

1-1 By: Eissler (Senate Sponsor - Shapiro) H.B. No. 3
1-2 (In the Senate - Received from the House April 30, 2009;
1-3 May 4, 2009, read first time and referred to Committee on
1-4 Education; May 11, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 11, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 3 By: Shapiro

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to public school accountability, curriculum, and
1-11 promotion requirements.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (a), Section 7.028, Education Code,
1-14 is amended to read as follows:

1-15 (a) Except as provided by Section 29.001(5), 29.010(a),
1-16 39.056 [~~39.074~~], or 39.057 [~~39.075~~], the agency may monitor
1-17 compliance with requirements applicable to a process or program
1-18 provided by a school district, campus, program, or school granted
1-19 charters under Chapter 12, including the process described by
1-20 Subchapter F, Chapter 11, or a program described by Subchapter B, C,
1-21 D, E, F, H, or I, Chapter 29, Subchapter A, Chapter 37, or Section
1-22 38.003, and the use of funds provided for such a program under
1-23 Subchapter C, Chapter 42, only as necessary to ensure:

1-24 (1) compliance with federal law and regulations;
1-25 (2) financial accountability, including compliance
1-26 with grant requirements; and

1-27 (3) data integrity for purposes of:

1-28 (A) the Public Education Information Management
1-29 System (PEIMS); and

1-30 (B) accountability under Chapter 39.

1-31 SECTION 2. Subsections (e) and (f), Section 7.056,
1-32 Education Code, are amended to read as follows:

1-33 (e) Except as provided by Subsection (f), a school campus or
1-34 district may not receive an exemption or waiver under this section
1-35 from:

1-36 (1) a prohibition on conduct that constitutes a
1-37 criminal offense;

1-38 (2) a requirement imposed by federal law or rule,
1-39 including a requirement for special education or bilingual
1-40 education programs; or

1-41 (3) a requirement, restriction, or prohibition
1-42 relating to:

1-43 (A) essential knowledge or skills under Section
1-44 28.002 or high school [~~minimum~~] graduation requirements under
1-45 Section 28.025;

1-46 (B) public school accountability as provided by
1-47 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

1-48 (C) extracurricular activities under Section
1-49 33.081 or participation in a University Interscholastic League
1-50 area, regional, or state competition under Section 33.0812;

1-51 (D) health and safety under Chapter 38;

1-52 (E) purchasing under Subchapter B, Chapter 44;

1-53 (F) elementary school class size limits, except
1-54 as provided by Section 25.112;

1-55 (G) removal of a disruptive student from the
1-56 classroom under Subchapter A, Chapter 37;

1-57 (H) at-risk programs under Subchapter C, Chapter
1-58 29;

1-59 (I) prekindergarten programs under Subchapter E,
1-60 Chapter 29;

1-61 (J) educator rights and benefits under
1-62 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
1-63 A, Chapter 22;

2-1 (K) special education programs under Subchapter
2-2 A, Chapter 29;
2-3 (L) bilingual education programs under
2-4 Subchapter B, Chapter 29; or
2-5 (M) the requirements for the first day of
2-6 instruction under Section 25.0811.
2-7 (f) A school district or campus that is required to develop
2-8 and implement a student achievement improvement plan under Section
2-9 39.101 [~~39.131~~] or 39.102 [~~39.132~~] may receive an exemption or
2-10 waiver under this section from any law or rule other than:
2-11 (1) a prohibition on conduct that constitutes a
2-12 criminal offense;
2-13 (2) a requirement imposed by federal law or rule;
2-14 (3) a requirement, restriction, or prohibition
2-15 imposed by state law or rule relating to:
2-16 (A) public school accountability as provided by
2-17 Subchapters B, C, D, E, and J [~~G~~], Chapter 39; or
2-18 (B) educator rights and benefits under
2-19 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
2-20 A, Chapter 22; or
2-21 (4) textbook selection under Chapter 31.
2-22 SECTION 3. Subsections (b) and (d), Section 8.051,
2-23 Education Code, are amended to read as follows:
2-24 (b) Each regional education service center shall annually
2-25 develop and submit to the commissioner for approval a plan for
2-26 improvement. Each plan must include the purposes and description
2-27 of the services the center will provide to:
2-28 (1) ~~campuses that fail to satisfy any standard~~
2-29 ~~[identified as academically unacceptable based on the indicators~~
2-30 ~~adopted]~~ under Section 39.054(d) [~~39.051~~];
2-31 (2) the lowest-performing campuses in the region; and
2-32 (3) other campuses.
2-33 (d) Each regional education service center shall maintain
2-34 core services for purchase by school districts and campuses. The
2-35 core services are:
2-36 (1) training and assistance in teaching each subject
2-37 area assessed under Section 39.023;
2-38 (2) training and assistance in providing each program
2-39 that qualifies for a funding allotment under Section 42.151,
2-40 42.152, 42.153, or 42.156;
2-41 (3) assistance specifically designed for a school
2-42 district rated ~~accredited-warned or accredited-probation~~
2-43 ~~[academically unacceptable]~~ under Section 39.052 [~~39.072(a)~~] or a
2-44 campus that ~~fails to satisfy any standard [whose performance is~~
2-45 ~~considered unacceptable based on the indicators adopted]~~ under
2-46 Section 39.054(d) [~~39.051~~];
2-47 (4) training and assistance to teachers,
2-48 administrators, members of district boards of trustees, and members
2-49 of site-based decision-making committees;
2-50 (5) assistance specifically designed for a school
2-51 district that is considered out of compliance with state or federal
2-52 special education requirements, based on the agency's most recent
2-53 compliance review of the district's special education programs; and
2-54 (6) assistance in complying with state laws and rules.
2-55 SECTION 4. Section 11.001, Education Code, is amended to
2-56 read as follows:
2-57 Sec. 11.001. ACCREDITATION. Each school district must be
2-58 accredited by the agency as provided by Subchapter C [~~D~~], Chapter
2-59 39.
2-60 SECTION 5. Subsection (d), Section 11.003, Education Code,
2-61 is amended to read as follows:
2-62 (d) The commissioner may require a district to enter into a
2-63 cooperative shared services arrangement for administrative
2-64 services if the commissioner determines:
2-65 (1) that the district has failed to satisfy a
2-66 financial accountability standard as determined by commissioner
2-67 rule under Subchapter D [~~F~~], Chapter 39; and
2-68 (2) that entering into a cooperative shared services
2-69 arrangement would:

3-1 (A) enable the district to enhance its
3-2 performance on the financial accountability standard identified
3-3 under Subdivision (1); and

3-4 (B) promote the efficient operation of the
3-5 district.

3-6 SECTION 6. Subsection (b), Section 11.1511, Education Code,
3-7 is amended to read as follows:

3-8 (b) The board shall:

3-9 (1) seek to establish working relationships with other
3-10 public entities to make effective use of community resources and to
3-11 serve the needs of public school students in the community;

3-12 (2) adopt a vision statement and comprehensive goals
3-13 for the district and the superintendent and monitor progress toward
3-14 those goals;

3-15 (3) establish performance goals for the district
3-16 concerning:

3-17 (A) the academic and fiscal performance
3-18 indicators under Subchapters C, D, and J [~~±~~], Chapter 39[~~7~~,
3-19 ~~respectively~~]; and

3-20 (B) any performance indicators adopted by the
3-21 district;

3-22 (4) ensure that the superintendent:

3-23 (A) is accountable for achieving performance
3-24 results;

3-25 (B) recognizes performance accomplishments; and
3-26 (C) takes action as necessary to meet performance
3-27 goals;

3-28 (5) adopt a policy to establish a district- and
3-29 campus-level planning and decision-making process as required
3-30 under Section 11.251;

3-31 (6) publish an annual educational performance report
3-32 as required under Section 39.306 [~~39.053~~];

3-33 (7) adopt an annual budget for the district as
3-34 required under Section 44.004;

3-35 (8) adopt a tax rate each fiscal year as required under
3-36 Section 26.05, Tax Code;

3-37 (9) monitor district finances to ensure that the
3-38 superintendent is properly maintaining the district's financial
3-39 procedures and records;

3-40 (10) ensure that district fiscal accounts are audited
3-41 annually as required under Section 44.008;

3-42 (11) publish an end-of-year financial report for
3-43 distribution to the community;

3-44 (12) conduct elections as required by law;

3-45 (13) by rule, adopt a process through which district
3-46 personnel, students or the parents or guardians of students, and
3-47 members of the public may obtain a hearing from the district
3-48 administrators and the board regarding a complaint;

3-49 (14) make decisions relating to terminating the
3-50 employment of district employees employed under a contract to which
3-51 Chapter 21 applies, including terminating or not renewing an
3-52 employment contract to which that chapter applies; and

3-53 (15) carry out other powers and duties as provided by
3-54 this code or other law.

3-55 SECTION 7. Subsection (d), Section 11.201, Education Code,
3-56 is amended to read as follows:

3-57 (d) The duties of the superintendent include:

3-58 (1) assuming administrative responsibility and
3-59 leadership for the planning, organization, operation, supervision,
3-60 and evaluation of the education programs, services, and facilities
3-61 of the district and for the annual performance appraisal of the
3-62 district's staff;

3-63 (2) except as provided by Section 11.202, assuming
3-64 administrative authority and responsibility for the assignment,
3-65 supervision, and evaluation of all personnel of the district other
3-66 than the superintendent;

3-67 (3) overseeing compliance with the standards for
3-68 school facilities established by the commissioner under Section
3-69 46.008;

4-1 (4) initiating the termination or suspension of an
4-2 employee or the nonrenewal of an employee's term contract;

4-3 (5) managing the day-to-day operations of the district
4-4 as its administrative manager, including implementing and
4-5 monitoring plans, procedures, programs, and systems to achieve
4-6 clearly defined and desired results in major areas of district
4-7 operations;

4-8 (6) preparing and submitting to the board of trustees
4-9 a proposed budget as provided by Section 44.002 and rules adopted
4-10 under that section, and administering the budget;

4-11 (7) preparing recommendations for policies to be
4-12 adopted by the board of trustees and overseeing the implementation
4-13 of adopted policies;

4-14 (8) developing or causing to be developed appropriate
4-15 administrative regulations to implement policies established by
4-16 the board of trustees;

4-17 (9) providing leadership for the attainment and, if
4-18 necessary, improvement of student performance in the district based
4-19 on the indicators adopted under Sections 39.053 and 39.301 [~~Section~~
4-20 ~~39.051~~] and other indicators adopted by the commissioner [~~State~~
4-21 ~~Board of Education~~] or the district's board of trustees;

4-22 (10) organizing the district's central
4-23 administration;

4-24 (11) consulting with the district-level committee as
4-25 required under Section 11.252(f);

4-26 (12) ensuring:
4-27 (A) adoption of a student code of conduct as
4-28 required under Section 37.001 and enforcement of that code of
4-29 conduct; and

4-30 (B) adoption and enforcement of other student
4-31 disciplinary rules and procedures as necessary;

4-32 (13) submitting reports as required by state or
4-33 federal law, rule, or regulation;

4-34 (14) providing joint leadership with the board of
4-35 trustees to ensure that the responsibilities of the board and
4-36 superintendent team are carried out; and

4-37 (15) performing any other duties assigned by action of
4-38 the board of trustees.

