

Amend CSHB 3 as follows:

(1) Add the following appropriately numbered SECTIONS to the bill (page 1, between lines 4 and 5):

SECTION _____. Section 7.009(b), Education Code, is amended to read as follows:

(b) The agency shall solicit and collect from the Legislative Budget Board, centers for education research established under Section 1.005, [~~and exemplary or recognized~~] school districts assigned an acceptable performance rating under Section 39.054, and campuses[~~7~~] and open-enrollment charter schools that have received at least one distinction designation under Subchapter G, Chapter 39, [as rated under Section 39.072,] examples of best practices relating to instruction, dropout prevention, public school finance, resource allocation, and business practices, including best practices relating to curriculum, scope and sequence, compensation and incentive systems, bilingual education and special language programs, compensatory education programs, and the effective use of instructional technology, including online courses.

SECTION _____. Section 7.028(a), Education Code, is amended to read as follows:

(a) Except as provided by Section 29.001(5), 29.010(a), 39.056 [~~39.074~~], or 39.057 [~~39.075~~], the agency may monitor compliance with requirements applicable to a process or program provided by a school district, campus, program, or school granted charters under Chapter 12, including the process described by Subchapter F, Chapter 11, or a program described by Subchapter B, C, D, E, F, H, or I, Chapter 29, Subchapter A, Chapter 37, or Section 38.003, and the use of funds provided for such a program under Subchapter C, Chapter 42, only as necessary to ensure:

- (1) compliance with federal law and regulations;
- (2) financial accountability, including compliance with grant requirements; and
- (3) data integrity for purposes of:
 - (A) the Public Education Information Management System (PEIMS); and
 - (B) accountability under Chapter 39.

(2) Add the following appropriately numbered SECTIONS to the bill (page 3, between lines 7 and 8):

SECTION _____. Sections 8.051(b) and (d), Education Code, are amended to read as follows:

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

(1) campuses assigned an ~~[identified as academically]~~ unacceptable performance rating ~~[based on the indicators adopted]~~ under Section 39.054 ~~[39.051]~~;

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

(3) other campuses.

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

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

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

(3) assistance specifically designed for a school district or campus assigned an ~~[rated academically]~~ unacceptable performance rating under Section 39.054 ~~[39.072(a) or a campus whose performance is considered unacceptable based on the indicators adopted under Section 39.051]~~;

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

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

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

SECTION _____. Section 11.001, Education Code, is amended to read as follows:

Sec. 11.001. ACCREDITATION. Each school district must be

accredited by the agency as provided by Subchapter C [~~D~~], Chapter 39.

SECTION _____. Section 11.003(d), Education Code, is amended to read as follows:

(d) The commissioner may require a district to enter into a cooperative shared services arrangement for administrative services if the commissioner determines:

(1) that the district has failed to satisfy a financial accountability standard as determined by commissioner rule under Subchapter D [~~E~~], Chapter 39; and

(2) that entering into a cooperative shared services arrangement would:

(A) enable the district to enhance its performance on the financial accountability standard identified under Subdivision (1); and

(B) promote the efficient operation of the district.

SECTION _____. Section 11.1511(b), Education Code, is amended to read as follows:

(b) The board shall:

(1) seek to establish working relationships with other public entities to make effective use of community resources and to serve the needs of public school students in the community;

(2) adopt a vision statement and comprehensive goals for the district and the superintendent and monitor progress toward those goals;

(3) establish performance goals for the district concerning:

(A) the academic and fiscal performance indicators under Subchapters C, D, and J [~~E~~], Chapter 39[~~7~~ ~~respectively~~]; and

(B) any performance indicators adopted by the district;

(4) ensure that the superintendent:

(A) is accountable for achieving performance results;

(B) recognizes performance accomplishments; and

(C) takes action as necessary to meet performance goals;

(5) adopt a policy to establish a district- and campus-level planning and decision-making process as required under Section 11.251;

(6) publish an annual educational performance report as required under Section 39.306 [~~39.053~~];

(7) adopt an annual budget for the district as required under Section 44.004;

(8) adopt a tax rate each fiscal year as required under Section 26.05, Tax Code;

(9) monitor district finances to ensure that the superintendent is properly maintaining the district's financial procedures and records;

(10) ensure that district fiscal accounts are audited annually as required under Section 44.008;

(11) publish an end-of-year financial report for distribution to the community;

(12) conduct elections as required by law;

(13) by rule, adopt a process through which district personnel, students or the parents or guardians of students, and members of the public may obtain a hearing from the district administrators and the board regarding a complaint;

(14) make decisions relating to terminating the employment of district employees employed under a contract to which Chapter 21 applies, including terminating or not renewing an employment contract to which that chapter applies; and

(15) carry out other powers and duties as provided by this code or other law.

