

By: Shapiro

S.B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to reporting requirements for public primary and secondary schools relating to funding of certain programs for students at risk of dropping out of school.

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

SECTION 1. Subchapter A, Chapter 7, Education Code, is amended by adding Section 7.011 to read as follows:

Sec. 7.011. STATEWIDE FUNDS MANAGEMENT INFORMATION SYSTEM FOR AT-RISK STUDENT SERVICES. (a) In this section, "student at risk of dropping out of school" has the meaning described by Section 29.081.

(b) The agency shall develop a management information system for funds awarded and allocated to school districts and open-enrollment charter schools for the purpose of providing services to students at risk of dropping out of school.

(c) The funds management information system must produce complete, accurate, and timely reports for agency officials and policy makers. The reports must provide information on funding for services for students at risk of dropping out of school, statewide and aggregated by school district, including the following information:

(1) the amount of an award;

(2) the beginning and ending period of a grant or award;

1 (3) expenditures related to an award; and

2 (4) any amount of an award that was not distributed or
3 was returned because of a school district's failure to comply with
4 grant conditions.

5 (d) The commissioner shall adopt rules as necessary to
6 administer this section. The rules adopted under this subsection
7 must ensure that:

8 (1) the funds management information system includes:

9 (A) the information described by Subsection (c)
10 for all funding sources for services described by Section 29.092
11 for students at risk of dropping out of school, excluding funding
12 information relating to a compensatory, intensive, or accelerated
13 instruction program under Section 29.081, a disciplinary
14 alternative education program established under Section 37.008, or
15 a program eligible under Title I of the Elementary and Secondary
16 Education Act of 1965, as provided by Pub. L. No. 103-382; and

17 (B) all state funds and federal pass-through
18 funds targeting students at risk of dropping out of school;

19 (2) the system is compatible with and is regularly
20 reconciled with the agency's central accounting system; and

21 (3) aggregate funding information is readily
22 available to agency personnel and policy makers, including
23 aggregate funding information relating to a compensatory,
24 intensive, or accelerated instruction program under Section
25 29.081, a disciplinary alternative education program established
26 under Section 37.008, or a program eligible under Title I of the
27 Elementary and Secondary Education Act of 1965, as provided by Pub.

1 L. No. 103-382.

2 SECTION 2. Section 28.006(j), Education Code, is amended to
3 read as follows:

4 (j) No more than 15 percent of the funds certified by the
5 commissioner under Subsection (i) may be spent on indirect costs.
6 The commissioner shall evaluate the programs that fail to meet the
7 standard of performance under Section 39.051(b)(9) [~~39.051(b)(7)~~]
8 and may implement sanctions under Subchapter G, Chapter 39. The
9 commissioner may audit the expenditures of funds appropriated for
10 purposes of this section. The use of the funds appropriated for
11 purposes of this section shall be verified as part of the district
12 audit under Section 44.008.

13 SECTION 3. Subchapter C, Chapter 29, Education Code, is
14 amended by adding Sections 29.092, 29.093, and 29.094 to read as
15 follows:

16 Sec. 29.092. CONSOLIDATED FUNDING FOR PROGRAMS AND SERVICES
17 FOR STUDENTS AT RISK OF DROPPING OUT OF SCHOOL. (a) In this
18 section, "student at risk of dropping out of school" has the meaning
19 described by Section 29.081.

20 (b) To enable school districts and open-enrollment charter
21 schools to provide supplemental programs and services for the
22 benefit of students at risk of dropping out of school, the
23 commissioner each school year shall award funds to a school
24 district or open-enrollment charter school in accordance with a
25 streamlined and simplified competitive grant process developed by
26 the commissioner and modeled on the application and reporting
27 requirements under Title I of the Elementary and Secondary

1 Education Act of 1965, as provided by Pub. L. No. 103-382, as those
2 requirements existed May 1, 2005.

3 (c) The commissioner shall consolidate funding from the
4 following currently funded programs and types of services,
5 excluding early childhood care and education programs and
6 accelerated reading or mathematics initiatives under Section
7 28.006, 28.007, or 28.0211:

8 (1) an optional extended year program under Section
9 29.082;

10 (2) a basic skills program for high school students
11 under Section 29.086;

12 (3) an accelerated reading or math initiatives program
13 under Section 28.006, 28.007, or 28.0211 for students of limited
14 English proficiency;

15 (4) a summer school program of instruction for
16 students of limited English proficiency;

17 (5) a Texas Grants to Reduce Academic Dropouts
18 program;

19 (6) a grant for pregnancy-related services, including
20 a pregnancy, education, and parenting program; and

21 (7) a grant to improve student achievement through the
22 investment capital fund program.