4-39 SECTION 8. Subsection (d), Section 11.203, Education Code,
4-40 is amended to read as follows:

4-41 (d) A principal who was employed as principal at [of] a
4-42 campus that failed to satisfy any standard under Section 39.054(d)
4-43 during the preceding school year [rated academically unacceptable,
4-44 as well as any person employed to replace that principal,] shall
4-45 participate in the program and complete the program requirements
4-46 not later than a date determined by the commissioner.

4-47 SECTION 9. Subsection (a), Section 11.252, Education Code,
4-48 is amended to read as follows:

4-49 (a) Each school district shall have a district improvement
4-50 plan that is developed, evaluated, and revised annually, in
4-51 accordance with district policy, by the superintendent with the
4-52 assistance of the district-level committee established under
4-53 Section 11.251. The purpose of the district improvement plan is to
4-54 guide district and campus staff in the improvement of student
4-55 performance for all student groups in order to attain state
4-56 standards in respect to the student achievement [academic
4-57 excellence] indicators adopted under Section 39.053 [39.051]. The
4-58 district improvement plan must include provisions for:

4-59 (1) a comprehensive needs assessment addressing
4-60 district student performance on the student achievement [academic
4-61 excellence] indicators, and other appropriate measures of
4-62 performance, that are disaggregated by all student groups served by
4-63 the district, including categories of ethnicity, socioeconomic
4-64 status, sex, and populations served by special programs, including
4-65 students in special education programs under Subchapter A, Chapter
4-66 29;

4-67 (2) measurable district performance objectives for
4-68 all appropriate student achievement [academic excellence]
4-69 indicators for all student populations, including students in

5-1 special education programs under Subchapter A, Chapter 29, and
5-2 other measures of student performance that may be identified
5-3 through the comprehensive needs assessment;
5-4 (3) strategies for improvement of student performance
5-5 that include:
5-6 (A) instructional methods for addressing the
5-7 needs of student groups not achieving their full potential;
5-8 (B) methods for addressing the needs of students
5-9 for special programs, such as suicide prevention, conflict
5-10 resolution, violence prevention, or dyslexia treatment programs;
5-11 (C) dropout reduction;
5-12 (D) integration of technology in instructional
5-13 and administrative programs;
5-14 (E) discipline management;
5-15 (F) staff development for professional staff of
5-16 the district;
5-17 (G) career education to assist students in
5-18 developing the knowledge, skills, and competencies necessary for a
5-19 broad range of career opportunities; and
5-20 (H) accelerated education;
5-21 (4) strategies for providing to middle school, junior
5-22 high school, and high school students, those students' teachers and
5-23 counselors, and those students' parents information about:
5-24 (A) higher education admissions and financial
5-25 aid opportunities;
5-26 (B) the TEXAS grant program and the Teach for
5-27 Texas grant program established under Chapter 56;
5-28 (C) the need for students to make informed
5-29 curriculum choices to be prepared for success beyond high school;
5-30 and
5-31 (D) sources of information on higher education
5-32 admissions and financial aid;
5-33 (5) resources needed to implement identified
5-34 strategies;
5-35 (6) staff responsible for ensuring the accomplishment
5-36 of each strategy;
5-37 (7) timelines for ongoing monitoring of the
5-38 implementation of each improvement strategy; and
5-39 (8) formative evaluation criteria for determining
5-40 periodically whether strategies are resulting in intended
5-41 improvement of student performance.

5-42 SECTION 10. Subsections (c) and (d), Section 11.253,
5-43 Education Code, are amended to read as follows:
5-44 (c) Each school year, the principal of each school campus,
5-45 with the assistance of the campus-level committee, shall develop,
5-46 review, and revise the campus improvement plan for the purpose of
5-47 improving student performance for all student populations,
5-48 including students in special education programs under Subchapter
5-49 A, Chapter 29, with respect to the student achievement [~~academic
5-50 excellence~~] indicators adopted under Section 39.053 [~~39.051~~] and
5-51 any other appropriate performance measures for special needs
5-52 populations.

5-53 (d) Each campus improvement plan must:
5-54 (1) assess the academic achievement for each student
5-55 in the school using the student achievement [~~academic excellence~~]
5-56 indicator system as described by Section 39.053 [~~39.051~~];
5-57 (2) set the campus performance objectives based on the
5-58 student achievement [~~academic excellence~~] indicator system,
5-59 including objectives for special needs populations, including
5-60 students in special education programs under Subchapter A, Chapter
5-61 29;
5-62 (3) identify how the campus goals will be met for each
5-63 student;
5-64 (4) determine the resources needed to implement the
5-65 plan;
5-66 (5) identify staff needed to implement the plan;
5-67 (6) set timelines for reaching the goals;
5-68 (7) measure progress toward the performance
5-69 objectives periodically to ensure that the plan is resulting in

6-1 academic improvement;

6-2 (8) include goals and methods for violence prevention
6-3 and intervention on campus; and

6-4 (9) provide for a program to encourage parental
6-5 involvement at the campus.

6-6 SECTION 11. Subsection (a), Section 11.255, Education Code,
6-7 is amended to read as follows:

6-8 (a) Each district-level planning and decision-making
6-9 committee and each campus-level planning and decision-making
6-10 committee for a junior, middle, or high school campus shall analyze
6-11 information related to dropout prevention, including:

6-12 (1) the results of the audit of dropout records
6-13 required by Section 39.308 [~~39.055~~];

6-14 (2) campus information related to graduation rates,
6-15 dropout rates, high school equivalency certificate rates, and the
6-16 percentage of students who remain in high school more than four
6-17 years after entering grade level 9;

6-18 (3) the number of students who enter a high school
6-19 equivalency certificate program and:

6-20 (A) do not complete the program;

6-21 (B) complete the program but do not take the high
6-22 school equivalency examination; or

6-23 (C) complete the program and take the high school
6-24 equivalency examination but do not obtain a high school equivalency
6-25 certificate;

6-26 (4) for students enrolled in grade levels 9 and 10,
6-27 information related to academic credit hours earned, retention
6-28 rates, and placements in alternative education programs and
6-29 expulsions under Chapter 37; and

6-30 (5) the results of an evaluation of each school-based
6-31 dropout prevention program in the district.

6-32 SECTION 12. Subsection (b), Section 12.013, Education Code,
6-33 is amended to read as follows:

6-34 (b) A home-rule school district is subject to:

6-35 (1) a provision of this title establishing a criminal
6-36 offense;

6-37 (2) a provision of this title relating to limitations
6-38 on liability; and

6-39 (3) a prohibition, restriction, or requirement, as
6-40 applicable, imposed by this title or a rule adopted under this
6-41 title, relating to:

6-42 (A) the Public Education Information Management
6-43 System (PEIMS) to the extent necessary to monitor compliance with
6-44 this subchapter as determined by the commissioner;

6-45 (B) educator certification under Chapter 21 and
6-46 educator rights under Sections 21.407, 21.408, and 22.001;

6-47 (C) criminal history records under Subchapter C,
6-48 Chapter 22;

6-49 (D) student admissions under Section 25.001;

6-50 (E) school attendance under Sections 25.085,
6-51 25.086, and 25.087;

6-52 (F) inter-district or inter-county transfers of
6-53 students under Subchapter B, Chapter 25;

6-54 (G) elementary class size limits under Section
6-55 25.112, in the case of any campus in the district that fails to
6-56 satisfy any standard [~~is considered academically unacceptable~~]
6-57 under Section 39.054(d) [~~39.132~~];

6-58 (H) high school graduation under Section 28.025;

6-59 (I) special education programs under Subchapter
6-60 A, Chapter 29;

6-61 (J) bilingual education under Subchapter B,
6-62 Chapter 29;

6-63 (K) prekindergarten programs under Subchapter E,
6-64 Chapter 29;

6-65 (L) safety provisions relating to the
6-66 transportation of students under Sections 34.002, 34.003, 34.004,
6-67 and 34.008;

6-68 (M) computation and distribution of state aid
6-69 under Chapters 31, 42, and 43;

7-1 (N) extracurricular activities under Section
7-2 33.081;
7-3 (O) health and safety under Chapter 38;
7-4 (P) public school accountability under
7-5 Subchapters B, C, D, E, and J [G], Chapter 39;
7-6 (Q) equalized wealth under Chapter 41;
7-7 (R) a bond or other obligation or tax rate under
7-8 Chapters 42, 43, and 45; and
7-9 (S) purchasing under Chapter 44.

