

By: Jackson, Mike

S.B. No. 422

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Texas Education Agency and regional education service centers.

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

ARTICLE 1. TEXAS EDUCATION AGENCY AND REGIONAL
EDUCATION SERVICE CENTERS

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

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

(A) a school in a home-rule school district;

(B) a campus or campus program;

(C) an open-enrollment charter school; and

(D) a college or university charter school.

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

Sec. 7.004. SUNSET PROVISION. The Texas Education Agency is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the agency is abolished September 1, 2017 [~~2005~~].

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

Sec. 7.010. BEST PRACTICES. (a) The agency and the

1 regional education service centers shall collect and disseminate
2 best practices information. The agency and the regional education
3 service centers shall enter into a memorandum of understanding that
4 establishes the respective duties of the agency and the regional
5 education service centers in collecting and disseminating the best
6 practices information.

7 (b) The agency and the regional education service centers
8 shall solicit from school district trustees, educators, including
9 school and district administrators, and other education experts
10 information concerning the best practices of school districts. The
11 information may include:

12 (1) information concerning available programs,
13 products, and policies that have been successfully adopted or
14 developed and used by school districts;

15 (2) specific examples of successful best practices;
16 and

17 (3) resources available to assist school districts in
18 complying with state or federal education laws.

19 (c) The best practices information must include information
20 investigated by the agency or a regional education service center
21 concerning the effective use of online courses, including:

22 (1) methods for using online courses to provide
23 curriculum solutions;

24 (2) information to assist school districts in
25 investigating the quality of online courses; and

26 (3) a list of funding sources available for various
27 types of online courses.

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

4 (e) The agency and the regional education service centers
5 shall develop incentives for school districts to implement best
6 practices.

7 SECTION 1.04. Subchapter B, Chapter 7, Education Code, is
8 amended by adding Sections 7.032 and 7.033 to read as follows:

9 Sec. 7.032. RECORDS OF COMPLAINTS. (a) The agency shall
10 maintain a system to promptly and efficiently act on complaints
11 filed with the agency. The agency shall maintain:

12 (1) information about the parties to the complaint and
13 the subject matter of the complaint;

14 (2) a summary of the results of the review or
15 investigation of the complaint; and

16 (3) information about the disposition of the
17 complaint.

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

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

22 Sec. 7.033. COMPREHENSIVE MONITORING SYSTEM. (a) In
23 compliance with other provisions of Title 1 and this title, the
24 agency shall develop and implement a comprehensive, integrated
25 monitoring system for monitoring school district and charter school
26 overall performance under and compliance with federal and state
27 education laws. The system must incorporate performance and

1 compliance information collected by various agency divisions for
2 each school district and charter school, including information
3 relating to:

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

11 (b) As part of the monitoring system, the commissioner by
12 rule shall develop clear minimum performance standards that relate
13 agency interventions and sanctions to performance-based
14 indicators. The performance standards must identify a range of
15 interventions and sanctions that the agency may use if a school
16 district or charter school fails to meet one or more of the minimum
17 performance standards. If a district or school fails to meet a
18 minimum performance standard, the agency shall determine the
19 appropriate intervention or sanction authorized under the
20 performance standards for the particular area of unsatisfactory
21 performance based on all relevant circumstances, including the
22 number of areas involved and the extent and duration of the
23 unsatisfactory performance.

24 SECTION 1.05. Sections 7.057(a) and (d), Education Code,
25 are amended to read as follows:

26 (a) Except as provided by Subsection (e) and except to the
27 extent of a conflict with a rule adopted under Section 39.005, a

1 person may appeal in writing to the commissioner if the person is
2 aggrieved by:

- 3 (1) the school laws of this state; or
4 (2) actions or decisions of any school district board
5 of trustees that violate:

- 6 (A) the school laws of this state; or
7 (B) a provision of a written employment contract
8 between the school district and a school district employee, if a
9 violation causes or would cause monetary harm to the employee.

10 (d) Except to the extent of a conflict with a rule adopted
11 under Section 39.005, a [A] person aggrieved by an action of the
12 agency or decision of the commissioner may appeal to a district
13 court in Travis County. An appeal must be made by serving the
14 commissioner with citation issued and served in the manner provided
15 by law for civil suits. The petition must state the action or
16 decision from which the appeal is taken. At trial, the court shall
17 determine all issues of law and fact, except as provided by Section
18 33.081(g).

19 SECTION 1.06. Subchapter C, Chapter 7, Education Code, is
20 amended by adding Sections 7.061, 7.062, and 7.063 to read as
21 follows:

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. If the commissioner determines that the
25 proposed rule will impose additional paperwork requirements on
26 educators, the commissioner shall structure the rule in a manner
27 that minimizes the paperwork requirements.

1 SECTION 1.07. Chapter 7, Education Code, is amended by
2 adding Subchapter E to read as follows:

3 SUBCHAPTER E. PERFORMANCE-BASED GRANT SYSTEM

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

8 (b) The grant system must:

9 (1) connect grant activities and funding to student
10 academic performance; and

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

13 Sec. 7.152. GRANT PROGRAM PROCEDURES. The agency shall
14 ensure that:

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

19 (2) each agency grant program coordinates with other
20 grant programs administered by the agency;

21 (3) grant programs with similar objectives have common
22 performance measures; and

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

27 Sec. 7.153. GRANT ELIGIBILITY NOTIFICATION. The agency may

1 use existing data to identify and notify an eligible school
2 district or charter school of the opportunity to apply for a
3 state-funded discretionary grant.