23 (d) A school district or open-enrollment charter school
24 that receives an award of funds under this section may use the funds
25 to provide academic and support services to students at risk of
26 dropping out of school, including:

27 (1) services designed to provide intensive academic

1 instruction to increase student success and high school completion;

2 (2) services designed to provide intensive academic
3 instruction for and reduce the dropout rate of students at risk of
4 dropping out of school;

5 (3) after-school academic and support services;

6 (4) intensive instruction for preschool and school-age
7 students of limited English proficiency;

8 (5) any academic or support services for pregnant or
9 parenting students, including basic instruction and health and life
10 skills training and support for pregnant or parenting students;

11 (6) community-based services designed to address the
12 needs of students at risk of dropping out of school;

13 (7) programs or services designed to promote the
14 involvement of parents of students at risk of dropping out of
15 school; and

16 (8) services or programs promoting school and
17 community collaboration to restructure schools for the successful
18 achievement of all students, especially students at risk of
19 dropping out of school.

20 (e) The agency shall provide research-based guidance to
21 districts and open-enrollment charter schools that successfully
22 implement the academic support services described by Subsection (c)
23 that assist students at risk of dropping out of school succeed in
24 school.

25 (f) Not later than November 1 of each year, a school
26 district or open-enrollment charter school may submit an
27 application for funding for programs or services under this

1 section. The school district or open-enrollment charter school
2 must include an assessment of needs for students at risk of dropping
3 out of school, a comprehensive plan for providing services for
4 those students based on the agency's research-based implementation
5 guidance provided under Subsection (e), and a report of all sources
6 of funding for providing services for those students. The
7 commissioner shall distribute an award of funds in the form of a
8 block grant not later than March 15 of each year.

9 Sec. 29.093. COST-OUTCOME ANALYSIS. (a) The agency and the
10 Legislative Budget Board shall jointly develop a cost-outcome
11 analysis methodology for use in assessing the effectiveness of
12 school districts and open-enrollment charter schools in providing
13 services for students at risk of dropping out of school, as
14 described by Section 29.081. The cost-outcome analysis methodology
15 developed under this section is subject to review and comment by the
16 state auditor.

17 (b) The methodology required by this section must include
18 the following components:

19 (1) a composite performance measure that combines key
20 indicators of student performance, disaggregated for students at
21 risk of dropping out of school;

22 (2) a format for reporting all state, federal, local,
23 and private sources of funding and total expenditures for
24 supplemental services for students at risk of dropping out of
25 school, reported by school district, by open-enrollment charter
26 school, and statewide;

27 (3) a benchmark ratio of the cost of a specified amount

1 of improvement in the composite performance measure, provided that
2 the ratio may vary by peer group or region; and

3 (4) a system for scoring and ranking school districts
4 and open-enrollment charter schools, including criteria for
5 establishing school district and open-enrollment charter school
6 peer groups for comparison purposes.

7 Sec. 29.094. BEST PRACTICES FOR AT-RISK STUDENT SERVICES.

8 (a) Not later than May 1, 2006, the agency shall:

9 (1) jointly develop the components of the cost-outcome
10 analysis methodology as provided by Section 29.093, including the
11 initial benchmark ratio for the cost of a specified amount of
12 improvement in the composite performance measure; and

13 (2) report the methodology and the benchmark ratio to
14 the Legislative Budget Board, the state auditor, the lieutenant
15 governor, the speaker of the house of representatives, and the
16 presiding officers of the standing committees of each house of the
17 legislature with primary jurisdiction over public education.

18 (b) Using the benchmark ratio and cost-outcome analysis
19 methodology developed under Subsection (a), the agency shall
20 perform a cost-outcome analysis to assess the effectiveness of
21 school districts and open-enrollment charter schools during the
22 2005-2006 school year in providing services to students at risk of
23 dropping out of school, as described by Section 29.081.

24 (c) Immediately following completion of the cost-outcome
25 analysis under Subsection (b), the commissioner shall:

26 (1) identify school districts and open-enrollment
27 charter schools that offered the most cost-effective services

1 during the 2005-2006 school year for students at risk of dropping
2 out of school, identify the factors and practices contributing to
3 those cost-effective services, and distribute information relating
4 to those factors and practices to each school district in the same
5 peer group for purposes of improvement during the 2006-2007 school
6 year;

7 (2) identify school districts and open-enrollment
8 charter schools that did not use funds effectively in providing
9 services for students at risk of dropping out of school during the
10 2005-2006 school year; and

11 (3) provide guidance and assistance to the school
12 districts identified under Subdivision (2) during the 2006-2007
13 school year to improve those services.