7-10 SECTION 13. Subsection (b), Section 12.056, Education Code,
7-11 is amended to read as follows:
7-12 (b) A campus or program for which a charter is granted under
7-13 this subchapter is subject to:
7-14 (1) a provision of this title establishing a criminal
7-15 offense; and
7-16 (2) a prohibition, restriction, or requirement, as
7-17 applicable, imposed by this title or a rule adopted under this
7-18 title, relating to:
7-19 (A) the Public Education Information Management
7-20 System (PEIMS) to the extent necessary to monitor compliance with
7-21 this subchapter as determined by the commissioner;
7-22 (B) criminal history records under Subchapter C,
7-23 Chapter 22;
7-24 (C) high school graduation under Section 28.025;
7-25 (D) special education programs under Subchapter
7-26 A, Chapter 29;
7-27 (E) bilingual education under Subchapter B,
7-28 Chapter 29;
7-29 (F) prekindergarten programs under Subchapter E,
7-30 Chapter 29;
7-31 (G) extracurricular activities under Section
7-32 33.081;
7-33 (H) health and safety under Chapter 38; and
7-34 (I) public school accountability under
7-35 Subchapters B, C, E [D], and J [G], Chapter 39.

7-36 SECTION 14. Subdivision (5), Section 12.1012, Education
7-37 Code, is amended to read as follows:
7-38 (5) "Management services" means services related to
7-39 the management or operation of an open-enrollment charter school,
7-40 including:
7-41 (A) planning, operating, supervising, and
7-42 evaluating the school's educational programs, services, and
7-43 facilities;
7-44 (B) making recommendations to the governing body
7-45 of the school relating to the selection of school personnel;
7-46 (C) managing the school's day-to-day operations
7-47 as its administrative manager;
7-48 (D) preparing and submitting to the governing
7-49 body of the school a proposed budget;
7-50 (E) recommending policies to be adopted by the
7-51 governing body of the school, developing appropriate procedures to
7-52 implement policies adopted by the governing body of the school, and
7-53 overseeing the implementation of adopted policies; and
7-54 (F) providing leadership for the attainment of
7-55 student performance at the school based on the indicators adopted
7-56 under Sections 39.053 and 39.301 [~~Section 39.051~~] or by the
7-57 governing body of the school.

7-58 SECTION 15. Subsection (b), Section 12.104, Education Code,
7-59 is amended to read as follows:
7-60 (b) An open-enrollment charter school is subject to:
7-61 (1) a provision of this title establishing a criminal
7-62 offense; and
7-63 (2) a prohibition, restriction, or requirement, as
7-64 applicable, imposed by this title or a rule adopted under this
7-65 title, relating to:
7-66 (A) the Public Education Information Management
7-67 System (PEIMS) to the extent necessary to monitor compliance with
7-68 this subchapter as determined by the commissioner;
7-69 (B) criminal history records under Subchapter C,

8-1 Chapter 22;

8-2 (C) reading instruments and accelerated reading

8-3 instruction programs under Section 28.006;

8-4 (D) ~~[satisfactory performance on assessment~~

8-5 ~~instruments and to]~~ accelerated instruction under Section 28.0211;

8-6 (E) high school graduation requirements under

8-7 Section 28.025;

8-8 (F) special education programs under Subchapter

8-9 A, Chapter 29;

8-10 (G) bilingual education under Subchapter B,

8-11 Chapter 29;

8-12 (H) prekindergarten programs under Subchapter E,

8-13 Chapter 29;

8-14 (I) extracurricular activities under Section

8-15 33.081;

8-16 (J) discipline management practices or behavior

8-17 management techniques under Section 37.0021;

8-18 (K) health and safety under Chapter 38;

8-19 (L) public school accountability under

8-20 Subchapters B, C, D, E, and J ~~[G]~~, Chapter 39;

8-21 (M) ~~the requirement~~ under Section 21.006 to

8-22 report an educator's misconduct; and

8-23 (N) intensive programs of instruction under

8-24 Section 28.0213.

8-25 SECTION 16. Subsection (a), Section 12.1054, Education

8-26 Code, is amended to read as follows:

8-27 (a) A member of the governing body of a charter holder, a

8-28 member of the governing body of an open-enrollment charter school,

8-29 or an officer of an open-enrollment charter school is considered to

8-30 be a local public official for purposes of Chapter 171, Local

8-31 Government Code. For purposes of that chapter:

8-32 (1) a member of the governing body of a charter holder

8-33 or a member of the governing body or officer of an open-enrollment

8-34 charter school is considered to have a substantial interest in a

8-35 business entity if a person related to the member or officer in the

8-36 third degree by consanguinity or affinity, as determined under

8-37 Chapter 573, Government Code, has a substantial interest in the

8-38 business entity under Section 171.002, Local Government Code;

8-39 (2) notwithstanding any provision of Subdivision (1)

8-40 ~~[Section 12.1054(1)]~~, an employee of an open-enrollment charter

8-41 school that satisfies all performance standards ~~[rated as~~

8-42 ~~academically acceptable or higher]~~ under Section 39.054(d)

8-43 ~~[Chapter 39]~~ for at least two of the preceding three school years

8-44 may serve as a member of the governing body of the charter holder of

8-45 the governing body of the school if the employees do not constitute

8-46 a quorum of the governing body or any committee of the governing

8-47 body; however, all members shall comply with the requirements of

8-48 Sections 171.003-171.007, Local Government Code.

8-49 SECTION 17. Subsection (b), Section 12.1055, Education

8-50 Code, is amended to read as follows:

8-51 (b) Notwithstanding Subsection (a), if an open-enrollment

8-52 charter school satisfies all performance standards ~~[is rated~~

8-53 ~~academically acceptable or higher]~~ under Section 39.054(d)

8-54 ~~[Chapter 39]~~ for at least two of the preceding three school years,

8-55 then Chapter 573, Government Code, does not apply to that school;

8-56 however, a member of the governing body of a charter holder or a

8-57 member of the governing body or officer of an open-enrollment

8-58 charter school shall comply with the requirements of Sections

8-59 171.003-171.007, Local Government Code, with respect to a personnel

8-60 matter concerning a person related to the member or officer within

8-61 the degree specified by Section 573.002, Government Code, as if the

8-62 personnel matter were a transaction with a business entity subject

8-63 to those sections, and persons defined under Sections

8-64 573.021-573.025, Government Code, shall not constitute a quorum of

8-65 the governing body or any committee of the governing body.

8-66 SECTION 18. Subsection (a), Section 12.1162, Education

8-67 Code, is amended to read as follows:

8-68 (a) The commissioner shall take any of the actions described

8-69 by Subsection (b) or by Section 39.101(a) ~~[39.131(a)]~~, to the

9-1 extent the commissioner determines necessary, if an
 9-2 open-enrollment charter school, as determined by a report issued
 9-3 under Section 39.058(b) [~~39.076(b)~~]:

9-4 (1) commits a material violation of the school's
 9-5 charter;

9-6 (2) fails to satisfy generally accepted accounting
 9-7 standards of fiscal management; or

9-8 (3) fails to comply with this subchapter or another
 9-9 applicable rule or law.

9-10 SECTION 19. Subsection (a), Section 18.006, Education Code,
 9-11 is amended to read as follows:

9-12 (a) The commissioner shall develop and implement a system of
 9-13 accountability consistent with Chapter 39, where appropriate, to be
 9-14 used in assigning an annual performance rating to Job Corps diploma
 9-15 programs comparable to the ratings assigned to school districts
 9-16 under Section 39.054 [~~39.072~~].

9-17 SECTION 20. Subsection (e), Section 21.354, Education Code,
 9-18 is amended to read as follows:

9-19 (e) The appraisal of a principal shall include
 9-20 consideration of the performance of a principal's campus on the
 9-21 student achievement indicators established under Section 39.053
 9-22 [~~39.051~~] and the campus's objectives established under Section
 9-23 11.253, including performance gains of the campus and the
 9-24 maintenance of those gains.

9-25 SECTION 21. Subsection (c), Section 21.357, Education Code,
 9-26 is amended to read as follows:

9-27 (c) A performance incentive awarded to a principal under
 9-28 this section must be distributed to the principal's school and used
 9-29 in the manner determined by the campus-level committee established
 9-30 under Section 11.253 in accordance with the requirements of Section
 9-31 39.264(a) [~~39.094(a)~~].

9-32 SECTION 22. Subsection (b), Section 21.4541, Education
 9-33 Code, is amended to read as follows:

9-34 (b) A school district or campus is eligible to participate
 9-35 in the pilot program under this section if the district or campus
 9-36 meets the eligibility criteria established as provided by Section
 9-37 39.408 [~~39.358~~].

9-38 SECTION 23. Subsection (c), Section 21.4551, Education
 9-39 Code, is amended to read as follows:

9-40 (c) The commissioner by rule shall require a teacher to
 9-41 attend a reading academy if the teacher provides instruction in
 9-42 reading, mathematics, science, or social studies to students at the
 9-43 sixth, seventh, or eighth grade level at a campus that fails to
 9-44 satisfy any standard [~~is considered academically unacceptable~~]
 9-45 under Section 39.054(d) [~~39.132~~] on the basis of student
 9-46 performance on the reading assessment instrument administered
 9-47 under Section 39.023(a) to students in any grade level at the
 9-48 campus.

9-49 SECTION 24. Section 28.002, Education Code, is amended by
 9-50 adding Subsections (c-1), (c-2), and (c-3) to read as follows:

9-51 (c-1) The State Board of Education may adopt rules to allow
 9-52 courses offered in the foundation curriculum or the enrichment
 9-53 curriculum to simultaneously satisfy, to the extent practicable,
 9-54 more than one required credit for the minimum, recommended, or
 9-55 advanced high school program in which the student is participating.

9-56 (c-2) The State Board of Education shall adopt rules to
 9-57 authorize each school district to implement a program under which
 9-58 students in middle or junior high school may earn credits toward
 9-59 high school graduation in middle or junior high school for any
 9-60 course determined by board rule to qualify as a high school
 9-61 equivalent course.

9-62 (c-3) The State Board of Education shall adopt rules
 9-63 requiring students enrolled in grade levels six, seven, and eight
 9-64 to complete a fine arts course for at least four semesters during
 9-65 those grade levels as part of a district's fine arts curriculum.