4 Sec. 7.154. APPLICATION FOR STATE-FUNDED FORMULA GRANTS.
5 The agency shall develop a consolidated application to be used by
6 school districts and charter schools in applying for any
7 state-funded formula grant administered by the agency.

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

11 Sec. 7.156. BEST PRACTICES GRANT INFORMATION. (a) The
12 agency shall provide data relating to the grant system, including
13 grant spending and performance information, to each regional
14 education service center. Based on the information provided by the
15 agency, a regional education service center shall identify
16 successful grant programs and provide information concerning
17 successful grant programs to the school districts in the service
18 center's region.

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

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

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

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

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

2 (B) the goals for academic performance and
3 accountability or another public education mission, objective, or
4 goal;

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

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

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

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

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

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

23 SECTION 1.08. Subchapter A, Chapter 8, Education Code, is
24 amended by adding Section 8.0031 to read as follows:

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

26 (a) The commissioner shall adopt rules prescribing training for
27 members of regional education service center boards of directors.

1 The training curriculum may include:

2 (1) an overview of this code and any rules adopted
3 under this code;

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

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

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

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

12 SECTION 1.09. Section 8.051(c), Education Code, is amended
13 to read as follows:

14 (c) Each regional education service center shall provide
15 services that enable school districts to operate more efficiently
16 and economically, including:

17 (1) collecting and disseminating best practices
18 information as provided by Section 7.010; and

19 (2) identifying and providing information concerning
20 successful grant programs to school districts as provided by
21 Section 7.156.

22 SECTION 1.10. Subchapter A, Chapter 12, Education Code, is
23 amended by adding Sections 12.004, 12.005, and 12.006 to read as
24 follows:

25 Sec. 12.004. CLOSURE AND REVOCATION OR DENIAL OF RENEWAL
26 BECAUSE OF UNSATISFACTORY PERFORMANCE. If for three consecutive
27 school years a charter school receives a rating indicating

1 unacceptable performance as determined by commissioner rule under
2 Subchapter D, Chapter 39, or under an alternative education
3 accountability system for alternative education campuses, the
4 commissioner shall close the charter school and:

5 (1) revoke the school's charter; or

6 (2) deny renewal of the school's charter if the
7 school's charter is due for renewal.

8 Sec. 12.005. MONITORING OF CERTAIN CHARTER SCHOOLS. (a)

9 This section applies only to a charter school that does not receive
10 an accountability rating under Subchapter D, Chapter 39, or under
11 an alternative education accountability system for alternative
12 education campuses for at least two consecutive school years.

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

15 (1) the achievement of students enrolled in the school
16 on assessment instruments administered under Section 39.023;

17 (2) the school's dropout rates; and

18 (3) the school's high school graduation rates, if
19 applicable.

20 (c) This section expires September 1, 2007.

21 Sec. 12.006. FINANCIAL ACCOUNTABILITY. (a) In this
22 section:

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

25 (2) "System" means the financial accountability
26 rating system.

27 (b) The commissioner shall develop and implement a

1 financial accountability rating system for charter schools. The
2 system must include uniform indicators adopted by the commissioner
3 by which to measure a charter school's financial management
4 performance.

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

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

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

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

12 (1) a description of the charter school's financial
13 management performance based on a comparison, provided by the
14 agency, of the school's performance on the indicators adopted under
15 Subsection (b) to:

16 (A) state-established standards; and

17 (B) the school's previous performance on the
18 indicators; and

19 (2) any descriptive information required by the
20 commissioner.

21 (e) The report may include:

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

23 (A) financial allocations;

24 (B) financial strengths;

25 (C) operating cost management;

26 (D) personnel management;

27 (E) debt management;

- (F) cash management;
- (G) budgetary planning;
- (I) overall business management;
- (J) compliance with rules; and
- (K) data quality; and

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

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

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

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

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

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

SECTION 1.11. Section 29.0161, Education Code, is amended to read as follows:

Sec. 29.0161. CONTRACT WITH STATE OFFICE OF ADMINISTRATIVE HEARINGS FOR SPECIAL EDUCATION DUE PROCESS HEARINGS. The [~~Not later than December 1, 2003, the~~] agency and the State Office of Administrative Hearings shall [~~jointly determine whether it would~~

1 ~~be cost-effective for the agency to~~ enter into an interagency
2 contract [~~with the office~~] under which the office conducts [~~would~~
3 ~~conduct all or part of~~] the agency's special education due process
4 hearings under 20 U.S.C. Section 1415 [~~and its subsequent~~
5 ~~amendments~~]. The contract must specify the manner in which the
6 agency will transfer federal funds to the office to pay the costs of
7 conducting the hearings.

8 SECTION 1.12. Section 29.252(a-1), Education Code, is
9 amended to read as follows:

10 (a-1) The agency shall use existing funds to contract with
11 the Texas Workforce Commission for the development of a
12 demand-driven workplace literacy and basic skills curriculum that
13 complies with the requirements adopted under Section 301.172
14 [~~301.152~~], Labor Code. This subsection expires September 1, 2007
15 [~~2005~~].

16 SECTION 1.13. Section 31.025, Education Code, is amended by
17 adding Subsection (a-1) to read as follows:

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

24 SECTION 1.14. Sections 31.1011(a)-(c), Education Code, are
25 amended to read as follows:

26 (a) The commissioner shall implement a program that allows
27 [~~to study the use of credits for textbooks. The program shall be~~

1 ~~designed to allow~~ a [~~participating~~] school district or
2 open-enrollment charter school to receive credit for textbooks
3 purchased at a cost below the cost limit established under Section
4 31.025(a).

