## A BILL TO BE ENTITLED

## AN ACT

relating to providing a method for assessing the annual improvement in achievement of public school students on certain assessment instruments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 28.006(j), Education Code, is amended to read as follows:
(j) No more than 15 percent of the funds certified by the commissioner under Subsection (i) may be spent on indirect costs. The commissioner shall evaluate the programs that fail to meet the standard of performance under Section 39.051(b)(10) [39.051(b)(8)] and may implement sanctions under Subchapter G, Chapter 39. The commissioner may audit the expenditures of funds appropriated for purposes of this section. The use of the funds appropriated for purposes of this section shall be verified as part of the district audit under Section 44.008.

SECTION 2. Section 39.022, Education Code, is amended to read as follows:

Sec. 39.022. ASSESSMENT PROGRAM. The State Board of Education by rule shall create and implement a statewide assessment program that is knowledge- and skills-based to ensure school accountability for student achievement and academic growth that achieves the goals provided under Section 4.002. After adopting rules under this section, the State Board of Education shall
consider the importance of maintaining stability in the statewide assessment program when adopting any subsequent modification of the rules.

SECTION 3. Section 39.023, Education Code, is amended by amending Subsections (l) and (n) and adding Subsection (o) to read as follows:
(l) The State Board of Education shall adopt rules for the administration of the assessment instruments adopted under Subsections [subsection] (a) and (o) in Spanish to students in grades three through six who are of limited English proficiency, as defined by Section 29.052, whose primary language is Spanish, and who are not otherwise exempt from the administration of an assessment instrument under Section 39.027(a)(3) or (4). Each student of limited English proficiency whose primary language is Spanish, other than a student to whom Subsection (b) applies, may be assessed using assessment instruments in Spanish under this subsection for up to three years or assessment instruments in English under Subsection (a). The language proficiency assessment committee established under Section 29.063 shall determine which students are administered assessment instruments in Spanish under this subsection.
(n) This subsection applies only to a student who is determined to have dyslexia or a related disorder and who is an individual with a disability under 29 U.S.C. Section 705(20) and its subsequent amendments. The agency shall adopt or develop appropriate criterion-referenced assessment instruments designed to assess the ability of and to be administered to each student to whom this subsection applies for whom the assessment instruments adopted under Subsections [subsion] (a) and (o), even with allowable modifications, would not provide an appropriate measure of student achievement, as determined by the committee established by the board of trustees of the district to determine the placement of students with dyslexia or related disorders. The committee shall determine whether any allowable modification is necessary in administering to a student an assessment instrument required under this subsection. The assessment instruments required under this subsection shall be administered on the same schedule as the assessment instruments administered under Subsection (a) and, if applicable, Subsection (o).
(o) The agency shall adopt or develop appropriate criterion-referenced assessment instruments, separate from the assessment instruments adopted or developed under subsection (a), designed to assess reading progress by tracking changes in a student's performance during the schoolyear. A school district or open-enrollment charter school may administer an assessment instrument under this subsection. A campus that administers a reading assessment under this subsection must report the results to the agency.

SECTION 4. Sections 39.051(b), (c), and (d), Education Code, are amended to read as follows:
(b) Performance on the indicators adopted under this section shall be compared to state-established standards. The degree of change from one school year to the next in performance on each indicator adopted under this section shall also be considered.