9-66 SECTION 25. Subsection (j), Section 28.006, Education Code,
 9-67 is amended to read as follows:

9-68 (j) No more than 15 percent of the funds certified by the
 9-69 commissioner under Subsection (i) may be spent on indirect

10-1 costs. The commissioner shall evaluate the programs that fail to
 10-2 meet the standard of performance under Section 39.301(c)(4)
 10-3 [~~39.051(b)(8)~~] and may implement sanctions under Subchapter E [~~G~~],
 10-4 Chapter 39. The commissioner may audit the expenditures of funds
 10-5 appropriated for purposes of this section. The use of the funds
 10-6 appropriated for purposes of this section shall be verified as part
 10-7 of the district audit under Section 44.008.

10-8 SECTION 26. Subsection (d), Section 28.014, Education Code,
 10-9 is amended to read as follows:

10-10 (d) The agency, in coordination with the Texas Higher
 10-11 Education Coordinating Board, shall adopt a series of questions to
 10-12 be included in an end-of-course assessment instrument administered
 10-13 under Subsection (c) to be used for purposes of Section
 10-14 51.3062. The questions must be developed in a manner consistent
 10-15 with any college readiness standards adopted under Sections 39.233
 10-16 [~~39.113~~] and 51.3062. A student's performance on a question
 10-17 adopted under this subsection may not be used to determine the
 10-18 student's performance on an end-of-course assessment instrument.

10-19 SECTION 27. The heading to Section 28.0211, Education Code,
 10-20 is amended to read as follows:

10-21 Sec. 28.0211. STUDENT ADVANCEMENT DETERMINATION;
 10-22 [~~SATISFACTORY~~] PERFORMANCE ON ASSESSMENT INSTRUMENTS [~~REQUIRED~~];
 10-23 ACCELERATED INSTRUCTION.

10-24 SECTION 28. Section 28.0211, Education Code, is amended by
 10-25 amending Subsections (a), (b), (c), (d), (e), (f), (g), (i), and (k)
 10-26 and adding Subsections (c-1), (d-1), (d-2), and (d-3) to read as
 10-27 follows:

10-28 (a) Not later than the first day of the school year, a school
 10-29 district shall determine the requirements for student advancement
 10-30 from one grade level to the next. In determining whether a student
 10-31 may be promoted to the next grade level, the district shall
 10-32 consider:

10-33 (1) the recommendation of the student's teacher;
 10-34 (2) the student's grade in each subject or course;
 10-35 (3) the student's score on an assessment instrument
 10-36 administered under Section 39.023(a), (b), or (l); and
 10-37 (4) any other necessary information, as determined by
 10-38 the district [~~Except as provided by Subsection (b) or (c), a student~~
 10-39 ~~may not be promoted to:~~

10-40 [~~(1) the fourth grade program to which the student~~
 10-41 ~~would otherwise be assigned if the student does not perform~~
 10-42 ~~satisfactorily on the third grade reading assessment instrument~~
 10-43 ~~under Section 39.023;~~

10-44 [~~(2) the sixth grade program to which the student~~
 10-45 ~~would otherwise be assigned if the student does not perform~~
 10-46 ~~satisfactorily on the fifth grade mathematics and reading~~
 10-47 ~~assessment instruments under Section 39.023; or~~

10-48 [~~(3) the ninth grade program to which the student~~
 10-49 ~~would otherwise be assigned if the student does not perform~~
 10-50 ~~satisfactorily on the eighth grade mathematics and reading~~
 10-51 ~~assessment instruments under Section 39.023].~~

10-52 (b) A school district shall provide to a student who
 10-53 initially fails to perform satisfactorily on the third grade
 10-54 reading assessment instrument, the fifth grade mathematics and
 10-55 reading assessment instruments, or the eighth grade mathematics and
 10-56 reading assessment instruments under Section 39.023 an [~~assessment~~
 10-57 ~~instrument specified under Subsection (a) at least two]~~ additional
 10-58 opportunity [~~opportunities~~] to take the assessment instrument. [~~A~~
 10-59 ~~school district may administer an alternate assessment instrument~~
 10-60 ~~to a student who has failed an assessment instrument specified~~
 10-61 ~~under Subsection (a) on the previous two opportunities.~~
 10-62 ~~Notwithstanding any other provision of this section, a student may~~
 10-63 ~~be promoted if the student performs at grade level on an alternate~~
 10-64 ~~assessment instrument under this subsection that is appropriate for~~
 10-65 ~~the student's grade level and approved by the commissioner.]~~

10-66 (c) If [~~Each time~~] a student fails to perform satisfactorily
 10-67 on a mathematics or reading [~~an~~] assessment instrument administered
 10-68 specified under Section 39.023(a), (b), or (l) in the third,
 10-69 fifth, or eighth grade [~~Subsection (a)~~], the school district in

11-1 which the student attends school shall provide to the student
 11-2 accelerated instruction in the applicable subject area. If a
 11-3 student in a third, fifth, or eighth grade program fails to meet the
 11-4 requirements for student advancement from one grade level to the
 11-5 next as determined by a school district under Subsection (a), the
 11-6 district shall establish ~~[, including reading instruction for a~~
 11-7 ~~student who fails to perform satisfactorily on a reading assessment~~
 11-8 ~~instrument. After a student fails to perform satisfactorily on an~~
 11-9 ~~assessment instrument a second time,]~~ a grade placement committee
 11-10 ~~[shall be established]~~ to prescribe the accelerated instruction the
 11-11 district shall provide to the student. If a student in a program
 11-12 other than a third, fifth, or eighth grade program fails to meet the
 11-13 requirements for student advancement from one grade level to the
 11-14 next as determined by a school district under Subsection (a), the
 11-15 district may establish a grade placement committee to prescribe the
 11-16 accelerated instruction the district shall provide to the student
 11-17 ~~[before the student is administered the assessment instrument the~~
 11-18 ~~third time].~~ The grade placement committee shall be composed of the
 11-19 principal or the principal's designee, the student's parent or
 11-20 guardian, and the teacher of the subject of an assessment
 11-21 instrument on which the student failed to perform satisfactorily.
 11-22 The district shall notify the parent or guardian of the time and
 11-23 place for convening the grade placement committee and the purpose
 11-24 of the committee. The accelerated instruction program provided
 11-25 under this subsection must be systematic and may not be based solely
 11-26 on assessment instrument practice skills and:

11-27 (1) for a student in a third, fifth, or eighth grade
 11-28 program:

11-29 (A) must provide for instruction in the
 11-30 applicable subject area;

11-31 (B) must be approved by the student's parent or
 11-32 guardian and the district; and

11-33 (C) ~~[An accelerated instruction group~~
 11-34 ~~administered by a school district under this section]~~ may not have a
 11-35 ratio of more than 10 students for each teacher in an accelerated
 11-36 instruction group; or

11-37 (2) for a student in a program other than a third,
 11-38 fifth, or eighth grade program, be made available to the student in
 11-39 the next grade level.

11-40 (c-1) A school district shall implement an accelerated
 11-41 instruction program under Subsection (c) not later than the 30th
 11-42 day after the first day of school of the next school year.
 11-43 Accelerated instruction may occur outside of regular school hours,
 11-44 including during summer school.

11-45 (d) In addition to providing accelerated instruction to a
 11-46 student under Subsection (c), the school district shall notify the
 11-47 student's parent or guardian of:

11-48 (1) the information collected under Subsection (a),
 11-49 including if applicable, the student's failure to perform
 11-50 satisfactorily on the assessment instrument;

11-51 (2) the accelerated instruction program to which the
 11-52 student is assigned; ~~and]~~

11-53 (3) the possibility that the student might be retained
 11-54 at the same grade level for the next school year;

11-55 (4) the areas requiring improvement for the student to
 11-56 meet the requirements for advancement from one grade level to the
 11-57 next as determined by the district under Subsection (a); and

11-58 (5) any other applicable information as determined by
 11-59 the district.

11-60 (d-1) A school district shall make information provided to a
 11-61 parent or guardian under Subsections (d)(1), (4), and (5) available
 11-62 to the student's current teacher and the student's teacher in the
 11-63 next grade level.

11-64 (d-2) The grade placement committee shall make a
 11-65 determination that the student who failed to meet the requirements
 11-66 for student advancement from one grade level to the next determined
 11-67 by a school district under Subsection (a) be:

11-68 (1) retained at the same grade level for the next
 11-69 school year; or

12-1 (2) placed in the next grade level with accelerated
 12-2 instruction as provided under Subsection (c).

12-3 (d-3) A student who fails to participate in an accelerated
 12-4 instruction program developed under Subsection (c)(1) may not be
 12-5 promoted to the next grade level program to which the student would
 12-6 otherwise be assigned if the student does not perform
 12-7 satisfactorily on the applicable assessment instrument specified
 12-8 under Subsection (b).

12-9 (e) A [student who, after at least three attempts, fails to
 12-10 perform satisfactorily on an assessment instrument specified under
 12-11 Subsection (a) shall be retained at the same grade level for the
 12-12 next school year in accordance with Subsection (a). The] student's
 12-13 parent or guardian may [appeal the student's retention by
 12-14 submitting a] request that [to] the grade placement committee
 12-15 reconsider the committee's decision under Subsection (d-2) to
 12-16 retain the student [established under Subsection (c)]. The school
 12-17 district shall give the parent or guardian written notice of the
 12-18 opportunity to request reconsideration [appeal. The grade
 12-19 placement committee may decide in favor of a student's promotion
 12-20 only if the committee concludes, using standards adopted by the
 12-21 board of trustees, that if promoted and given accelerated
 12-22 instruction, the student is likely to perform at grade level]. A
 12-23 student may not be promoted on the basis of the grade placement
 12-24 committee's decision under this subsection unless that decision is
 12-25 unanimous. The commissioner by rule shall establish a time line for
 12-26 making the placement determination. This subsection does not
 12-27 create a property interest in promotion. The decision of the grade
 12-28 placement committee under this subsection is final and may not be
 12-29 appealed.