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

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

16 SECTION 1.15. Chapter 39, Education Code, is amended by
17 adding Subchapter A to read as follows:

18 SUBCHAPTER A. GENERAL PROVISIONS

19 [Sections 39.001-39.004 reserved for expansion]

20 Sec. 39.005. APPEALS RELATING TO ACCREDITATION STANDARDS

21 AND SANCTIONS. The commissioner by rule shall establish a
22 procedure under which a school district or charter school may
23 appeal a decision of the agency or commissioner under Subchapter D
24 or G.

25 SECTION 1.16. Subchapter B, Chapter 39, Education Code, is
26 amended by adding Section 39.0232 to read as follows:

27 Sec. 39.0232. SECURITY IN ADMINISTRATION OF ASSESSMENT

1 INSTRUMENTS. The agency shall make every effort to decrease the
2 incorrect and unfair administration of assessment instruments
3 under Section 39.023.

4 SECTION 1.17. Section 39.182, Education Code, is amended by
5 adding Subsections (b-1), (b-2), and (b-3) to read as follows:

6 (b-1) The report must include an assessment of:

7 (1) the status of the incorrect and unfair
8 administration of assessment instruments under Section 39.023; and

9 (2) any progress the agency has made under Section
10 39.0232 in reducing the prevalence of the incorrect and unfair
11 administration of assessment instruments.

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

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

17 (2) recommendations on any statutory changes needed
18 for the agency to more effectively administer grant programs,
19 including recommendations on whether to eliminate or modify
20 inefficient grant programs, expand effective grant programs, or
21 consolidate similar grant programs to maximize the effectiveness
22 and efficiencies of those programs.

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

25 SECTION 1.18. Subchapter I, Chapter 301, Labor Code, as
26 amended by Chapter 817, Acts of the 78th Legislature, Regular
27 Session, 2003, is redesignated as Subchapter J, Chapter 301, Labor

1 Code, and amended to read as follows:

2 SUBCHAPTER J [~~±~~]. ADULT EDUCATION AND LITERACY

3 Sec. 301.171 [~~301.151~~]. COOPERATION WITH TEXAS EDUCATION
4 AGENCY TO IMPROVE ADULT EDUCATION AND LITERACY SERVICES. The
5 commission shall collaborate with the Texas Education Agency to
6 improve the coordination and implementation of adult education and
7 literacy services in this state.

8 Sec. 301.172 [~~301.152~~]. DEVELOPMENT OF WORKPLACE LITERACY
9 AND BASIC SKILLS CURRICULUM. (a) Under contract with the Texas
10 Education Agency, the commission shall develop a demand-driven
11 workplace literacy and basic skills curriculum aimed at assisting
12 local workforce development boards to equip workers and job seekers
13 with the skills necessary to compete for current and emerging jobs
14 in this state.

15 (b) In developing the general curriculum required by
16 Subsection (a), the commission shall:

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

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

23 (3) target up to five industry sectors in the business
24 community that are likely to benefit from the development of
25 specific curricula; and

26 (4) pilot test the curricula within the targeted
27 industry sectors and adjust the curricula based on feedback

1 received from workers and employers in those sectors.

2 (c) Based on the curriculum developed under this section,
3 the commission shall develop workforce basic skills credentials to
4 be used to define, measure, and certify the mastery of the basic
5 skills required by the curricula developed under this section.

6 (c-1) In addition to the curriculum developed under this
7 section, the commission shall develop and implement a plan to
8 encourage participants who successfully complete the curriculum to
9 pursue postsecondary education opportunities leading to
10 certificates and degrees.

11 (d) This section expires September 1, 2007 [~~2005~~].

12 SECTION 1.19. Sections 8.010 and 31.1011(d) and (e),
13 Education Code, are repealed.

14 SECTION 1.20. (a) Not later than October 1, 2005, the Texas
15 Education Agency and the Texas Workforce Commission shall enter
16 into a contract for developing a workplace literacy and basic
17 skills curriculum as required by Section 29.252(a-1), Education
18 Code, as amended by this Act, and Section 301.172, Labor Code, as
19 redesignated and amended by this Act.

20 (b) As soon as practicable after entering into the contract,
21 the Texas Workforce Commission shall implement the requirements
22 under Section 301.172, Labor Code, as redesignated and amended by
23 this Act.

24 (c) Not later than September 1, 2007, the Texas Workforce
25 Commission shall complete the requirements under Section 301.172,
26 Labor Code, as redesignated and amended by this Act.

27 SECTION 1.21. The commissioner of education may not take

1 action under Section 12.004, Education Code, as added by this Act,
2 based on the performance of a charter school for the 2004-2005
3 school year or an earlier school year.

4 SECTION 1.22. This article takes effect immediately if this
5 Act receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this article takes effect September 1, 2005.

9 ARTICLE 2. DRIVER AND TRAFFIC SAFETY EDUCATION

10 SECTION 2.01. Section 1001.001, Education Code, is amended
11 by amending Subdivisions (2), (3), (4), and (5) and adding
12 Subdivision (13-a) to read as follows:

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

15 (3) "Commission" [~~"Commissioner"~~] means the Texas
16 Commission of Licensing and Regulation [~~commissioner of~~
17 ~~education~~].