SECTION _____. Section 11.201(d), Education Code, is amended to read as follows:

(d) The duties of the superintendent include:

(1) assuming administrative responsibility and leadership for the planning, organization, operation, supervision, and evaluation of the education programs, services, and facilities of the district and for the annual performance appraisal of the district's staff;

(2) except as provided by Section 11.202, assuming administrative authority and responsibility for the assignment, supervision, and evaluation of all personnel of the district other than the superintendent;

(3) overseeing compliance with the standards for school facilities established by the commissioner under Section 46.008;

(4) initiating the termination or suspension of an employee or the nonrenewal of an employee's term contract;

(5) managing the day-to-day operations of the district as its administrative manager, including implementing and monitoring plans, procedures, programs, and systems to achieve clearly defined and desired results in major areas of district operations;

(6) preparing and submitting to the board of trustees a proposed budget as provided by Section 44.002 and rules adopted under that section, and administering the budget;

(7) preparing recommendations for policies to be adopted by the board of trustees and overseeing the implementation of adopted policies;

(8) developing or causing to be developed appropriate administrative regulations to implement policies established by the board of trustees;

(9) providing leadership for the attainment and, if necessary, improvement of student performance in the district based on the indicators adopted under Sections 39.053 and 39.301 [~~Section 39.051~~] and other indicators adopted by the commissioner [~~State Board of Education~~] or the district's board of trustees;

(10) organizing the district's central administration;

(11) consulting with the district-level committee as required under Section 11.252(f);

(12) ensuring:

(A) adoption of a student code of conduct as required under Section 37.001 and enforcement of that code of conduct; and

(B) adoption and enforcement of other student

disciplinary rules and procedures as necessary;

(13) submitting reports as required by state or federal law, rule, or regulation;

(14) providing joint leadership with the board of trustees to ensure that the responsibilities of the board and superintendent team are carried out; and

(15) performing any other duties assigned by action of the board of trustees.

(3) Add the following appropriately numbered SECTIONS to the bill (page 3, between lines 15 and 16):

SECTION _____. Section 11.252(a), Education Code, is amended to read as follows:

(a) Each school district shall have a district improvement plan that is developed, evaluated, and revised annually, in accordance with district policy, by the superintendent with the assistance of the district-level committee established under Section 11.251. The purpose of the district improvement plan is to guide district and campus staff in the improvement of student performance for all student groups in order to attain state standards in respect to the student achievement [~~academic excellence~~] indicators adopted under Section 39.053 [~~39.051~~]. The district improvement plan must include provisions for:

(1) a comprehensive needs assessment addressing district student performance on the student achievement [~~academic excellence~~] indicators, and other appropriate measures of performance, that are disaggregated by all student groups served by the district, including categories of ethnicity, socioeconomic status, sex, and populations served by special programs, including students in special education programs under Subchapter A, Chapter 29;

(2) measurable district performance objectives for all appropriate student achievement [~~academic excellence~~] indicators for all student populations, including students in special education programs under Subchapter A, Chapter 29, and other measures of student performance that may be identified through the comprehensive needs assessment;

(3) strategies for improvement of student performance

that include:

(A) instructional methods for addressing the needs of student groups not achieving their full potential;

(B) methods for addressing the needs of students for special programs, such as suicide prevention, conflict resolution, violence prevention, or dyslexia treatment programs;

(C) dropout reduction;

(D) integration of technology in instructional and administrative programs;

(E) discipline management;

(F) staff development for professional staff of the district;

(G) career education to assist students in developing the knowledge, skills, and competencies necessary for a broad range of career opportunities; and

(H) accelerated education;

(4) strategies for providing to middle school, junior high school, and high school students, those students' teachers and counselors, and those students' parents information about:

(A) higher education admissions and financial aid opportunities;

(B) the TEXAS grant program and the Teach for Texas grant program established under Chapter 56;

(C) the need for students to make informed curriculum choices to be prepared for success beyond high school; and

(D) sources of information on higher education admissions and financial aid;

(5) resources needed to implement identified strategies;

(6) staff responsible for ensuring the accomplishment of each strategy;

(7) timelines for ongoing monitoring of the implementation of each improvement strategy; and

(8) formative evaluation criteria for determining periodically whether strategies are resulting in intended improvement of student performance.