14 (d) This section expires September 1, 2008.

15 SECTION 4. Section 39.051(b), Education Code, as amended by
16 Chapters 433 and 805, Acts of the 78th Legislature, Regular
17 Session, 2003, is reenacted and amended to read as follows:

18 (b) Performance on the indicators adopted under this
19 section shall be compared to state-established standards. The
20 degree of change from one school year to the next in performance on
21 each indicator adopted under this section shall also be considered.
22 The indicators must be based on information that is disaggregated
23 by race, ethnicity, gender, ~~and~~ socioeconomic status, and a
24 student's status as a student at risk of dropping out of school, as
25 described by Section 29.081, and must include:

26 (1) the results of assessment instruments required
27 under Sections 39.023(a), (c), and (1), aggregated by grade level

1 and subject area;

2 (2) dropout rates, including dropout rates and
3 district completion rates for grade levels 9 through 12, computed
4 in accordance with standards and definitions adopted by the
5 National Center for Education Statistics of the United States
6 Department of Education;

7 (3) high school graduation rates, computed in
8 accordance with standards and definitions adopted in compliance
9 with the [~~federal~~] No Child Left Behind Act of 2001 (Pub. L. No.
10 107-110);

11 (4) student attendance rates;

12 (5) the percentage of graduating students who attain
13 scores on the secondary exit-level assessment instruments required
14 under Subchapter B that are equivalent to a passing score on the
15 assessment [~~test~~] instrument required under Section 51.3062
16 [~~51.306~~];

17 (6) the percentage of graduating students who meet the
18 course requirements established for the recommended high school
19 program by State Board of Education rule;

20 (7) the results of the Scholastic Assessment Test
21 (SAT), the American College Test (ACT), articulated postsecondary
22 degree programs described by Section 61.852, and certified
23 workforce training programs described by Chapter 311, Labor Code;

24 (8) the number and percentage of students at risk of
25 dropping out of school, the number and percentage of those students
26 who are administered each assessment instrument required under
27 Section 39.023, the number and percentage of those students who

1 perform satisfactorily on the assessment instruments, and the
2 results of those students, grouped by number and percentage, on the
3 assessment instruments, disaggregated by subject area and grade
4 level;

5 (9) the number and percentage of students, aggregated
6 by grade level, provided accelerated instruction under Section
7 28.0211(c), the results of assessments administered under that
8 section, the percentage of students promoted through the grade
9 placement committee process under Section 28.0211, the subject of
10 the assessment instrument on which each student failed to perform
11 satisfactorily, and the performance of those students in the school
12 year following that promotion on the assessment instruments
13 required under Section 39.023;

14 (10) [~~(9)~~] for students who have failed to perform
15 satisfactorily on an assessment instrument required under Section
16 39.023(a) or (c), the numerical progress of those students grouped
17 by number and percentage on subsequent assessment instruments
18 required under those sections, aggregated by grade level and
19 subject area;

20 (11) [~~(10)~~] the percentage of students exempted, by
21 exemption category, from the assessment program generally
22 applicable under this chapter; [~~and~~]

23 (12) [~~(11)~~] the percentage of students of limited
24 English proficiency exempted from the administration of an
25 assessment instrument under Sections 39.027(a)(3) and (4); and

26 (13) the percentage of students in a special education
27 program under Subchapter A, Chapter 29, assessed through assessment

1 instruments developed or adopted under Section 39.023(b).

2 SECTION 5. Section 39.051(d), Education Code, is amended to
3 read as follows:

4 (d) Annually, the commissioner shall define exemplary,
5 recognized, and unacceptable performance for each academic
6 excellence indicator included under Subsections (b)(1) through (7)
7 [~~(6)~~] and shall project the standards for each of those levels of
8 performance for succeeding years. For the indicators [~~indicator~~]
9 under Subsections (b)(8), (9), and (10) [~~Subsection (b)(7)~~], the
10 commissioner shall define exemplary, recognized, and unacceptable
11 performance based on student performance for the period covering
12 both the current and preceding academic years. In defining
13 exemplary, recognized, and unacceptable performance for the
14 indicators under Subsections (b)(2) and (4) [~~(3)~~], the commissioner
15 may not consider as a dropout or as a student who has failed to
16 attend school a student whose failure to attend school results
17 from:

18 (1) the student's expulsion under Section 37.007; and

19 (2) as applicable:

20 (A) adjudication as having engaged in delinquent
21 conduct or conduct indicating a need for supervision, as defined by
22 Section 51.03, Family Code; or

23 (B) conviction of and sentencing for an offense
24 under the Penal Code.