18 (4) "Courseprovider" means an enterprise that:

19 (A) maintains a place of business or solicits
20 business in this state;

21 (B) is operated by an individual, association,
22 partnership, or corporation; and

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

27 (5) "Department" means the Texas Department of

1 Licensing and Regulation [~~Public Safety~~].

2 (13-a) "Executive director" means the executive
3 director of the department.

4 SECTION 2.02. Section 1001.002(c), Education Code, is
5 amended to read as follows:

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

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

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

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

16 (4) sponsored by a recognized trade, business, or
17 professional organization with a closed membership to instruct the
18 members of the organization; or

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

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

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

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

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

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

9 Sec. 1001.052. RULES. The commission [~~agency~~] shall adopt
10 [~~and administer~~] comprehensive rules governing driving safety
11 courses, including rules to ensure the integrity of approved
12 driving safety courses and enhance program quality.

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

15 Sec. 1001.053. POWERS AND DUTIES OF DEPARTMENT
16 [~~COMMISSIONER~~].

17 SECTION 2.06. Section 1001.053(a), Education Code, is
18 amended to read as follows:

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

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

21 (2) enforce minimum standards for driver training
22 schools under this chapter; and

23 (3) [~~adopt and~~] enforce rules adopted by the
24 commission necessary to administer this chapter [~~, and~~

25 [~~(4) visit a driver training school or course provider~~
26 ~~and reexamine the school or course provider for compliance with~~
27 ~~this chapter~~].

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

3 Sec. 1001.054. RULES RESTRICTING ADVERTISING [~~OR~~
4 ~~COMPETITIVE BIDDING~~].

5 SECTION 2.08. Section 1001.054(c), Education Code, is
6 amended to read as follows:

7 (c) The commission [~~commissioner~~] by rule may restrict
8 advertising by a branch location of a driver training school so that
9 the location adequately identifies the primary location of the
10 school in a solicitation.

11 SECTION 2.09. Section 1001.055, Education Code, is amended
12 to read as follows:

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

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

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

25 SECTION 2.10. Sections 1001.056(b), (c), (d), (e), and (g),
26 Education Code, are amended to read as follows:

27 (b) The department [~~agency~~] shall print and supply to each

1 licensed course provider uniform certificates of course
2 completion. The certificates must be numbered serially.

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

7 (d) A certificate under this section must:

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

10 (2) include an identifying number by which the
11 department [~~agency~~], a court, or the Department of Public Safety
12 [~~department~~] may verify its authenticity with the course provider.

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

17 (g) The department [~~agency~~] shall issue duplicate
18 certificates. The commission [~~commissioner~~] by rule shall
19 determine the amount of the fee for issuance of a duplicate
20 certificate.

21 SECTION 2.11. Section 1001.057, Education Code, is amended
22 to read as follows:

23 Sec. 1001.057. ELECTRONIC TRANSMISSION OF DRIVING SAFETY
24 COURSE INFORMATION. The department [~~agency~~] shall investigate
25 options to develop and implement procedures to electronically
26 transmit information relating to driving safety courses to
27 municipal and justice courts.

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

3 Sec. 1001.058. DESIGNATION OF PERSON TO ADMINISTER CHAPTER.
4 The executive director may designate a person knowledgeable in the
5 administration of regulating driver training schools to administer
6 this chapter for the department.

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

9 Sec. 1001.101. DRIVER EDUCATION COURSE CURRICULUM AND
10 TEXTBOOKS. The commission [~~commissioner~~] by rule shall establish
11 the curriculum and designate the textbooks to be used in a driver
12 education course.

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

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

21 SECTION 2.14. Sections 1001.103(b), (d), and (e), Education
22 Code, are amended to read as follows:

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

1 (d) In accordance with Section 461.013(b), Health and
2 Safety Code, the department [~~agency~~] and the Texas Commission on
3 Alcohol and Drug Abuse shall enter into a memorandum of
4 understanding for the interagency approval of the required
5 curricula.

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

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

13 Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES. (a)
14 The department [~~agency~~] shall enter into a memorandum of
15 understanding with the Texas Rehabilitation Commission and the
16 Department of Public Safety [~~department~~] for the interagency
17 development of curricula and licensing criteria for hospital and
18 rehabilitation facilities that teach driver education.

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

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

27 SECTION 2.16. Sections 1001.106(b), (c), and (d), Education

1 Code, are amended to read as follows:

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

5 (c) Subchapter F, Chapter 51, Occupations Code, Section
6 51.353, Occupations Code, and Section [~~Sections 1001.454,~~
7 1001.456 of this code [~~, and 1001.553~~] do not apply to a violation of
8 this section or a rule adopted under this section.

9 (d) Section 51.352, Occupations Code, and Sections
10 [~~1001.455(a)(6),~~] 1001.501 [~~, 1001.551, 1001.552,~~] and 1001.554 of
11 this code do not apply to a violation of this section.

12 SECTION 2.17. Section 1001.107, Education Code, is amended
13 to read as follows:

14 Sec. 1001.107. INFORMATION RELATING TO LITTER PREVENTION.

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

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

21 SECTION 2.18. Sections 1001.108(a) and (c), Education Code,
22 are amended to read as follows:

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

27 (c) In developing rules under this section, the commission

1 ~~[commissioner]~~ shall consult with the Department of Public Safety
2 ~~[department]~~ and the ~~[Texas]~~ Department of State Health Services.