SECTION _____. Sections 11.253(c) and (d), Education Code, are amended to read as follows:

(c) Each school year, the principal of each school campus, with the assistance of the campus-level committee, shall develop, review, and revise the campus improvement plan for the purpose of improving student performance for all student populations, including students in special education programs under Subchapter A, Chapter 29, with respect to the student achievement [~~academic excellence~~] indicators adopted under Section 39.053 [~~39.051~~] and any other appropriate performance measures for special needs populations.

(d) Each campus improvement plan must:

(1) assess the academic achievement for each student in the school using the student achievement [~~academic excellence~~] indicator system as described by Section 39.053 [~~39.051~~];

(2) set the campus performance objectives based on the student achievement [~~academic excellence~~] indicator system, including objectives for special needs populations, including students in special education programs under Subchapter A, Chapter 29;

(3) identify how the campus goals will be met for each student;

(4) determine the resources needed to implement the plan;

(5) identify staff needed to implement the plan;

(6) set timelines for reaching the goals;

(7) measure progress toward the performance objectives periodically to ensure that the plan is resulting in academic improvement;

(8) include goals and methods for violence prevention and intervention on campus; and

(9) provide for a program to encourage parental involvement at the campus.

SECTION _____. Section 11.255(a), Education Code, is amended to read as follows:

(a) Each district-level planning and decision-making committee and each campus-level planning and decision-making

committee for a junior, middle, or high school campus shall analyze information related to dropout prevention, including:

(1) the results of the audit of dropout records required by Section 39.308 [~~39.055~~];

(2) campus information related to graduation rates, dropout rates, high school equivalency certificate rates, and the percentage of students who remain in high school more than four years after entering grade level 9;

(3) the number of students who enter a high school equivalency certificate program and:

(A) do not complete the program;

(B) complete the program but do not take the high school equivalency examination; or

(C) complete the program and take the high school equivalency examination but do not obtain a high school equivalency certificate;

(4) for students enrolled in grade levels 9 and 10, information related to academic credit hours earned, retention rates, and placements in alternative education programs and expulsions under Chapter 37; and

(5) the results of an evaluation of each school-based dropout prevention program in the district.

SECTION _____. Section 12.013(b), Education Code, is amended to read as follows:

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

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

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

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

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

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

- (C) criminal history records under Subchapter C, Chapter 22;
- (D) student admissions under Section 25.001;
- (E) school attendance under Sections 25.085, 25.086, and 25.087;
- (F) inter-district or inter-county transfers of students under Subchapter B, Chapter 25;
- (G) elementary class size limits under Section 25.112, in the case of any campus in the district that is below any standard [~~considered academically unacceptable~~] under Section 39.054(e) [~~39.132~~];
- (H) high school graduation under Section 28.025;
- (I) special education programs under Subchapter A, Chapter 29;
- (J) bilingual education under Subchapter B, Chapter 29;
- (K) prekindergarten programs under Subchapter E, Chapter 29;
- (L) safety provisions relating to the transportation of students under Sections 34.002, 34.003, 34.004, and 34.008;
- (M) computation and distribution of state aid under Chapters 31, 42, and 43;
- (N) extracurricular activities under Section 33.081;
- (O) health and safety under Chapter 38;
- (P) public school accountability under Subchapters B, C, D, E, and J [~~E~~], Chapter 39;
- (Q) equalized wealth under Chapter 41;
- (R) a bond or other obligation or tax rate under Chapters 42, 43, and 45; and
- (S) purchasing under Chapter 44.

SECTION _____. Section 12.056(b), Education Code, is amended to read as follows:

(b) A campus or program for which a charter is granted under this subchapter is subject to:

- (1) a provision of this title establishing a criminal

offense; and

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

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

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

(C) high school graduation under Section 28.025;

(D) special education programs under Subchapter A, Chapter 29;

(E) bilingual education under Subchapter B, Chapter 29;

(F) prekindergarten programs under Subchapter E, Chapter 29;

(G) extracurricular activities under Section 33.081;

(H) health and safety under Chapter 38; and

(I) public school accountability under Subchapters B, C, E [~~D~~], and J [~~G~~], Chapter 39.