25 SECTION 6. Section 39.052(b), Education Code, is amended to
26 read as follows:

27 (b) The report card shall include the following

1 information:

2 (1) where applicable, the academic excellence
3 indicators adopted under Sections 39.051(b)(1) through (13) and
4 specifically including the indicators adopted under Sections
5 39.051(b)(8) and (9);

6 (2) average class size by grade level and subject;

7 (3) the administrative and instructional costs per
8 student, computed in a manner consistent with Section 44.0071; and

9 (4) the district's instructional expenditures ratio
10 and instructional employees ratio computed under Section 44.0071,
11 and the statewide average of those ratios, as determined by the
12 commissioner.

13 SECTION 7. Section 39.053(a), Education Code, is amended to
14 read as follows:

15 (a) Each board of trustees shall publish an annual report
16 describing the educational performance of the district and of each
17 campus in the district that includes uniform student performance
18 and descriptive information as determined under rules adopted by
19 the commissioner. The annual report must also include:

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

23 (2) the performance rating for the district as
24 provided under Section 39.072(a) and the performance rating of each
25 campus in the district as provided under Section 39.072(c);

26 (3) the district's current special education
27 compliance status with the agency;

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

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

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

12 (7) information received under Section 51.403(e) for
13 each high school campus in the district, presented in a form
14 determined by the commissioner; and

15 (8) the district's composite performance measure of
16 progress in serving students at risk of dropping out of school and
17 the results of the district's cost-outcome analysis, computed using
18 the cost-outcome analysis methodology under Section 29.093(b)(1),
19 to assess district effectiveness in serving students at risk of
20 dropping out of school, as described by Section 29.081.

21 SECTION 8. Sections 39.072(b) and (c), Education Code, are
22 amended to read as follows:

23 (b) The academic excellence indicators adopted under
24 Sections 39.051(b)(1) through (9) ~~[(7)]~~ and the district's current
25 special education compliance status with the agency shall be the
26 main considerations of the agency in the rating of the district
27 under this section. Additional criteria in the rules may include

1 consideration of:

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

5 (A) reporting data through the Public Education
6 Information Management System (PEIMS);

7 (B) the high school graduation requirements
8 under Section 28.025; or

9 (C) an item listed in Sections
10 7.056(e)(3)(C)-(I) that applies to the district;

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

13 (3) the cost-effectiveness of the district's services
14 for students at risk of dropping out of school, as described by
15 Section 29.081; and

16 (4) the effectiveness of the district's career and
17 technology programs.

18 (c) The agency shall evaluate against state standards and
19 shall, not later than August 1 of each year, report the performance
20 of each campus in a district and each open-enrollment charter
21 school on the basis of the campus's performance on the indicators
22 adopted under Sections 39.051(b)(1) through (9) ~~(7)~~.
23 Consideration of the effectiveness of district programs under
24 Subsection (b)(2) or (4) ~~(3)~~ must be based on data collected
25 through the Public Education Information Management System for
26 purposes of accountability under this chapter and include the
27 results of assessments required under Section 39.023.

1 SECTION 9. Sections 39.073(a) and (b), Education Code, are
2 amended to read as follows:

3 (a) The agency shall annually review the performance of each
4 district and campus on the indicators adopted under Sections
5 39.051(b)(1) through (9) [~~(7)~~] and determine if a change in the
6 accreditation status of the district is warranted. The
7 commissioner may determine how all indicators adopted under Section
8 39.051(b) may be used to determine accountability ratings and to
9 select districts and campuses for acknowledgment.

10 (b) Each annual review shall include an analysis of the
11 indicators under Sections 39.051(b)(1) through (7) [~~(6)~~] to
12 determine district and campus performance in relation to:

- 13 (1) standards established for each indicator;
14 (2) required improvement as defined under Section
15 39.051(c); and
16 (3) comparable improvement as defined by Section
17 39.051(c).