3 SECTION 2.19. Section 1001.151, Education Code, is amended
4 to read as follows:

5 Sec. 1001.151. APPLICATION, LICENSE, AND REGISTRATION
6 FEES. (a) The commission ~~[commissioner]~~ shall establish ~~[collect]~~
7 application, license, and registration fees. The fees must be in
8 amounts sufficient to cover administrative costs and are
9 nonrefundable. The department shall collect the application,
10 license, and registration fees.

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

12 (1) an initial driver education school license and ~~[is~~
13 ~~\$1,000 plus \$850]~~ for each branch location; ~~[-]~~

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

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

22 (4) the ~~[(e) The]~~ annual renewal ~~[fee]~~ for a course
23 provider, driving safety school, driver education school, or branch
24 location ~~[is an appropriate amount established by the commissioner~~
25 ~~not to exceed \$200]~~, except that the commission ~~[agency]~~ may waive
26 the fee if revenue generated by the issuance of uniform
27 certificates of course completion and driver education

1 certificates is sufficient to cover the cost of administering this
2 chapter and Article 45.0511, Code of Criminal Procedure; [-]

3 (5) [~~(f)~~ ~~The fee for~~] a change of address of [~~+~~
4 [~~(1)~~] a driver education school, [-] [~~is \$180, and~~
5 [~~(2)~~] a driving safety school, [-] or course provider; [-] [~~is~~
6 ~~\$50.~~]

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

8 (A) [~~(1)~~] a driver education school or course
9 provider or an owner of a driver education school or course provider
10 [~~is \$100~~]; or [~~and~~]

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

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

16 (8) an [~~(i)~~ ~~The~~] application of a [~~fee for~~;

17 [~~(1)~~ ~~each~~] director, [-] [~~is \$30, and~~

18 [~~(2)~~ ~~each~~] assistant director, [-] or administrative
19 staff member; and [~~is \$15.~~]

20 (9) an [~~(j)~~ ~~Each~~] application for approval of a
21 driving safety course that has not been evaluated by the department
22 [~~commissioner must be accompanied by a nonrefundable fee of~~
23 ~~\$9,000~~].

24 (c) [~~(k)~~] An application for an original driver education
25 or driving safety instructor license must be accompanied by a
26 processing fee [~~of \$50~~] and an annual license fee [~~of \$25~~], except
27 that the department [~~commissioner~~] may not collect the processing

1 fee from an applicant for a driver education instructor license who
2 is currently teaching a driver education course in a public school
3 in this state.

4 (d) [~~(1)~~] The commission [~~commissioner~~] shall establish
5 the amount of the fee for a duplicate license.

6 SECTION 2.20. Section 1001.153, Education Code, is amended
7 to read as follows:

8 Sec. 1001.153. COMPLAINT INVESTIGATION FEE. (a) The
9 commission [~~commissioner~~] shall establish the amount of the fee to
10 investigate a driver training school or course provider to resolve
11 a complaint against the school or course provider.

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

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

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

18 (3) the school or course provider was found to be at
19 fault.

20 SECTION 2.21. Section 1001.202(b), Education Code, is
21 amended to read as follows:

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

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

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

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

1 SECTION 2.22. Sections 1001.203, 1001.204, 1001.205, and
2 1001.206, Education Code, are amended to read as follows:

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

6 (1) be in writing;

7 (2) be in the form prescribed by the department
8 [~~commissioner~~];

9 (3) include all required information; and

10 (4) be verified.

11 Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION SCHOOL
12 LICENSE. The department [~~commissioner~~] shall approve an
13 application for a driver education school license if, on
14 investigation of the premises of the school, it is determined that
15 the school:

16 (1) has courses, curricula, and instruction of a
17 quality, content, and length that reasonably and adequately achieve
18 the stated objective for which the courses, curricula, and
19 instruction are offered;

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

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

25 (4) provides to each student before enrollment:

26 (A) a copy of:

27 (i) the refund policy;

1 (ii) the schedule of tuition, fees, and
2 other charges; and

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

5 (B) the department's name, mailing address,
6 ~~[and]~~ telephone number, and Internet website address ~~[of the~~
7 ~~agency]~~ for the purpose of directing complaints to the department
8 ~~[agency]~~;

9 (5) maintains adequate records as prescribed by the
10 department ~~[commissioner]~~ to show attendance and progress or grades
11 and enforces satisfactory standards relating to attendance,
12 progress, and conduct;

13 (6) on completion of training, issues each student a
14 certificate indicating the course name and satisfactory
15 completion;

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

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

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

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

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

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

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

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

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

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

19 (1) has driving safety courses, curricula, and
20 instruction of a quality, content, and length that reasonably and
21 adequately achieve the stated objective for which the course,
22 curricula, and instruction are developed by the course provider;

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

25 (3) has instructors and administrators who have
26 adequate educational qualifications and experience;

27 (4) maintains adequate records as prescribed by the

1 department [~~commissioner~~] to show attendance and progress or grades
2 and enforces satisfactory standards relating to attendance,
3 progress, and conduct;

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

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

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

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

16 (9) maintains and uses the approved contract and
17 policies developed by the course provider;

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

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

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

24 Sec. 1001.206. REQUIREMENTS FOR COURSE PROVIDER LICENSE.
25 The department [~~commissioner~~] shall approve an application for a
26 course provider license if on investigation the department [~~agency~~]
27 determines that:

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

3 (2) the course provider has adequate educational
4 qualifications and experience;

5 (3) the course provider will:

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

8 (i) the refund policy; and

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

11 (B) provide to the driving safety school the
12 department's name, mailing address, ~~[and]~~ telephone number, and
13 Internet website address ~~[of the agency]~~ for the purpose of
14 directing complaints to the department ~~[agency]~~;

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

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

22 (6) the course provider maintains adequate records as
23 prescribed by the department ~~[commissioner]~~ to show attendance and
24 progress or grades and enforces satisfactory standards relating to
25 attendance, progress, and conduct;

26 (7) the course provider complies with all county,
27 municipal, state, and federal laws, including assumed name

1 registration and other applicable requirements;

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

4 (9) the course provider is of good reputation and
5 character;

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

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

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

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

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

22 SECTION 2.23. Sections 1001.207(a) and (b), Education Code,
23 are amended to read as follows:

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

27 (1) \$10,000 for the primary location of the school;

1 and

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

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

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

6 (2) issued by a company authorized to do business in
7 this state;

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

10 (4) conditioned on the compliance of the school and
11 its officers, agents, and employees with this chapter and rules
12 adopted under this chapter; and

13 (5) issued for a period corresponding to the term of
14 the license.

15 SECTION 2.24. Section 1001.209(b), Education Code, is
16 amended to read as follows:

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

18 (1) issued by a company authorized to do business in
19 this state;

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

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

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

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

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

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

6 SECTION 2.25. Section 1001.210, Education Code, is amended
7 to read as follows:

8 Sec. 1001.210. ALTERNATE FORM OF SECURITY. Instead of the
9 bond required by Section 1001.207 or 1001.209, a driver education
10 school or course provider may provide another form of security that
11 is:

12 (1) (A) approved by the department [~~commissioner~~];
13 and

14 (2) (B) in the amount required for a comparable bond
15 under Section 1001.207 or 1001.209.

16 SECTION 2.26. Sections 1001.211(a) and (b), Education Code,
17 are amended to read as follows:

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

20 (1) the application is submitted in accordance with
21 this subchapter; and

22 (2) the applicant meets the requirements of this
23 chapter.

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

26 (1) the date of issuance, effective date, and term of
27 the license;

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

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

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

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

9 SECTION 2.27. Section 1001.212, Education Code, is amended
10 to read as follows:

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

15 SECTION 2.28. Sections 1001.213(c) and (d), Education Code,
16 are amended to read as follows:

17 (c) The commission may establish [~~Instead of the~~] fees
18 [~~required by Section 1001.151, the fee~~] for a new driver education
19 school or course provider license under Subsection (b) and [~~is~~
20 ~~\$500, plus \$200~~] for each branch location that are different from
21 the amounts established under Section 1001.151[7] if:

22 (1) the new owner is substantially similar to the
23 previous owner; and

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

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

1 SECTION 2.29. Section 1001.214, Education Code, is amended
2 to read as follows:

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

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

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

10 Sec. 1001.251. LICENSE REQUIRED FOR INSTRUCTOR. (a) A
11 person may not teach or provide driver education, either as an
12 individual or in a driver education school, or conduct any phase of
13 driver education, unless the person holds a driver education
14 instructor license issued by the department [~~agency~~].

15 (b) A person may not teach or provide driving safety
16 training, either as an individual or in a driving safety school, or
17 conduct any phase of driving safety education, unless the person
18 holds a driving safety instructor license issued by the department
19 [~~agency~~]. This subsection does not apply to an instructor of a
20 driving safety course that does not provide a uniform certificate
21 of course completion to its graduates.

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

25 Sec. 1001.253. DRIVER EDUCATION INSTRUCTOR TRAINING. (a)
26 The department [~~commissioner~~] shall establish standards for
27 certification of professional and paraprofessional personnel who

1 conduct driver education programs in driver education schools.

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

8 (c) A person who holds a driver education instructor license
9 authorizing behind-the-wheel training may not be approved to assist
10 a classroom instructor in the classroom phase of driver education
11 unless the person has successfully completed the three additional
12 semester hours of training required for a classroom instructor or a
13 program of study in driver education approved by the department
14 [~~commissioner~~].

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

18 (1) has completed nine semester hours of driver and
19 traffic safety education or a program of study in driver education
20 approved by the department [~~commissioner~~] from an approved driver
21 education school; and

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

24 (e) A driver education instructor who has completed the
25 educational requirements prescribed by Subsection (d)(1) may not
26 teach instructor training classes unless the instructor has
27 successfully completed a supervising instructor development

1 program consisting of at least six additional semester hours or a
2 program of study in driver education approved by the department
3 [~~commissioner~~] that includes administering driver education
4 programs and supervising and administering traffic safety
5 education.

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

9 (1) be taught by a person who has completed a
10 supervising instructor development program under Subsection (e);
11 and

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

14 SECTION 2.31. Section 1001.254(a), Education Code, is
15 amended to read as follows:

16 (a) A temporary driver education instructor license may be
17 issued authorizing a person to teach or provide classroom driver
18 education training if the person:

19 (1) has completed the educational requirements
20 prescribed by Section 1001.253(d)(1);

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

23 (3) meets all license requirements, other than
24 successful completion of the examination required under rules
25 adopted by the State Board for Educator Certification to revalidate
26 the teaching certificate; and

27 (4) demonstrates, in a manner prescribed by the

1 department [~~commissioner~~], the intention to comply with the
2 examination requirement at the first available opportunity.