12-30 (f) An accelerated instruction program under Subsection (c)
 12-31 [A school district shall provide to a student who, after three
 12-32 attempts, has failed to perform satisfactorily on an assessment
 12-33 instrument specified under Subsection (a) accelerated instruction
 12-34 during the next school year as prescribed by an educational plan
 12-35 developed for the student by the student's grade placement
 12-36 committee established under Subsection (c). The district shall
 12-37 provide that accelerated instruction regardless of whether the
 12-38 student has been promoted or retained. The educational plan] must
 12-39 be designed to enable the student to perform at the appropriate
 12-40 grade level by the conclusion of the school year. During the school
 12-41 year, the student shall be monitored to ensure that the student is
 12-42 progressing in accordance with the program [plan]. The district
 12-43 shall administer to the student the assessment instrument for the
 12-44 grade level in which the student is placed at the time the district
 12-45 regularly administers the assessment instruments for that school
 12-46 year.

12-47 (g) This section does not preclude the retention at a grade
 12-48 level, in accordance with state law or school district policy, of a
 12-49 student who performs satisfactorily on an assessment instrument
 12-50 administered [specified] under Section 39.023 [Subsection (a)].

12-51 (i) The admission, review, and dismissal committee of a
 12-52 student who participates in a district's special education program
 12-53 under Subchapter B, Chapter 29, and who does not perform
 12-54 satisfactorily on a mathematics or reading [an] assessment
 12-55 instrument [specified under Subsection (a) and] administered under
 12-56 Section 39.023(a) or (b) shall determine:

12-57 (1) the manner in which the student will participate
 12-58 in an accelerated instruction program under this section; and

12-59 (2) whether the student will be promoted or retained
 12-60 under this section.

12-61 (k) The commissioner shall adopt rules as necessary to
 12-62 implement this section, including rules concerning when school
 12-63 districts shall administer assessment instruments required under
 12-64 this section and which administration of the assessment instruments
 12-65 will be used for purposes of Section 39.053 [39.051].

12-66 SECTION 29. Subchapter B, Chapter 28, Education Code, is
 12-67 amended by adding Section 28.0216 to read as follows:

12-68 Sec. 28.0216. DISTRICT GRADING POLICY. A school district
 12-69 shall adopt a grading policy, including provisions for the

13-1 assignment of grades on class assignments and examinations, before
 13-2 each school year. A district grading policy:

13-3 (1) must require a classroom teacher to assign a grade
 13-4 that reflects the student's relative mastery of an assignment; and

13-5 (2) may not require a classroom teacher to assign a
 13-6 minimum grade for an assignment without regard to the student's
 13-7 quality of work.

13-8 SECTION 30. Section 28.025, Education Code, is amended by
 13-9 amending Subsections (a), (b), and (b-1) and adding Subsections
 13-10 (b-3), (b-4), and (b-5) to read as follows:

13-11 (a) The State Board of Education by rule shall determine
 13-12 curriculum requirements for the minimum, recommended, and advanced
 13-13 high school programs that are consistent with the required
 13-14 curriculum under Section 28.002. Subject to Subsection (b-1), the
 13-15 State Board of Education shall designate the specific courses in
 13-16 the foundation curriculum required for a student participating in
 13-17 the minimum, recommended, or advanced high school program. Except
 13-18 as provided by Subsection (b-1), the State Board of Education may
 13-19 not designate a specific course or a specific number of credits
 13-20 required for a subject in the enrichment curriculum. This
 13-21 subsection does not prohibit the State Board of Education from
 13-22 designating the total number of credits required under the
 13-23 enrichment curriculum for a student participating in the minimum,
 13-24 recommended, or advanced high school program.

13-25 (b) A school district shall ensure that each student enrolls
 13-26 in the courses necessary to complete the curriculum requirements
 13-27 identified by the State Board of Education under Subsection (a) for
 13-28 the recommended or advanced high school program unless the student,
 13-29 the student's parent or other person standing in parental relation
 13-30 to the student, and a school counselor or school administrator
 13-31 agree that the student should be permitted to take courses under the
 13-32 minimum high school program and the student:

13-33 (1) is at least 16 years of age;

13-34 (2) has completed two credits required for graduation
 13-35 in each subject of the foundation curriculum under Section
 13-36 28.002(a)(1); or

13-37 (3) has failed to be promoted to the tenth grade one or
 13-38 more times as determined by the school district.

13-39 (b-1) The State Board of Education by rule shall require
 13-40 that:

13-41 (1) except as provided by Subsection (b-2), the
 13-42 curriculum requirements for the recommended and advanced high
 13-43 school programs under Subsection (a) include a requirement that
 13-44 students successfully complete:

13-45 (A) four credits [~~courses~~] in each subject of the
 13-46 foundation curriculum under Section 28.002(a)(1), including at
 13-47 least one-half credit in government and at least one-half credit in
 13-48 economics to meet the social studies requirement;

13-49 (B) for the recommended high school program, two
 13-50 credits in the same language in a language other than English under
 13-51 Section 28.002(a)(2)(A) and, for the advanced high school program,
 13-52 three credits in the same language in a language other than English
 13-53 under Section 28.002(a)(2)(A); and

13-54 (C) eight elective credits; and

13-55 (2) one or more credits [~~courses~~] offered in the
 13-56 required curriculum for the recommended and advanced high school
 13-57 programs include a research writing component.

13-58 (b-3) In adopting rules to provide students with the option
 13-59 described by Subsection (b-1)(1), the State Board of Education must
 13-60 approve a variety of mathematics and science courses that may be
 13-61 taken by a student after completion of Algebra II and physics to
 13-62 comply with the recommended program requirements. A course
 13-63 approved under this subsection must contain substantively similar
 13-64 and rigorous academic content as a course approved under Subsection
 13-65 (b-2).

13-66 (b-4) Before a student's parent or other person standing in
 13-67 parental relation to the student may agree that the student be
 13-68 permitted to take courses under the minimum high school program as
 13-69 provided by Subsection (b), a school district must provide written

14-1 notice to the parent or person standing in parental relation
 14-2 explaining the benefits of the recommended high school program.
 14-3 The notice shall be developed by the agency and must:

14-4 (1) be printed in English and Spanish; and
 14-5 (2) require that the student's parent or person
 14-6 standing in parental relation to the student sign a confirmation of
 14-7 receipt and return the confirmation to the student's campus.

14-8 (b-5) Notwithstanding Section 5.09, Chapter 5 (H.B. 1),
 14-9 79th Legislature, 3rd Called Session, 2006, the curriculum
 14-10 requirements for the recommended and advanced high school programs
 14-11 under Subsection (b-1) apply to students entering the ninth grade
 14-12 beginning with the 2011-2012 school year. This subsection expires
 14-13 September 1, 2015.

14-14 SECTION 31. Subsection (b), Section 28.0252, Education
 14-15 Code, is amended to read as follows:

14-16 (b) If the commissioner develops a standard method under
 14-17 this section, a school district shall use the standard method to
 14-18 compute a student's high school grade point average[, ~~except that~~
 14-19 ~~to the extent of a conflict between that method and the method~~
 14-20 ~~adopted under Section 51.807, the student's grade point average~~
 14-21 ~~computed in accordance with the method established under Section~~
 14-22 ~~51.807 shall be used in determining the student's eligibility for~~
 14-23 ~~university admission under Subchapter U, Chapter 51].~~

14-24 SECTION 32. Subsection (a), Section 29.062, Education Code,
 14-25 is amended to read as follows:

14-26 (a) The legislature recognizes that compliance with this
 14-27 subchapter is an imperative public necessity. Therefore, in
 14-28 accordance with the policy of the state, the agency shall evaluate
 14-29 the effectiveness of programs under this subchapter based on the
 14-30 student achievement [academic excellence] indicators adopted under
 14-31 Section 39.053 [39.051(a)], including the results of assessment
 14-32 instruments. The agency may combine evaluations under this section
 14-33 with federal accountability measures concerning students of
 14-34 limited English proficiency.

14-35 SECTION 33. Subsection (c), Section 29.094, Education Code,
 14-36 is amended to read as follows:

14-37 (c) A campus may apply to the commissioner to participate in
 14-38 the pilot program. The commissioner may select for participation
 14-39 in the pilot program only campuses that have failed to improve
 14-40 student performance in reading according to standards established
 14-41 by the commissioner. The standards established by the commissioner
 14-42 for purposes of this subsection must be based on reading
 14-43 performance standards considered [~~required~~] for student promotion
 14-44 under Section 28.0211.

14-45 SECTION 34. Subdivision (1), Subsection (a), Section
 14-46 29.095, Education Code, as added by Chapter 1058 (H.B. 2237), Acts
 14-47 of the 80th Legislature, Regular Session, 2007, is amended to read
 14-48 as follows:

14-49 (1) "Council" means the High School Completion and
 14-50 Success Initiative Council established under Subchapter M [~~L~~],
 14-51 Chapter 39.

14-52 SECTION 35. Subsection (c), Section 29.095, Education Code,
 14-53 as added by Chapter 1058 (H.B. 2237), Acts of the 80th Legislature,
 14-54 Regular Session, 2007, is amended to read as follows:

14-55 (c) The commissioner may award a grant in an amount not to
 14-56 exceed \$5,000 in a school year to a school district on behalf of a
 14-57 student club at a district high school campus that is eligible under
 14-58 the criteria established under Section 39.408 [~~39.358~~]. To be
 14-59 eligible for a grant, the student club and the club's sponsor must
 14-60 be sanctioned by the campus and district. A grant awarded under
 14-61 this program must be matched by other federal, state, or local
 14-62 funds, including donations, in an amount equal to the amount of the
 14-63 grant. A district shall seek donations or sponsorships from local
 14-64 businesses or community organizations to raise the matching funds.
 14-65 The commissioner may award a grant on behalf of more than one
 14-66 student club at a campus in the same school year.

14-67 SECTION 36. Subsections (a) and (c), Section 29.096,
 14-68 Education Code, are amended to read as follows:

14-69 (a) In this section, "council" means the High School

15-1 Completion and Success Initiative Council established under
15-2 Subchapter M [~~L~~], Chapter 39.

15-3 (c) A school district or open-enrollment charter school is
15-4 eligible to participate and receive a grant under this section
15-5 under the eligibility criteria established under Section 39.408
15-6 [~~39.358~~].