18 SECTION 10. Section 39.074(e), Education Code, is amended
19 to read as follows:

20 (e) If an annual review indicates low performance on one or
21 more of the indicators under Sections 39.051(b)(1) through (9)
22 [~~(7)~~] of one or more campuses in a district, the agency may conduct
23 an on-site evaluation of those campuses only.

24 SECTION 11. Section 39.182(a), Education Code, is amended
25 to read as follows:

26 (a) Not later than December 1 of each year, the agency shall
27 prepare and deliver to the governor, the lieutenant governor, the

1 speaker of the house of representatives, each member of the
2 legislature, the Legislative Budget Board, the state auditor, and
3 the clerks of the standing committees of the senate and house of
4 representatives with primary jurisdiction over the public school
5 system a comprehensive report covering the preceding school year
6 and containing:

7 (1) an evaluation of the achievements of the state
8 educational program in relation to the statutory goals for the
9 public education system under Section 4.002;

10 (2) an evaluation of the status of education in the
11 state as reflected by the academic excellence indicators adopted
12 under Section 39.051;

13 (3) a summary compilation of overall student
14 performance on academic skills assessment instruments required by
15 Section 39.023 with the number and percentage of students exempted
16 from the administration of those instruments and the basis of the
17 exemptions, aggregated by grade level, subject area, campus, and
18 district, with appropriate interpretations and analysis, and
19 disaggregated by race, ethnicity, gender, ~~and~~ socioeconomic
20 status, and a student's status as a student at risk of dropping out
21 of school, as defined by Section 29.081;

22 (4) a summary compilation of overall performance of
23 students placed in a disciplinary ~~an~~ alternative education
24 program established under Section 37.008 on academic skills
25 assessment instruments required by Section 39.023 with the number
26 of those students exempted from the administration of those
27 instruments and the basis of the exemptions, aggregated by

1 district, grade level, and subject area, with appropriate
2 interpretations and analysis, and disaggregated by race,
3 ethnicity, gender, ~~and~~ socioeconomic status, and a student's
4 status as a student at risk of dropping out of school, as defined by
5 Section 29.081;

6 (5) a summary compilation of the progress ~~[overall~~
7 ~~performance]~~ of students at risk of dropping out of school, as
8 defined by Section 29.081(d), including the composite performance
9 measure for at-risk students developed under Section 29.093(b)(1)
10 and information described by the academic excellence indicators
11 under Sections 39.051(b)(8)-(10), provided statewide and
12 aggregated by district, on academic skills assessment instruments
13 required by Section 39.023 and any other assessment instrument
14 required by the commissioner ~~[with the number of those students~~
15 ~~exempted from the administration of those instruments and the basis~~
16 ~~of the exemptions, aggregated by district, grade level, and subject~~
17 ~~area],~~ with appropriate interpretations and analysis, and
18 disaggregated by race, ethnicity, gender, and socioeconomic
19 status;

20 (6) a summary analysis, provided statewide and by
21 district, of the cost-effectiveness of the district or
22 open-enrollment charter school in providing services to students at
23 risk of dropping out of school, as described by Section 29.081, as
24 measured by the cost-outcome analysis methodology developed under
25 Section 29.093;

26 (7) an evaluation of the correlation between student
27 grades and student performance on academic skills assessment

1 instruments required by Section 39.023;

2 (8) [~~(7)~~] a statement of the dropout rate of students
3 in grade levels 7 through 12, expressed in the aggregate and by
4 grade level, and a statement of the completion rates of students for
5 grade levels 9 through 12;

6 (9) [~~(8)~~] a statement of:

7 (A) the completion rate of students who enter
8 grade level 9 and graduate not more than four years later;

9 (B) the completion rate of students who enter
10 grade level 9 and graduate, including students who require more
11 than four years to graduate;

12 (C) the completion rate of students who enter
13 grade level 9 and not more than four years later receive a high
14 school equivalency certificate;

15 (D) the completion rate of students who enter
16 grade level 9 and receive a high school equivalency certificate,
17 including students who require more than four years to receive a
18 certificate; and

19 (E) the number and percentage of all students who
20 have not been accounted for under Paragraph (A), (B), (C), or (D);

21 (10) [~~(9)~~] a statement of the projected
22 cross-sectional and longitudinal dropout rates for grade levels 9
23 through 12 for the next five years, assuming no state action is
24 taken to reduce the dropout rate;

25 (11) [~~(10)~~] a description of a systematic, measurable
26 plan for reducing the projected cross-sectional and longitudinal
27 dropout rates to five percent or less for the 1997-1998 school year;