SECTION _____. Section 12.1012(5), Education Code, is amended to read as follows:

(5) "Management services" means services related to the management or operation of an open-enrollment charter school, including:

(A) planning, operating, supervising, and evaluating the school's educational programs, services, and facilities;

(B) making recommendations to the governing body of the school relating to the selection of school personnel;

(C) managing the school's day-to-day operations as its administrative manager;

(D) preparing and submitting to the governing body of the school a proposed budget;

(E) recommending policies to be adopted by the governing body of the school, developing appropriate procedures to

implement policies adopted by the governing body of the school, and overseeing the implementation of adopted policies; and

(F) providing leadership for the attainment of student performance at the school based on the indicators adopted under Sections 39.053 and 39.301 [~~Section 39.051~~] or by the governing body of the school.

(4) Add the following appropriately numbered SECTIONS to the bill (page 4, between lines 24 and 25):

SECTION _____. Section 12.1054(a), Education Code, is amended to read as follows:

(a) A member of the governing body of a charter holder, a member of the governing body of an open-enrollment charter school, or an officer of an open-enrollment charter school is considered to be a local public official for purposes of Chapter 171, Local Government Code. For purposes of that chapter:

(1) a member of the governing body of a charter holder or a member of the governing body or officer of an open-enrollment charter school is considered to have a substantial interest in a business entity if a person related to the member or officer in the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest in the business entity under Section 171.002, Local Government Code;

(2) notwithstanding any provision of Section 12.1054(1), an employee of an open-enrollment charter school rated [~~as academically~~] acceptable or higher under Section 39.054 [~~Chapter 39~~] for at least two of the preceding three school years may serve as a member of the governing body of the charter holder of the governing body of the school if the employees do not constitute a quorum of the governing body or any committee of the governing body; however, all members shall comply with the requirements of Sections 171.003-171.007, Local Government Code.

SECTION _____. Section 12.1055(b), Education Code, is amended to read as follows:

(b) Notwithstanding Subsection (a), if an open-enrollment charter school is rated [~~academically~~] acceptable or higher under Section 39.054 [~~Chapter 39~~] for at least two of the preceding three school years, then Chapter 573, Government Code, does not apply to

that school; however, a member of the governing body of a charter holder or a member of the governing body or officer of an open-enrollment charter school shall comply with the requirements of Sections 171.003-171.007, Local Government Code, with respect to a personnel matter concerning a person related to the member or officer within the degree specified by Section 573.002, Government Code, as if the personnel matter were a transaction with a business entity subject to those sections, and persons defined under Sections 573.021-573.025, Government Code, shall not constitute a quorum of the governing body or any committee of the governing body.

SECTION _____. Section 12.1162(a), Education Code, is amended to read as follows:

(a) The commissioner shall take any of the actions described by Subsection (b) or by Section 39.102(a) [~~39.131(a)~~], to the extent the commissioner determines necessary, if an open-enrollment charter school, as determined by a report issued under Section 39.058(b) [~~39.076(b)~~]:

(1) commits a material violation of the school's charter;

(2) fails to satisfy generally accepted accounting standards of fiscal management; or

(3) fails to comply with this subchapter or another applicable rule or law.

SECTION _____. Section 18.006(a), Education Code, is amended to read as follows:

(a) The commissioner shall develop and implement a system of accountability consistent with Chapter 39, where appropriate, to be used in assigning an annual performance rating to Job Corps diploma programs comparable to the ratings assigned to school districts under Section 39.054 [~~39.072~~]. The commissioner may develop and implement a system of distinction designations consistent with Subchapter G, Chapter 39, where appropriate, to be used in assigning distinction designations to Job Corps diploma programs comparable to the distinction designations assigned to campuses under Subchapter G, Chapter 39.

SECTION _____. Section 21.354(e), Education Code, is amended to read as follows:

(e) The appraisal of a principal shall include consideration of the performance of a principal's campus on the student achievement indicators established under Section 39.053 [~~39.051~~] and the campus's objectives established under Section 11.253, including performance gains of the campus and the maintenance of those gains.

SECTION _____. Section 21.357(c), Education Code, is amended to read as follows:

(c) A performance incentive awarded to a principal under this section must be distributed to the principal's school and used in the manner determined by the campus-level committee established under Section 11.253 in accordance with the requirements of Section 39.264(a) [~~39.094(a)~~].

SECTION _____. Section 21.4541(b), Education Code, is amended to read as follows:

(b) A school district or campus is eligible to participate in the pilot program under this section if the district or campus meets the eligibility criteria established as provided by Section 39.408 [~~39.358~~].