The indicators must be based on information that is disaggregated by race, ethnicity, gender, and socioeconomic status and must include:
(1) the results of assessment instruments required under Sections 39.023(a), (c), and (l), aggregated by grade level and subject area;
(2) annual improvement in student achievement, as measured under Section 39.034, aggregated by grade level and subject;
(3) dropout rates, including dropout rates and district completion rates for grade levels 9 through 12, computed in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education;
(4) [(3)] high school graduation rates, computed in accordance with standards and definitions adopted in compliance with the No Child Left Behind Act of 2001 (Pub. L. No. 107-110);
(5) [(4)] student attendance rates;
(6) [(5)] the percentage of graduating students who attain scores on the secondary exit-level assessment instruments required under Subchapter B that are equivalent to a passing score on the assessment instrument required under Section 51.3062;
(7) [(6)] the percentage of graduating students who meet the course requirements established for the recommended high school program by State Board of Education rule;
(8) if applicable, the results of assessment instruments administered under Section 39.023(o), aggregated by
grade level;
(9) [(7)] the results of the Scholastic Assessment Test (SAT), the American College Test (ACT), articulated postsecondary degree programs described by Section 61.852, and certified workforce training programs described by Chapter 311, Labor Code;
(10) [(8)] the percentage of students, aggregated by grade level, provided accelerated instruction under Section 28.0211(c), the results of assessments administered under that section, the percentage of students promoted through the grade placement committee process under Section 28.0211 , the subject of the assessment instrument on which each student failed to perform satisfactorily, and the performance of those students in the school year following that promotion on the assessment instruments required under Section 39.023;
(11) [(9)] for students who have failed to perform satisfactorily on an assessment instrument required under Section 39.023(a) or (c), the numerical progress of those students grouped by percentage on subsequent assessment instruments required under those sections, aggregated by grade level and subject area;
(12) [(10)] the percentage of students exempted, by exemption category, from the assessment program generally applicable under this chapter;
(13) [(11)] the percentage of students of limited English proficiency exempted from the administration of an assessment instrument under Sections 39.027(a)(3) and (4);
(14) [(12)] the percentage of students in a special
education program under Subchapter A, Chapter 29, assessed through assessment instruments developed or adopted under Section 39.023(b);
(15) [(13)] the measure of progress toward preparation for postsecondary success; and
(16) [(14)] the measure of progress toward dual language proficiency under Section $39.034(b)$, for students of limited English proficiency, as defined by Section 29.052 .
(c) Performance on the indicators [indicator] under Subsections [subsection] (b)(1) and (2) shall be compared to state standards, required improvement, and comparable improvement. The state standard shall be established by the commissioner. Required improvement is defined as the progress necessary for the campus or district to meet state standards and for its students to meet exit requirements as defined by the commissioner. Comparable improvement is derived by measuring campuses and districts against a profile developed from a total state student performance database which exhibits substantial equivalence to the characteristics of students served by the campus or district, including past academic performance, socioeconomic status, ethnicity, and limited English proficiency.
(d) Annually, the commissioner shall define exemplary, recognized, and unacceptable performance for each academic excellence indicator included under Subsections (b)(1) through (9) [(7)] and shall project the standards for each of those levels of performance for succeeding years. For the indicator under Subsection (b)(10) [(b)(8)], the commissioner shall define
exemplary, recognized, and unacceptable performance based on student performance for the period covering both the current and preceding academic years. In defining exemplary, recognized, and unacceptable performance for the indicators under Subsections (b) (3) [(b)(2)] and (4), the commissioner may not consider as a dropout or as a student who has failed to attend school a student whose failure to attend school results from:
(1) the student's expulsion under Section 37.007; and
(2) as applicable:
(A) adjudication as having engaged in delinquent conduct or conduct indicating a need for supervision, as defined by Section 51.03, Family Code; or
(B) conviction of and sentencing for an offense under the Penal Code.

SECTION 5. Section 39.052(b), Education Code, is amended to read as follows:
(b) The report card shall include the following information:
(1) where applicable, the academic excellence indicators adopted under Sections 39.051(b)(1) through (12) [(10)];
(2) average class size by grade level and subject;
(3) the administrative and instructional costs per student, computed in a manner consistent with Section 44.0071; and
(4) the district's instructional expenditures ratio and instructional employees ratio computed under Section 44.0071, and the statewide average of those ratios, as determined by the commissioner.

SECTION 6. Sections 39.072(b) and (c), Education Code, are amended to read as follows:
(b) The academic excellence indicators adopted under Sections $39.051(b)(1)$ through (10) [(8)] and the district's current special education compliance status with the agency shall be the main considerations of the agency in the rating of the district under this section. Additional criteria in the rules may include consideration of:
(1) compliance with statutory requirements and requirements imposed by rule of the State Board of Education under specific statutory authority that relate to:
(A) reporting data through the Public Education Information Management System (PEIMS);
(B) the high school graduation requirements under Section 28.025; or
(C) an item listed in Sections 7.056(e)(3)(C)-(I) that applies to the district;
(2) the effectiveness of the district's programs for special populations; and
(3) the effectiveness of the district's career and technology programs.
(c) The agency shall evaluate against state standards and shall, not later than August 1 of each year, report the performance of each campus in a district and each open-enrollment charter school on the basis of the campus's performance on the indicators adopted under Sections 39.051(b)(1) through (10) [(8)].