1 (12) [~~(11)~~] a summary of the information required by
2 Section 29.083 regarding grade level retention of students and
3 information concerning:

4 (A) the number and percentage of students
5 retained; and

6 (B) the performance of retained students on
7 assessment instruments required under Section 39.023(a);

8 (13) [~~(12)~~] information, aggregated by district type
9 and disaggregated by race, ethnicity, gender, [~~and~~] socioeconomic
10 status, and a student's status as a student at risk of dropping out
11 of school, as described by Section 29.081, on:

12 (A) the number of students placed in a
13 disciplinary [~~an~~] alternative education program established under
14 Section 37.008;

15 (B) the average length of a student's placement
16 in a disciplinary [~~an~~] alternative education program established
17 under Section 37.008;

18 (C) the academic performance of students on
19 assessment instruments required under Section 39.023(a) during the
20 year preceding and during the year following placement in a
21 disciplinary [~~an~~] alternative education program; and

22 (D) the dropout rates of students who have been
23 placed in a disciplinary [~~an~~] alternative education program
24 established under Section 37.008;

25 (14) [~~(13)~~] a list of each school district or campus
26 that does not satisfy performance standards, with an explanation of
27 the actions taken by the commissioner to improve student

1 performance in the district or campus and an evaluation of the
2 results of those actions;

3 (15) [~~(14)~~] an evaluation of the status of the
4 curriculum taught in public schools, with recommendations for
5 legislative changes necessary to improve or modify the curriculum
6 required by Section 28.002;

7 (16) [~~(15)~~] a description of all funds received by and
8 each activity and expenditure of the agency;

9 (17) [~~(16)~~] a summary and analysis of the
10 instructional expenditures ratios and instructional employees
11 ratios of school districts computed under Section 44.0071;

12 (18) [~~(17)~~] a summary of the effect of deregulation,
13 including exemptions and waivers granted under Section 7.056 or
14 39.112;

15 (19) [~~(18)~~] a statement of the total number and length
16 of reports that school districts and school district employees must
17 submit to the agency, identifying which reports are required by
18 federal statute or rule, state statute, or agency rule, and a
19 summary of the agency's efforts to reduce overall reporting
20 requirements;

21 (20) [~~(19)~~] a list of each school district that is not
22 in compliance with state special education requirements,
23 including:

24 (A) the period for which the district has not
25 been in compliance;

26 (B) the manner in which the agency considered the
27 district's failure to comply in determining the district's

1 accreditation status; and

2 (C) an explanation of the actions taken by the
3 commissioner to ensure compliance and an evaluation of the results
4 of those actions;

5 (21) [~~(20)~~] a comparison of the performance of
6 open-enrollment charter schools and school districts on the
7 academic excellence indicators specified in Section 39.051(b) and
8 accountability measures adopted under Section 39.051(g), with a
9 separately aggregated comparison of the performance of
10 open-enrollment charter schools predominantly serving students at
11 risk of dropping out of school, as defined by Section 29.081(d),
12 with the performance of school districts; and

13 (22) [~~(21)~~] any additional information considered
14 important by the commissioner or the State Board of Education.

15 SECTION 12. Section 39.203(b), Education Code, is amended
16 to read as follows:

17 (b) The annual financial management report must include:

18 (1) a description of the district's financial
19 management performance based on a comparison, provided by the
20 agency, of the district's performance on the indicators adopted
21 under Section 39.202(b) to:

22 (A) state-established standards; and

23 (B) the district's previous performance on the
24 indicators; [~~and~~]

25 (2) the district's composite performance measure and
26 results of the district's cost-outcome analysis provided by the
27 agency as computed under the cost-outcome analysis methodology

1 under Section 29.093 for students at risk of dropping out of school,
2 as described by Section 29.081; and

3 (3) any descriptive information required by the
4 commissioner.

5 SECTION 13. Not later than the 2005-2006 school year, the
6 Texas Education Agency shall include, in evaluating the performance
7 of school districts, campuses, and open-enrollment charter schools
8 under Subchapter D, Chapter 39, Education Code, performance data
9 beginning with the 2004-2005 school year for students at risk of
10 dropping out of school, as described by Section 29.081, Education
11 Code, for purposes of Section 39.051(b)(8), Education Code, as
12 added by this Act.

13 SECTION 14. Except as otherwise provided, this Act applies
14 beginning with the 2005-2006 school year.

15 SECTION 15. This Act takes effect September 1, 2005.