15-7 SECTION 37. Subdivision (1), Subsection (a), Section
15-8 29.097, Education Code, is amended to read as follows:

15-9 (1) "Council" means the High School Completion and
15-10 Success Initiative Council established under Subchapter M [~~L~~],
15-11 Chapter 39.

15-12 SECTION 38. Subsection (c), Section 29.097, Education Code,
15-13 is amended to read as follows:

15-14 (c) The commissioner may select for participation in the
15-15 pilot program only a campus that is eligible under the criteria
15-16 established under Section 39.408 [~~39.358~~].

15-17 SECTION 39. Subsection (c), Section 29.098, Education Code,
15-18 is amended to read as follows:

15-19 (c) The commissioner of education may select for
15-20 participation in the pilot program only a campus that is eligible
15-21 under the criteria established under Section 39.408 [~~39.358~~].

15-22 SECTION 40. Subsection (a), Section 29.202, Education Code,
15-23 is amended to read as follows:

15-24 (a) A student is eligible to receive a public education
15-25 grant or to attend another public school in the district in which
15-26 the student resides under this subchapter if the student is
15-27 assigned to attend a public school campus:

15-28 (1) at which 50 percent or more of the students did not
15-29 perform satisfactorily on an assessment instrument administered
15-30 under Section 39.023(a) or (c) in any two of the preceding three
15-31 years; or

15-32 (2) that ~~was~~, at any time in the preceding three
15-33 years, ~~failed to satisfy any standard [considered academically~~
15-34 ~~unacceptable]~~ under Section 39.054(d) [~~39.132~~].

15-35 SECTION 41. Subsection (d), Section 29.904, Education Code,
15-36 is amended to read as follows:

15-37 (d) A plan developed under this section:

15-38 (1) must establish clear, achievable goals for
15-39 increasing the percentage of the school district's graduating
15-40 seniors, particularly the graduating seniors attending a high
15-41 school described by Subsection (a), who enroll in an institution of
15-42 higher education for the academic year following graduation;

15-43 (2) must establish an accurate method of measuring
15-44 progress toward the goals established under Subdivision (1) that
15-45 may include the percentage of district high school students and the
15-46 percentage of students attending a district high school described
15-47 by Subsection (a) who:

15-48 (A) are enrolled in a course for which a student
15-49 may earn college credit, such as an advanced placement or
15-50 international baccalaureate course or a course offered through
15-51 concurrent enrollment in high school and at an institution of
15-52 higher education;

15-53 (B) are enrolled in courses that meet the
15-54 curriculum requirements for the recommended or advanced high school
15-55 program as determined under Section 28.025;

15-56 (C) have submitted a free application for federal
15-57 student aid (FAFSA);

15-58 (D) are exempt under Section 51.3062(p) or (q)
15-59 [~~51.306(1) or (m)~~] from administration of an assessment [~~a test~~]
15-60 instrument under Section 51.3062 [~~51.306~~] or have performed
15-61 successfully on an assessment [~~a test~~] instrument under Section
15-62 51.3062 [~~51.306~~];

15-63 (E) graduate from high school;

15-64 (F) graduate from an institution of higher
15-65 education; and

15-66 (G) have taken college entrance examinations and
15-67 the average score of those students on the examinations;

15-68 (3) must cover a period of at least five years; and

15-69 (4) may be directed at district students at any level

16-1 of primary or secondary education.

16-2 SECTION 42. Subsection (e), Section 29.906, Education Code,
16-3 is amended to read as follows:

16-4 (e) The agency shall:

16-5 (1) maintain a list of character education programs
16-6 that school districts have implemented that meet the criteria under
16-7 Subsection (b);

16-8 (2) based on data reported by districts, annually
16-9 designate as a Character Plus School each school that provides a
16-10 character education program that:

16-11 (A) meets the criteria prescribed by Subsection
16-12 (b); and

16-13 (B) is approved by the committee selected under
16-14 Subsection (c); and

16-15 (3) include in the report required under Section
16-16 39.332 [~~39.182~~]:

16-17 (A) based on data reported by districts, the
16-18 impact of character education programs on student discipline and
16-19 academic achievement; and

16-20 (B) other reported data relating to character
16-21 education programs the agency considers appropriate for inclusion.

16-22 SECTION 43. Subsections (a) and (c), Section 29.918,
16-23 Education Code, are amended to read as follows:

16-24 (a) Notwithstanding Section 39.234 [~~39.114~~] or 42.152, a
16-25 school district or open-enrollment charter school with a high
16-26 dropout rate, as determined by the commissioner, must submit a plan
16-27 to the commissioner describing the manner in which the district or
16-28 charter school intends to use the compensatory education allotment
16-29 under Section 42.152 and the high school allotment under Section
16-30 42.2516(b)(3) for developing and implementing research-based
16-31 strategies for dropout prevention. The district or charter school
16-32 shall submit the plan not later than December 1 of each school year
16-33 preceding the school year in which the district or charter school
16-34 will receive the compensatory education allotment or high school
16-35 allotment to which the plan applies.

16-36 (c) The commissioner shall adopt rules to administer this
16-37 section. The commissioner may impose interventions or sanctions
16-38 under Section 39.101 [~~39.134~~] or 39.103 [~~39.1321~~] if a school
16-39 district or open-enrollment charter school fails to timely comply
16-40 with this section.

16-41 SECTION 44. Section 30A.101, Education Code, is amended to
16-42 read as follows:

16-43 Sec. 30A.101. ELIGIBILITY TO ACT AS PROVIDER SCHOOL
16-44 DISTRICT OR SCHOOL. (a) A school district is eligible to act as a
16-45 provider school district under this chapter only if the district is
16-46 rated accredited [~~academically acceptable or higher~~] under Section
16-47 39.052 [~~39.072~~].

16-48 (b) An open-enrollment charter school is eligible to act as
16-49 a provider school under this chapter only if the school satisfies
16-50 all performance standards [~~is rated recognized or higher~~] under
16-51 Section 39.054(d) [~~39.072~~], and may serve as a provider school
16-52 only:

16-53 (1) to a student within the school district in which
16-54 the school is located or within its service area, whichever is
16-55 smaller; or

16-56 (2) to another student in the state through an
16-57 agreement with the administering authority under Section 30A.153.

16-58 SECTION 45. Subsection (a), Section 32.157, Education Code,
16-59 is amended to read as follows:

16-60 (a) After the expiration of the pilot project, the agency
16-61 may review the pilot project based on the annual reports the agency
16-62 receives from the board of trustees of participating school
16-63 districts. The agency may include the review of the pilot project
16-64 in the comprehensive annual report required under Section 39.332
16-65 [~~39.182~~] that covers the 2010-2011 school year.

16-66 SECTION 46. Subsection (b), Section 32.252, Education Code,
16-67 is amended to read as follows:

16-68 (b) The portal must serve as a single point of access to
16-69 educational resources other than student assessment data

17-1 accessible through the student assessment data portal under Section
 17-2 32.258. In addition to any other purpose specified by this
 17-3 subchapter or any other educational purpose, the portal may be used
 17-4 to:

17-5 (1) alleviate inequities in access to educational
 17-6 resources by providing access to on-line courses;

17-7 (2) improve student academic performance by providing
 17-8 access to tutorial materials, instructional materials that have
 17-9 been shown to improve academic performance, and other interactive
 17-10 materials, including materials that assess an individual student's
 17-11 knowledge and prepare the student for the administration of a
 17-12 standardized assessment instrument, including an assessment
 17-13 instrument administered under Section 39.023;

17-14 (3) provide school districts with access to
 17-15 administrative software and other electronic tools designed to
 17-16 promote administrative efficiency and intra-district
 17-17 communication; or

17-18 (4) ~~provide secure access to student assessment data,~~
 17-19 ~~or~~

17-20 ~~provide links to appropriate educational~~
 17-21 ~~resources and experts available through the Internet.~~

17-22 SECTION 47. Section 32.258, Education Code, is amended to
 17-23 read as follows:

17-24 Sec. 32.258. STUDENT ASSESSMENT DATA; DATA PORTAL.

17-25 (a) The agency shall establish and maintain a student assessment
 17-26 data portal for use by school districts, teachers, parents,
 17-27 students, and public institutions of higher education. The
 17-28 agency shall ~~may~~ establish a secure, interoperable system to be
 17-29 implemented through the portal under which:

17-30 (1) a student or the student's parent or other person
 17-31 standing in parental relationship can easily access the student's
 17-32 individual assessment data;

17-33 (2) an authorized employee of a school district,
 17-34 including a district teacher, ~~districts~~ can readily access
 17-35 individual ~~student~~ assessment data of district students for use
 17-36 in developing strategies for improving student performance; and

17-37 (3) an authorized employee of a public institution of
 17-38 higher education can readily access individual assessment data of
 17-39 students applying for admission for use in developing strategies
 17-40 for improving student performance.

17-41 (b) The system established under Subsection (a) shall
 17-42 provide a means for a student or the student's parent or other
 17-43 person standing in parental relationship to track the student's
 17-44 progress on assessment instrument requirements for graduation.

17-45 (c) The agency shall establish an interoperable system to be
 17-46 implemented through the portal under which general student
 17-47 assessment data is easily accessible to the public.

17-48 (d) Student assessment data provided under this section
 17-49 must:

17-50 (1) be available on or before the first instructional
 17-51 day of the school year following the year in which the data is
 17-52 collected; and

17-53 (2) include student performance data on assessment
 17-54 instruments over multiple years, beginning with the 2007-2008
 17-55 school year, including any data indicating progress in student
 17-56 achievement.

17-57 (e) Each ~~(b) In establishing the~~ system established
 17-58 under ~~required by~~ this section must permit comparisons of ~~the~~
 17-59 agency shall seek to further the goal of providing school districts
 17-60 with access to] student performance information at the classroom,
 17-61 campus, district, and state levels ~~level~~.