SECTION _____. Section 21.4551(c), Education Code, is amended to read as follows:

(c) The commissioner by rule shall require a teacher to attend a reading academy if the teacher provides instruction in reading, mathematics, science, or social studies to students at the sixth, seventh, or eighth grade level at a campus that is below any standard [~~is considered academically unacceptable~~] under Section 39.054(e) [~~39.132~~] on the basis of student performance on the reading assessment instrument administered under Section 39.023(a) to students in any grade level at the campus.

SECTION _____. Section 21.653(a), Education Code, is amended to read as follows:

(a) Except as provided by Subsection (b), a campus is eligible to apply for and may receive a program grant if the campus:

(1) is ranked by the agency in the top half of this state's elementary school campuses, middle or junior high school campuses, high school campuses, or campuses for students of all grade levels, as applicable, in the percentage of educationally

disadvantaged students enrolled at the campus; and

(2) has received at least one distinction designation under Section 39.201(b), (c), or (d)(1) [is rated exemplary or recognized under Section 39.072] or is ranked in the top quartile of campuses in [~~comparable~~] improvement, as determined [~~defined~~] by the commissioner [~~Section 39.051(c)~~], in mathematics or reading.

(5) Add the following appropriately numbered SECTIONS to the bill (page 5, between lines 11 and 12):

SECTION _____. 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 39.301(b)(4) [~~39.051(b)(8)~~] and may implement interventions or sanctions under Subchapter E [~~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 _____. Section 28.014(d), Education Code, is amended to read as follows:

(d) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Subsection (c) to be used for purposes of Section 51.3062. The questions must be developed in a manner consistent with any college readiness standards adopted under Sections 39.233 [~~39.113~~] and 51.3062. A student's performance on a question adopted under this subsection may not be used to determine the student's performance on an end-of-course assessment instrument.

(6) On page 5, line 18, strike "and (i)" and substitute "(i), and (k)".

(7) On page 11, between lines 16 and 17, add the following:

(k) The commissioner shall adopt rules as necessary to implement this section, including rules concerning when school districts shall administer assessment instruments required under

this section and which administration of the assessment instruments will be used for purposes of Section 39.053 [~~39.051~~].

(8) Add the following appropriately numbered SECTION to the bill (page 16, between lines 10 and 11):

SECTION _____. Section 29.062(a), Education Code, is amended to read as follows:

(a) The legislature recognizes that compliance with this subchapter is an imperative public necessity. Therefore, in accordance with the policy of the state, the agency shall evaluate the effectiveness of programs under this subchapter based on the student achievement [~~academic excellence~~] indicators adopted under Section 39.053 [~~39.051(a)~~], including the results of assessment instruments. The agency may combine evaluations under this section with federal accountability measures concerning students of limited English proficiency.

(9) Add the following appropriately numbered SECTIONS to the bill (page 16, between lines 20 and 21):

SECTION _____. Section 29.095(a)(1), Education Code, as added by Chapter 1058 (**HB 2237**), Acts of the 80th Legislature, Regular Session, 2007, is amended to read as follows:

(1) "Council" means the High School Completion and Success Initiative Council established under Subchapter M [~~L~~], Chapter 39.

SECTION _____. Section 29.095(c), Education Code, as added by Chapter 1058 (**HB 2237**), Acts of the 80th Legislature, Regular Session, 2007, is amended to read as follows:

(c) The commissioner may award a grant in an amount not to exceed \$5,000 in a school year to a school district on behalf of a student club at a district high school campus that is eligible under the criteria established under Section 39.408 [~~39.358~~]. To be eligible for a grant, the student club and the club's sponsor must be sanctioned by the campus and district. A grant awarded under this program must be matched by other federal, state, or local funds, including donations, in an amount equal to the amount of the grant. A district shall seek donations or sponsorships from local businesses or community organizations to raise the matching funds. The commissioner may award a grant on behalf of more than

one student club at a campus in the same school year.

SECTION _____. Sections 29.096(a) and (c), Education Code, are amended to read as follows:

(a) In this section, "council" means the High School Completion and Success Initiative Council established under Subchapter M [~~H~~], Chapter 39.

(c) A school district or open-enrollment charter school is eligible to participate and receive a grant under this section under the eligibility criteria established under Section 39.408 [~~39.358~~].

SECTION _____. Section 29.097(a)(1), Education Code, is amended to read as follows:

(1) "Council" means the High School Completion and Success Initiative Council established under Subchapter M [~~H~~], Chapter 39.

