6) the defendant provides evidence of financial  
5 responsibility as required by Chapter 601, Transportation Code.

6           SECTION 2.44. Section 51.308, Education Code, is amended to  
7 read as follows:

8           Sec. 51.308. DRIVER EDUCATION. A driver education course  
9 for the purpose of preparing students to obtain a driver's license  
10 may be offered by an institution of higher education, as defined by  
11 Section 61.003, with the approval of the Texas Department of  
12 Licensing and Regulation [~~Central Education Agency~~].

13           SECTION 2.45. Subsection (a), Section 521.1655,  
14 Transportation Code, is amended to read as follows:

15           (a) A driver education school licensed under Chapter 1001,  
16 Education Code, [~~the Texas Driver and Traffic Safety Education Act~~  
17 ~~(Article 4413(29c), Vernon's Texas Civil Statutes)] may administer  
18 to a student of that school the vision, highway sign, and traffic  
19 law parts of the examination required by Section 521.161.~~

20           SECTION 2.46. Section 521.203, Transportation Code, is  
21 amended to read as follows:

22           Sec. 521.203. RESTRICTIONS ON CLASS A AND B LICENSES. The  
23 department may not issue a Class A or Class B driver's license to a  
24 person who:

25           (1) is under 17 years of age;

26           (2) is under 18 years of age unless the person has  
27 completed a driver training course approved by the Texas Department

1 of Licensing and Regulation [~~Central Education Agency~~]; or

2 (3) has not provided the department with an affidavit,  
3 on a form prescribed by the department, that states that no vehicle  
4 that the person will drive that requires a Class A or Class B  
5 license is a commercial motor vehicle as defined by Section  
6 522.003.

7 SECTION 2.47. Subsections (b) and (d), Section 521.205,  
8 Transportation Code, are amended to read as follows:

9 (b) The department may not approve a course unless it  
10 determines that the course materials are at least equal to those  
11 required in a course approved by the Texas Department of Licensing  
12 and Regulation [~~Education Agency~~], except that the department may  
13 not require that:

14 (1) the classroom instruction be provided in a room  
15 with particular characteristics or equipment; or

16 (2) the vehicle used for the behind-the-wheel  
17 instruction have equipment other than the equipment otherwise  
18 required by law for operation of the vehicle on a highway while the  
19 vehicle is not being used for driver training.

20 (d) Completion of a driver education course approved under  
21 this section has the same effect under this chapter as completion of  
22 a driver education course approved by the Texas Department of  
23 Licensing and Regulation [~~Education Agency~~].

24 SECTION 2.48. Subdivision (1), Section 1001.001,  
25 Subsections (b) and (c), Section 1001.053, Subsections (a) and (b),  
26 Section 1001.054, and Sections 1001.152, 1001.303, 1001.304,  
27 1001.454, 1001.455, 1001.457, 1001.458, 1001.459, 1001.460,

1 1001.461, 1001.551, 1001.552, and 1001.553, Education Code, and  
2 Subchapter B, Chapter 543, Transportation Code, are repealed.

3 SECTION 2.49. (a) As soon as practicable after the  
4 effective date of this Act, the Texas Education Agency and the Texas  
5 Department of Licensing and Regulation shall develop a transition  
6 plan for transferring the functions performed by the Texas  
7 Education Agency under Chapter 1001, Education Code, to the Texas  
8 Department of Licensing and Regulation. The transition plan must  
9 include a timetable with specific steps and deadlines needed to  
10 complete the transfer.

11 (b) In accordance with the transition plan developed by the  
12 Texas Education Agency and the Texas Department of Licensing and  
13 Regulation under Subsection (a) of this section, on September 1,  
14 2005:

15 (1) all functions and activities relating to Chapter  
16 1001, Education Code, performed by the Texas Education Agency  
17 immediately before that date are transferred to the Texas  
18 Department of Licensing and Regulation;

19 (2) a rule or form adopted by the commissioner of  
20 education that relates to Chapter 1001, Education Code, is a rule or  
21 form of the Texas Commission of Licensing and Regulation or the  
22 Texas Department of Licensing and Regulation, as applicable, and  
23 remains in effect until amended or replaced by that commission or  
24 department;

25 (3) a reference in law to or an administrative rule of  
26 the Texas Education Agency that relates to Chapter 1001, Education  
27 Code, means the Texas Commission of Licensing and Regulation or the

1 Texas Department of Licensing and Regulation, as applicable;

2 (4) a complaint, investigation, or other proceeding  
3 before the Texas Education Agency that is related to Chapter 1001,  
4 Education Code, is transferred without change in status to the  
5 Texas Department of Licensing and Regulation, and the Texas  
6 Department of Licensing and Regulation assumes, as appropriate and  
7 without a change in status, the position of the Texas Education  
8 Agency in an action or proceeding to which the Texas Education  
9 Agency is a party;

10 (5) all money, contracts, leases, property, and  
11 obligations of the Texas Education Agency related to Chapter 1001,  
12 Education Code, are transferred to the Texas Department of  
13 Licensing and Regulation;

14 (6) all property in the custody of the Texas Education  
15 Agency related to Chapter 1001, Education Code, is transferred to  
16 the Texas Department of Licensing and Regulation; and

17 (7) the unexpended and unobligated balance of any  
18 money appropriated by the legislature for the Texas Education  
19 Agency related to Chapter 1001, Education Code, is transferred to  
20 the Texas Department of Licensing and Regulation.

21 (c) In accordance with the transition plan developed by the  
22 Texas Education Agency and the Texas Department of Licensing and  
23 Regulation under Subsection (a) of this section, on September 1,  
24 2005, all full-time equivalent employee positions at the Texas  
25 Education Agency that primarily concern the administration of  
26 Chapter 1001, Education Code, become positions at the Texas  
27 Department of Licensing and Regulation. When filling the

1 positions, the Texas Department of Licensing and Regulation shall  
2 give first consideration to an applicant who, as of August 31, 2005,  
3 was a full-time employee at the Texas Education Agency primarily  
4 involved in administering Chapter 1001, Education Code.

5 (d) Before September 1, 2005, the Texas Education Agency may  
6 agree with the Texas Department of Licensing and Regulation to  
7 transfer any property of the Texas Education Agency to the Texas  
8 Department of Licensing and Regulation to implement the transfer  
9 required by this Act.

10 (e) In the period beginning with the effective date of this  
11 Act and ending on September 1, 2005, the Texas Education Agency  
12 shall continue to perform functions and activities under Chapter  
13 1001, Education Code, as if that chapter had not been amended by  
14 this Act, and the former law is continued in effect for that  
15 purpose.

16 (f) If this Act does not take effect immediately, an action  
17 required to be taken under this section on or before September 1,  
18 2005, by the Texas Education Agency or the Texas Department of  
19 Licensing and Regulation shall be taken as soon as practicable  
20 after the effective date of this Act, but not later than November 1,  
21 2005.

22 SECTION 2.50. The changes in law made by this article apply  
23 only to a fee charged on or after September 1, 2005. A fee charged  
24 before September 1, 2005, is governed by the law in effect  
25 immediately before that date, and the former law is continued in  
26 effect for that purpose.

27 SECTION 2.51. The changes in law made by this article apply

1 only to a license issued or renewed on or after September 1, 2005.  
2 An issuance or renewal that occurs before September 1, 2005, is  
3 governed by the law in effect immediately before that date, and the  
4 former law is continued in effect for that purpose.

5 ARTICLE 3. EFFECTIVE DATE

6 SECTION 3.01. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2005.