17-62 SECTION 48. Section 39.023, Education Code, is amended by
 17-63 adding Subsection (a-1) and amending Subsections (c-4) and (e) to
 17-64 read as follows:

17-65 (a-1) The agency shall develop assessment instruments
 17-66 required under Subsection (a) in a manner that allows, to the extent
 17-67 practicable:

17-68 (1) the score a student receives to provide reliable
 17-69 information relating to a student's satisfactory performance for

18-1 each performance standard under Section 39.0241; and
 18-2 (2) an appropriate range of performances to serve as a
 18-3 valid indication of growth in student achievement.

18-4 (c-4) To the extent practicable and subject to Section
 18-5 39.024, the agency shall ensure that each end-of-course assessment
 18-6 instrument adopted under Subsection (c) is:

18-7 (1) developed in a manner that measures a student's
 18-8 performance under the college readiness standards established
 18-9 under Section 28.008; and

18-10 (2) validated by national postsecondary education
 18-11 experts for college readiness content and performance standards.

18-12 (e) Under rules adopted by the State Board of Education,
 18-13 every third year, the agency shall release the questions and answer
 18-14 keys to each assessment instrument administered under Subsection
 18-15 (a), (b), (c), (d), or (1), excluding any assessment instrument
 18-16 administered to a student for the purpose of retaking the
 18-17 assessment instrument, after the last time the instrument is
 18-18 administered for that school year. To ensure a valid bank of
 18-19 questions for use each year, the agency is not required to release a
 18-20 question that is being field-tested and was not used to compute the
 18-21 student's score on the instrument. The agency shall also release,
 18-22 under board rule, each question that is no longer being
 18-23 field-tested and that was not used to compute a student's score.

18-24 SECTION 49. Subsection (d), Section 39.0233, Education
 18-25 Code, is amended to read as follows:

18-26 (d) The questions adopted under this section may not [must]
 18-27 be administered in a separate section of the end-of-course
 18-28 assessment instrument [in which the questions are included].

18-29 SECTION 50. Subchapter B, Chapter 39, Education Code, is
 18-30 amended by amending Section 39.024 and adding Sections 39.0241 and
 18-31 39.0242 to read as follows:

18-32 Sec. 39.024. MEASURE OF COLLEGE READINESS. (a) In this
 18-33 section, "college readiness" means the level of preparation a
 18-34 student must attain in English language arts and mathematics
 18-35 courses to enroll and succeed, without remediation, in an
 18-36 entry-level general education course for credit in that same
 18-37 content area at:

18-38 (1) a postsecondary educational institution that
 18-39 primarily offers baccalaureate degrees and primarily serves a
 18-40 limited geographic region; or

18-41 (2) a postsecondary educational institution that
 18-42 primarily offers associate degrees or certificates or credentials
 18-43 other than baccalaureate or advanced degrees.

18-44 (b) The agency shall ensure that the Algebra II and English
 18-45 III end-of-course assessment instruments required under Section
 18-46 39.023(c) are developed to be capable of, beginning with the
 18-47 2011-2012 school year, measuring college readiness.

18-48 (c) Before the beginning of the 2011-2012 school year, the
 18-49 agency shall gather data and conduct research studies to
 18-50 substantiate the correlation between a certain level of performance
 18-51 by students on the Algebra II and English III end-of-course
 18-52 assessment instruments and college readiness.

18-53 (d) Studies under Subsection (c) must include an evaluation
 18-54 of any need for remediation courses to facilitate college
 18-55 readiness.

18-56 (e) Based on the results of the studies conducted under
 18-57 Subsection (c), the commissioner of education, in conjunction with
 18-58 the commissioner of higher education, shall establish student
 18-59 performance standards for the Algebra II and English III
 18-60 end-of-course assessment instruments indicating that students have
 18-61 attained college readiness.

18-62 (f) To the extent practicable, the agency, in conjunction
 18-63 with the Texas Higher Education Coordinating Board, shall conduct
 18-64 research studies similar to the studies conducted under Subsection
 18-65 (c) for the appropriate science and social studies end-of-course
 18-66 assessment instruments. If the commissioner of education, in
 18-67 conjunction with the commissioner of higher education, determines
 18-68 that the research studies conducted under this subsection
 18-69 substantiate a correlation between a certain level of performance

19-1 by students on science and social studies end-of-course assessment
 19-2 instruments and college readiness, the commissioner of education,
 19-3 in conjunction with the commissioner of higher education, as soon
 19-4 as practicable, may establish student performance standards for the
 19-5 science and social studies end-of-course assessment instruments
 19-6 indicating that students have attained college readiness.

19-7 (f-1) Not later than December 1, 2012, the agency shall
 19-8 deliver to the lieutenant governor, the speaker of the house of
 19-9 representatives, and the clerks of the standing committees of the
 19-10 senate and the house of representatives with primary jurisdiction
 19-11 over public education a report that includes:

19-12 (1) an analysis of the feasibility of establishing
 19-13 college readiness performance standards for science and social
 19-14 studies end-of-course assessment instruments; and

19-15 (2) a summary of any implementation procedures adopted
 19-16 for each standard.

19-17 (f-2) Subsection (f-1) and this subsection expire January
 19-18 1, 2013.

19-19 (g) The agency shall continue to gather data to perform
 19-20 studies as provided under Subsections (c) and (f) at least once
 19-21 every three years.

19-22 (h) The agency and the Texas Higher Education Coordinating
 19-23 Board jointly shall periodically review the college readiness
 19-24 performance standards established under this section and compare
 19-25 the performance standards to performance standards established
 19-26 nationally and internationally for comparable assessment
 19-27 instruments. Following each review, the agency and the Texas
 19-28 Higher Education Coordinating Board shall deliver to the lieutenant
 19-29 governor, the speaker of the house of representatives, and the
 19-30 clerks of the standing committees of the senate and the house of
 19-31 representatives with primary jurisdiction over public education
 19-32 and higher education a joint report on the results of the review
 19-33 indicating whether the college readiness performance standards
 19-34 established under this section are sufficiently rigorous to prepare
 19-35 students in this state to compete academically with students
 19-36 nationally and internationally. If the agency and the Texas Higher
 19-37 Education Coordinating Board determine that the college readiness
 19-38 performance standards established under this section are not
 19-39 sufficiently rigorous, the agency and board jointly shall recommend
 19-40 changes to the college readiness performance standards.

19-41 (i) The agency shall gather data and conduct research to
 19-42 substantiate any correlation between a certain level of performance
 19-43 by students on end-of-course assessment instruments and success in:

19-44 (1) military service; or
 19-45 (2) a workforce training, certification, or other
 19-46 credential program at a postsecondary educational institution that
 19-47 primarily offers associate degrees or certificates or credentials
 19-48 other than baccalaureate or advanced degrees.

19-49 Sec. 39.0241. ~~[SATISFACTORY]~~ PERFORMANCE STANDARDS.
 19-50 (a) Except as otherwise provided by Subsection (b) ~~[this~~
 19-51 ~~subsection]~~, the commissioner ~~[State Board of Education]~~ shall
 19-52 determine the level of performance considered to be satisfactory on
 19-53 the assessment instruments.

19-54 (a-1) The commissioner of education, in conjunction with
 19-55 the commissioner of higher education, shall determine the level of
 19-56 performance necessary to indicate college readiness, as defined by
 19-57 Section 39.024(a).

19-58 (a-2) For the purpose of establishing performance across
 19-59 grade levels, the commissioner shall establish:

19-60 (1) the performance standards for the Algebra II and
 19-61 English III end-of-course assessment instruments, as provided
 19-62 under Section 39.024(b) and under Subsection (a);

19-63 (2) the performance standards for the Algebra I and
 19-64 English II end-of-course assessment instruments, as determined
 19-65 based on studies under Section 39.0242 that correlate student
 19-66 performance on the Algebra I and English II end-of-course
 19-67 assessment instruments with student performance on the Algebra II
 19-68 and English III assessment instruments;

19-69 (3) the performance standards for the English I

20-1 end-of-course assessment instrument, as determined based on
 20-2 studies under Section 39.0242 that correlate student performance on
 20-3 the English I end-of-course assessment instrument with student
 20-4 performance on the English II assessment instrument;

20-5 (4) the performance standards for the grade eight
 20-6 assessment instruments, as determined based on studies under
 20-7 Section 39.0242 that correlate student performance on the grade
 20-8 eight assessment instruments with student performance on the
 20-9 Algebra I and English I end-of-course assessment instruments in the
 20-10 same content area;

20-11 (5) the performance standards for the grade seven
 20-12 assessment instruments, as determined based on studies under
 20-13 Section 39.0242 that correlate student performance on the grade
 20-14 seven assessment instruments with student performance on the grade
 20-15 eight assessment instruments in the same content area;

20-16 (6) the performance standards for the grade six
 20-17 assessment instruments, as determined based on studies under
 20-18 Section 39.0242 that correlate student performance on the grade six
 20-19 assessment instruments with student performance on the grade seven
 20-20 assessment instruments in the same content area;

20-21 (7) the performance standards for the grade five
 20-22 assessment instruments, as determined based on studies under
 20-23 Section 39.0242 that correlate student performance on the grade
 20-24 five assessment instruments with student performance on the grade
 20-25 six assessment instruments in the same content area;

20-26 (8) the performance standards for the grade four
 20-27 assessment instruments, as determined based on studies under
 20-28 Section 39.0242 that correlate student performance on the grade
 20-29 four assessment instruments with student performance on the grade
 20-30 five assessment instruments in the same content area; and

20-31 (9) the performance standards for the grade three
 20-32 assessment instruments, as determined based on studies under
 20-33 Section 39.0242 that correlate student performance on the grade
 20-34 three assessment instruments with student performance on the grade
 20-35 four assessment instruments in the same content area.

20-36 (b) The admission, review, and dismissal committee of a
 20-37 student being assessed under Section 39.023(b) shall determine the
 20-38 level of performance considered to be satisfactory on the
 20-39 assessment instruments administered to that student in accordance
 20-40 with criteria established by agency rule.

20-41 (c) The agency shall develop study guides for the assessment
 20-42 instruments administered under Sections 39.023(a) and (c). To
 20-43 assist parents in providing assistance during the period that
 20-44 school is recessed for summer, each school district shall make
 20-45 available [distribute] the study guides to parents of students who
 20-46 do not perform satisfactorily on one or more parts of an assessment
 20-47 instrument administered under this subchapter.