SECTION _____. Section 29.097(c), Education Code, is amended to read as follows:

(c) The commissioner may select for participation in the pilot program only a campus that is eligible under the criteria established under Section 39.408 [~~39.358~~].

SECTION _____. Section 29.098(c), Education Code, is amended to read as follows:

(c) The commissioner of education may select for participation in the pilot program only a campus that is eligible under the criteria established under Section 39.408 [~~39.358~~].

SECTION _____. Section 29.202(a), Education Code, is amended to read as follows:

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

(1) at which 50 percent or more of the students did not perform satisfactorily on an assessment instrument administered under Section 39.023(a) or (c) in any two of the preceding three years; or

(2) that was, at any time in the preceding three years, below any standard [~~considered academically unacceptable~~] under

Section 39.054(e) [~~39.132~~].

(10) Add the following appropriately numbered SECTIONS to the bill (page 18, between lines 2 and 3):

SECTION _____. Section 29.906(e), Education Code, is amended to read as follows:

(e) The agency shall:

(1) maintain a list of character education programs that school districts have implemented that meet the criteria under Subsection (b);

(2) based on data reported by districts, annually designate as a Character Plus School each school that provides a character education program that:

(A) meets the criteria prescribed by Subsection (b); and

(B) is approved by the committee selected under Subsection (c); and

(3) include in the report required under Section 39.332 [~~39.182~~]:

(A) based on data reported by districts, the impact of character education programs on student discipline and academic achievement; and

(B) other reported data relating to character education programs the agency considers appropriate for inclusion.

SECTION _____. Sections 29.918(a) and (c), Education Code, are amended to read as follows:

(a) Notwithstanding Section 39.234 [~~39.114~~] or 42.152, a school district or open-enrollment charter school with a high dropout rate, as determined by the commissioner, must submit a plan to the commissioner describing the manner in which the district or charter school intends to use the compensatory education allotment under Section 42.152 and the high school allotment under Section 42.2516(b)(3) for developing and implementing research-based strategies for dropout prevention. The district or charter school shall submit the plan not later than December 1 of each school year preceding the school year in which the district or charter school will receive the compensatory education allotment or high school allotment to which the plan applies.

(c) The commissioner shall adopt rules to administer this section. The commissioner may impose interventions or sanctions under Section 39.102 [~~39.131~~] or 39.104 [~~39.1321~~] if a school district or open-enrollment charter school fails to timely comply with this section.

SECTION _____. Section 30A.101, Education Code, is amended to read as follows:

Sec. 30A.101. ELIGIBILITY TO ACT AS PROVIDER SCHOOL DISTRICT OR SCHOOL. (a) A school district is eligible to act as a provider school district under this chapter only if the district is rated [~~academically~~] acceptable or higher under Section 39.054 [~~39.072~~].

(b) An open-enrollment charter school is eligible to act as a provider school under this chapter only if the school is rated acceptable [~~recognized~~] or higher under Section 39.054 [~~39.072~~], and may serve as a provider school only:

(1) to a student within the school district in which the school is located or within its service area, whichever is smaller; or

(2) to another student in the state through an agreement with the administering authority under Section 30A.153.

SECTION _____. Section 32.157(a), Education Code, is amended to read as follows:

(a) After the expiration of the pilot project, the agency may review the pilot project based on the annual reports the agency receives from the board of trustees of participating school districts. The agency may include the review of the pilot project in the comprehensive annual report required under Section 39.332 [~~39.182~~] that covers the 2010-2011 school year.

(11) Add the following appropriately numbered SECTION to the bill (page 130, between lines 16 and 17):

SECTION _____. Section 42.002(b), Education Code, is amended to read as follows:

(b) The Foundation School Program consists of:

(1) two tiers that in combination provide for:

(A) sufficient financing for all school districts to provide a basic program of education that is rated

[~~academically~~] acceptable or higher under Section 39.054 [~~39.072~~] and meets other applicable legal standards; and

(B) substantially equal access to funds to provide an enriched program; and

(2) a facilities component as provided by Chapter 46.

(12) Add the following appropriately numbered SECTION to the bill (page 134, between lines 11 and 12):

SECTION _____. Section 302.006(c), Labor Code, is amended to read as follows:

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

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

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

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

(A) within the attendance zone of a public school campus considered low-performing under Subchapter E, Chapter 39 [~~Section 39.132~~], Education Code; or

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

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

(13) Renumber SECTIONS of the bill accordingly.