Consideration of the effectiveness of district programs under Subsection (b) (2) or (3) must be based on data collected through the Public Education Information Management System for purposes of accountability under this chapter and include the results of assessments required under Section 39.023 .

SECTION 7. Section 39.0721(c), Education Code, is amended to read as follows:
(c) The performance standards on which a gold performance rating is based should include:
(1) student proficiency on:
(A) assessment instruments administered under Sections 39.023(a), (c), and (l); and
(B) other measures of proficiency determined by the commissioner;
(2) student performance on one or more nationally recognized norm-referenced assessment instruments;
(3) improvement in student performance, including annual improvement in student achievement, as measured under Section 39.034;
(4) in the case of middle or junior high school campuses, student proficiency in mathematics, including algebra; and
(5) in the case of high school campuses:
(A) the extent to which graduating students are academically prepared to attend institutions of higher education;
(B) the percentage of students who take advanced placement tests and student performance on those tests; and
(C) the percentage of students who take and successfully complete advanced academic courses or college-level course work offered through dual credit programs provided under agreements between high schools and institutions of higher education.

SECTION 8. Sections 39.073(a), (b), and (f), Education Code, are amended to read as follows:
(a) The agency shall annually review the performance of each district and campus on the indicators adopted under Sections 39.051(b)(1) through (10) [(8)] and determine if a change in the accreditation status of the district is warranted. The commissioner may determine how all indicators adopted under Section 39.051(b) may be used to determine accountability ratings and to select districts and campuses for acknowledgment.
(b) Each annual review shall include an analysis of the indicators under Sections 39.051(b)(1) through (10) [(8)] to determine district and campus performance in relation to:
(1) standards established for each indicator;
(2) required improvement as defined under Section 39.051(c); and
(3) comparable improvement as defined by Section 39.051(c).
(f) In the computation of dropout rates under Section 39.051(b)(3) [39.051(b)(2)], a student who is released from a juvenile pre-adjudication secure detention facility or juvenile post-adjudication secure correctional facility and fails to enroll in school or a student who leaves a residential treatment center after receiving treatment for fewer than 85 days and fails to enroll in school may not be considered to have dropped out from the campus or school district serving the facility or center unless that campus or district is the one to which the student is regularly assigned.

SECTION 9. Section 39.074(e), Education Code, is amended to read as follows:
(e) If an annual review indicates low performance on one or more of the indicators under Sections 39.051(b)(1) through (10) [(8)] of one or more campuses in a district, the agency may conduct an on-site evaluation of those campuses only.

SECTION 10. Section 39.114(b), Education Code, is amended to read as follows:
(b) A school district may use funds allocated under Section 42.2516(b)(3) on any instructional program in grades six through 12 other than an athletic program if:
(1) the district is recognized as exceptional by the commissioner under the academic accountability indicator adopted under Section 39.051(b) (15) [39.051(b)(13)]; and
(2) the district's completion rates for grades nine through 12 meet or exceed completion rate standards required by the commissioner to achieve a rating of exemplary under Section 39.072.

SECTION 11. (a) Not later than the 2008-2009 school year, the Texas Education Agency shall collect information concerning annual improvement in student achievement for purposes of Section 39.051(b)(2), Education Code, as amended by this Act.
(b) Not later than the 2009-2010 school year, the Texas


#### Abstract

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Education Agency shall include, in evaluating the performance of school districts, campuses, and open-enrollment charter schools under Subchapter D, Chapter 39, Education Code, annual improvement in student achievement under Section 39.051(b)(2), Education Code, as amended by this Act.

SECTION 12. This Act applies beginning with the 2008-2009 school year.

SECTION 13. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007 .