3 SECTION 2.32. Sections 1001.255(a), (b), and (c), Education
4 Code, are amended to read as follows:

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

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

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

10 (b) An instructor described by Subsection (a) must submit to
11 the department [~~agency~~] an application for an initial or renewal
12 driver education school license, together with all required
13 documentation and information.

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

17 SECTION 2.33. Section 1001.256, Education Code, is amended
18 to read as follows:

19 Sec. 1001.256. DUPLICATE LICENSE. A duplicate license may
20 be issued to a driver education instructor or driving safety
21 instructor 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 2.34. The heading to Subchapter G, Chapter 1001,
26 Education Code, is amended to read as follows:

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

1 SECTION 2.35. Section 1001.351(b), Education Code, is
2 amended to read as follows:

3 (b) A course provider shall electronically submit to the
4 department [~~agency~~] in the manner established by the department
5 [~~agency~~] data identified by the department [~~agency~~] relating to
6 uniform certificates of course completion.

7 SECTION 2.36. Sections 1001.354(a) and (b), Education Code,
8 are amended to read as follows:

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

11 (b) A driving safety school may teach an approved driving
12 safety course by an alternative method that does not require
13 students to be present in a classroom if the department
14 [~~commissioner~~] approves the alternative method. The department
15 [~~commissioner~~] may approve the alternative method if:

16 (1) the department [~~commissioner~~] determines that the
17 approved driving safety course can be taught by the alternative
18 method; and

19 (2) the alternative method includes testing and
20 security measures that are at least as secure as the measures
21 available in the usual classroom setting.

22 SECTION 2.37. Sections 1001.404(b) and (c), Education Code,
23 are amended to read as follows:

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

27 (c) The department [~~agency~~] may except a driver education

1 school or course provider from the payment of interest if the school
2 or course provider makes a good-faith effort to refund tuition,
3 fees, and other charges but is unable to locate the student to whom
4 the refund is owed. On request of the department [~~agency~~], the
5 school or course provider shall document the effort to locate a
6 student.

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

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

10 (1) use advertising designed to mislead or deceive a
11 prospective student;

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

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

17 (A) a uniform certificate of course completion or
18 driver education certificate to a person or driver training school
19 not authorized to possess the certificate;

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

23 (C) a driver education certificate to a person
24 who has not successfully completed a department-approved
25 [~~commissioner-approved~~] driver education course;

26 (4) negotiate a promissory instrument received as
27 payment of tuition or another charge before the student completes

1 75 percent of the course, except that before that time the
2 instrument may be assigned to a purchaser who becomes subject to any
3 defense available against the school named as payee; or

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

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

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

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

15 SECTION 2.39. Sections 1001.453(d) and (e), Education Code,
16 are amended to read as follows:

17 (d) Subchapter F, Chapter 51, Occupations Code, Section
18 51.353, Occupations Code, and Section [~~Sections 1001.454,~~
19 1001.456(a) of this code [~~7, and 1001.553~~] do not apply to a
20 violation of this section or a rule adopted under this section.

21 (e) Section 51.352, Occupations Code, and Sections
22 [~~1001.455(a)(6),~~] 1001.501[~~7, 1001.551, 1001.552,~~] and 1001.554 of
23 this code do not apply to a violation of this section.

24 SECTION 2.40. Section 1001.456, Education Code, is amended
25 to read as follows:

26 Sec. 1001.456. OTHER DISCIPLINARY ACTIONS. (a) If the
27 department [~~agency~~] believes that a driver education school or

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

- 4 (1) order a peer review;
- 5 (2) suspend the enrollment of students in the school
6 or the offering of instruction by the instructor; or
- 7 (3) suspend the right to purchase driver education
8 certificates.

9 (b) If the department [~~agency~~] believes that a course
10 provider, driving safety school, or driving safety instructor has
11 violated this chapter or a rule or order of the commission or
12 executive director [~~adopted under this chapter~~], the department
13 [~~agency~~] may, without notice:

- 14 (1) order a peer review of the course provider,
15 driving safety school, or driving safety instructor;
- 16 (2) suspend the enrollment of students in the school
17 or the offering of instruction by the instructor; or
- 18 (3) suspend the right to purchase uniform certificates
19 of course completion.

20 (c) A peer review ordered under this section must be
21 conducted by a team of knowledgeable persons selected by the
22 department [~~agency~~]. The team shall provide the department
23 [~~agency~~] with an objective assessment of the content of the
24 school's or course provider's curriculum and its application. The
25 school or course provider shall pay the costs of the peer review.

26 (d) A suspension of enrollment under Subsection (a)(2) or
27 (b)(2) means a ruling by the executive director [~~commissioner~~] that

1 restricts a school from:

- 2 (1) accepting enrollments or reenrollments;
- 3 (2) advertising;
- 4 (3) soliciting; or
- 5 (4) directly or indirectly advising prospective
- 6 students of its program or course offerings.

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

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

10 SECTION 2.42. Section 1001.555(b), Education Code, is
11 amended to read as follows:

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

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

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

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

24 (2) the defendant has not completed an approved
25 driving safety course or motorcycle operator training course, as
26 appropriate, within the 12 months preceding the date of the
27 offense;

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

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

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

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

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

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

16 SECTION 2.44. Section 51.308, Education Code, is amended to
17 read as follows:

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

23 SECTION 2.45. Section 521.1655(a), Transportation Code, is
24 amended to read as follows:

25 (a) A driver education school licensed under Chapter 1001,
26 Education Code, [~~the Texas Driver and Traffic Safety Education Act~~
27 (~~Article 4413(29c), Vernon's Texas Civil Statutes~~)] may administer

1 to a student of that school the vision, highway sign, and traffic
2 law parts of the examination required by Section 521.161.

3 SECTION 2.46. Section 521.203, Transportation Code, is
4 amended to read as follows:

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

- 8 (1) is under 17 years of age;
- 9 (2) is under 18 years of age unless the person has
10 completed a driver training course approved by the Texas Department
11 of Licensing and Regulation [~~Central Education Agency~~]; or
- 12 (3) has not provided the department with an affidavit,
13 on a form prescribed by the department, that states that no vehicle
14 that the person will drive that requires a Class A or Class B
15 license is a commercial motor vehicle as defined by Section
16 522.003.

17 SECTION 2.47. Sections 521.205(b) and (d), Transportation
18 Code, are amended to read as follows:

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

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

26 (2) the vehicle used for the behind-the-wheel
27 instruction have equipment other than the equipment otherwise

1 required by law for operation of the vehicle on a highway while the
2 vehicle is not being used for driver training.

3 (d) Completion of a driver education course approved under
4 this section has the same effect under this chapter as completion of
5 a driver education course approved by the Texas Department of
6 Licensing and Regulation [~~Education Agency~~].

7 SECTION 2.48. Sections 1001.001(1), 1001.053(b) and (c),
8 1001.054(a) and (b), 1001.152, 1001.303, 1001.304, 1001.454,
9 1001.455, 1001.457, 1001.458, 1001.459, 1001.460, 1001.461,
10 1001.551, 1001.552, and 1001.553, Education Code, and Subchapter B,
11 Chapter 543, Transportation Code, are repealed.

12 SECTION 2.49. (a) As soon as practicable after the
13 effective date of this Act, the Texas Education Agency and the Texas
14 Department of Licensing and Regulation shall develop a transition
15 plan for transferring the functions performed by the Texas
16 Education Agency under Chapter 1001, Education Code, to the Texas
17 Department of Licensing and Regulation. The transition plan must
18 include a timetable with specific steps and deadlines needed to
19 complete the transfer.

20 (b) In accordance with the transition plan developed by the
21 Texas Education Agency and the Texas Department of Licensing and
22 Regulation under Subsection (a) of this section, on November 1,
23 2005:

24 (1) all functions and activities relating to Chapter
25 1001, Education Code, performed by the Texas Education Agency
26 immediately before that date are transferred to the Texas
27 Department of Licensing and Regulation;

1 (2) a rule or form adopted by the commissioner of
2 education that relates to Chapter 1001, Education Code, is a rule or
3 form of the Texas Commission of Licensing and Regulation or the
4 Texas Department of Licensing and Regulation, as applicable, and
5 remains in effect until amended or replaced by that commission or
6 department;

7 (3) a reference in law to or an administrative rule of
8 the Texas Education Agency that relates to Chapter 1001, Education
9 Code, means the Texas Commission of Licensing and Regulation or the
10 Texas Department of Licensing and Regulation, as applicable;

11 (4) a complaint, investigation, or other proceeding
12 before the Texas Education Agency that is related to Chapter 1001,
13 Education Code, is transferred without change in status to the
14 Texas Department of Licensing and Regulation, and the Texas
15 Department of Licensing and Regulation assumes, as appropriate and
16 without a change in status, the position of the Texas Education
17 Agency in an action or proceeding to which the Texas Education
18 Agency is a party;

19 (5) any employee of the Texas Education Agency who is
20 primarily involved in administering Chapter 1001, Education Code,
21 becomes an employee of the Texas Department of Licensing and
22 Regulation;

23 (6) all money, contracts, leases, property, and
24 obligations of the Texas Education Agency related to Chapter 1001,
25 Education Code, are transferred to the Texas Department of
26 Licensing and Regulation;

27 (7) all property in the custody of the Texas Education

1 Agency related to Chapter 1001, Education Code, is transferred to
2 the Texas Department of Licensing and Regulation; and

3 (8) the unexpended and unobligated balance of any
4 money appropriated by the legislature for the Texas Education
5 Agency related to Chapter 1001, Education Code, is transferred to
6 the Texas Department of Licensing and Regulation.

7 (c) Before November 1, 2005, the Texas Education Agency may
8 agree with the Texas Department of Licensing and Regulation to
9 transfer any property of the Texas Education Agency to the Texas
10 Department of Licensing and Regulation to implement the transfer
11 required by this Act.

12 (d) In the period beginning September 1, 2005, and ending on
13 November 1, 2005, the Texas Education Agency shall continue to
14 perform functions and activities under Chapter 1001, Education
15 Code, as if that chapter had not been amended by this Act, and the
16 former law is continued in effect for that purpose.

17 SECTION 2.50. The changes in law made by this article apply
18 only to a fee charged on or after September 1, 2005. A fee charged
19 before September 1, 2005, is governed by the law in effect
20 immediately before that date, and the former law is continued in
21 effect for that purpose.

22 SECTION 2.51. The changes in law made by this article apply
23 only to a license issued or renewed on or after September 1, 2005.
24 An issuance or renewal that occurs before September 1, 2005, is
25 governed by the law in effect immediately before that date, and the
26 former law is continued in effect for that purpose.

27 SECTION 2.52. This article takes effect September 1, 2005.

1 ARTICLE 3. EFFECTIVE DATE

2 SECTION 3.01. This Act takes effect according to its terms.