20-48 (d) The agency shall develop and make available teacher
 20-49 training materials and other teacher training resources to assist
 20-50 teachers in enabling students of limited English proficiency to
 20-51 meet state performance expectations. The teacher training
 20-52 resources shall be designed to support intensive, individualized,
 20-53 and accelerated instructional programs developed by school
 20-54 districts for students of limited English proficiency.

20-55 (e) The commissioner shall retain a portion of the total
 20-56 amount of funds allotted under Section 42.152(a) that the
 20-57 commissioner considers appropriate to finance activities under
 20-58 Subsection [Subsections] (c) and may retain a portion for
 20-59 activities under Subsection (d) and for intensive programs of
 20-60 instruction for students of limited English proficiency offered by
 20-61 school districts and shall reduce each district's allotment
 20-62 proportionately.

20-63 Sec. 39.0242. PERFORMANCE STANDARDS: RESEARCH STUDIES AND
 20-64 IMPLEMENTATION OF STANDARDS. (a) During the 2009-2010 and
 20-65 2010-2011 school years, the agency shall collect data through:

20-66 (1) the annual administration of assessment
 20-67 instruments required under Section 39.023(a) in grades three
 20-68 through eight; and

20-69 (2) the administration to a sufficiently large sample

21-1 of students throughout the state of end-of-course assessment
 21-2 instruments required under Section 39.023(c) for the purpose of
 21-3 setting performance standards.

21-4 (b) Before the beginning of the 2011-2012 school year, the
 21-5 agency shall analyze the data collected under Subsection (a) to
 21-6 substantiate:

21-7 (1) the correlation between satisfactory student
 21-8 performance for each performance standard under Section 39.0241 on
 21-9 the grade three, four, five, six, or seven assessment instruments
 21-10 with satisfactory performance under the same performance standard
 21-11 on the assessment instruments in the same content area for the next
 21-12 grade level;

21-13 (2) the correlation between satisfactory student
 21-14 performance for each performance standard under Section 39.0241 on
 21-15 the grade eight assessment instruments with satisfactory
 21-16 performance under the same performance standard on the Algebra I
 21-17 and English I end-of-course assessment instruments in the same
 21-18 content area;

21-19 (3) the correlation between satisfactory student
 21-20 performance for each performance standard under Section 39.0241 on
 21-21 the English I end-of-course assessment instrument with
 21-22 satisfactory performance under the same performance standard on the
 21-23 English II end-of-course assessment instrument;

21-24 (4) the correlation between satisfactory student
 21-25 performance for each performance standard under Section 39.0241 on
 21-26 the English II end-of-course assessment instrument with
 21-27 satisfactory performance under the same performance standard on the
 21-28 English III end-of-course assessment instrument; and

21-29 (5) the correlation between satisfactory student
 21-30 performance for each performance standard under Section 39.0241 on
 21-31 the Algebra I end-of-course assessment instrument with
 21-32 satisfactory performance under the same performance standard on the
 21-33 Algebra II end-of-course assessment instrument.

21-34 (c) Studies under this section must include an evaluation of
 21-35 any need for remediation courses to facilitate college readiness.

21-36 (d) The agency shall continue to gather data and perform
 21-37 studies as provided under this section at least once every three
 21-38 years. If the data do not support the correlation between student
 21-39 performance standards and college readiness, the commissioner of
 21-40 education, in collaboration with the commissioner of higher
 21-41 education, shall revise the standard of performance considered to
 21-42 be satisfactory.

21-43 (e) Based on the data collected and studies performed
 21-44 periodically under Subsection (d), the commissioner shall increase
 21-45 the rigor of the performance standard established under Section
 21-46 39.0241(a) as the commissioner determines necessary.

21-47 SECTION 51. Section 39.025, Education Code, is amended by
 21-48 amending Subsections (a), (a-1), (b), (b-1), (b-2), and (f) and
 21-49 adding Subsections (a-2) and (c-1) to read as follows:

21-50 (a) The commissioner shall adopt rules requiring a student
 21-51 participating in the recommended or advanced high school program to
 21-52 be administered each end-of-course assessment instrument listed in
 21-53 Section 39.023(c) and requiring a student participating in the
 21-54 minimum high school program to be administered an end-of-course
 21-55 assessment instrument listed in Section 39.023(c) only for Algebra
 21-56 I and English III and any other [a] course in which the student is
 21-57 enrolled and for which an end-of-course assessment instrument is
 21-58 administered. Except as otherwise provided by this section, a [A]
 21-59 student is required to perform satisfactorily under either
 21-60 performance standard under Section 39.0241 on two of the three
 21-61 end-of-course assessment instruments [achieve,] in each subject in
 21-62 which the student is required to take end-of-course assessment
 21-63 instruments [in the foundation curriculum under Section
 21-64 28.002(a)(1), a cumulative score that is at least equal to the
 21-65 product of the number of end-of-course assessment instruments
 21-66 administered to the student in that subject and 70, with each
 21-67 end-of-course assessment instrument scored on a scale of 100. A
 21-68 student must achieve a score of at least 60 on an end-of-course
 21-69 assessment instrument for the score to count towards the student's

22-1 ~~cumulative score]. Except as provided under Subsection (a-2), a~~
 22-2 ~~student participating in the minimum high school program must~~
 22-3 ~~perform satisfactorily on the Algebra I and English III~~
 22-4 ~~end-of-course assessment instruments and a student participating~~
 22-5 ~~in the recommended or advanced high school program must perform~~
 22-6 ~~satisfactorily on the Algebra II and English III end-of-course~~
 22-7 ~~assessment instruments. A student who performs satisfactorily on~~
 22-8 ~~the Algebra II and English III end-of-course assessment instruments~~
 22-9 ~~under the college readiness performance standard, as determined~~
 22-10 ~~under Section 39.024, is not required to comply with the~~
 22-11 ~~requirement to perform satisfactorily on two of three end-of-course~~
 22-12 ~~assessment instruments in those subjects [For purposes of this~~
 22-13 ~~subsection, a student's cumulative score is determined using the~~
 22-14 ~~student's highest score on each end-of-course assessment~~
 22-15 ~~instrument administered to the student]. A student may not receive~~
 22-16 ~~a high school diploma until the student has performed~~
 22-17 ~~satisfactorily on the end-of-course assessment instruments in the~~
 22-18 ~~manner provided under this subsection. [This subsection does not~~
 22-19 ~~require a student to demonstrate readiness to enroll in an~~
 22-20 ~~institution of higher education.]~~

22-21 (a-1) The student's score on an end-of-course assessment
 22-22 instrument constitutes 15 percent of the student's grade in the
 22-23 course for which the assessment instrument is administered.

22-24 (a-2) The commissioner by rule shall determine a method by
 22-25 which a student's satisfactory performance on an advanced placement
 22-26 test, international baccalaureate examination, a Scholastic
 22-27 Assessment Test (SAT) Subject Test, or another assessment
 22-28 instrument determined by the commissioner to be at least as
 22-29 rigorous as an end-of-course assessment instrument adopted under
 22-30 Section 39.023(c) may be used as a factor in determining whether the
 22-31 student satisfies the requirements of Subsection (a) [including
 22-32 the cumulative score requirement of that subsection]. The
 22-33 commissioner by rule may determine a method by which a student's
 22-34 satisfactory performance on a Preliminary Scholastic Assessment
 22-35 Test (PSAT) assessment or a preliminary American College Test (ACT)
 22-36 assessment may be used as a factor in determining whether the
 22-37 student satisfies the requirements of Subsection (a).

22-38 (b) Each time an end-of-course assessment instrument is
 22-39 administered, a student who failed to perform satisfactorily
 22-40 [achieve a score of at least 60] on the assessment instrument as
 22-41 determined by the commissioner under Section 39.0241(a) shall
 22-42 retake the assessment instrument. A student who fails to perform
 22-43 satisfactorily on an Algebra II or English III end-of-course
 22-44 assessment instrument under the college readiness performance
 22-45 standard, as determined under Section 39.024(b), may retake the
 22-46 assessment instrument [Any other student may retake an
 22-47 end-of-course assessment instrument for any reason]. A student is
 22-48 not required to retake a course as a condition of retaking an
 22-49 end-of-course assessment instrument.

22-50 (b-1) A school district shall provide each student who fails
 22-51 to perform satisfactorily as determined by the commissioner under
 22-52 Section 39.0241(a) [achieve a score of at least 70] on an
 22-53 end-of-course assessment instrument with accelerated instruction
 22-54 in the subject assessed by the assessment instrument.

22-55 (b-2) The agency, in collaboration with the Texas Higher
 22-56 Education Coordinating Board, shall develop senior-level English
 22-57 language arts and mathematics accelerated instruction courses for
 22-58 purposes of this section. If [a school district determines that] a
 22-59 student does not demonstrate the performance standard for college
 22-60 readiness as provided by Section 39.024(b) on the Algebra II or
 22-61 English III end-of-course assessment instrument [on completion of
 22-62 grade 11, is unlikely to achieve the cumulative score requirements
 22-63 for one or more subjects prescribed by Subsection (a) for receiving
 22-64 a high school diploma], the district shall offer [require] the
 22-65 student the opportunity to enroll in a [corresponding content-area
 22-66 college preparatory] course described by this subsection [for which
 22-67 an end-of-course assessment instrument has been adopted, if
 22-68 available]. A student who enrolls in a [college preparatory]
 22-69 course described by this subsection shall be administered an

23-1 appropriate end-of-course assessment instrument [~~for the course,~~
 23-2 ~~with the end-of-course assessment instrument scored on a scale of~~
 23-3 ~~40. A student may use the student's score on the end-of-course~~
 23-4 ~~assessment instrument for the college preparatory course towards~~
 23-5 ~~satisfying the cumulative score requirements]~~ prescribed by
 23-6 Subsection (a).

23-7 (c-1) A school district may not administer an assessment
 23-8 instrument required for graduation administered under this section
 23-9 as this section existed before September 1, 1999. A school district
 23-10 may administer to a student who failed to perform satisfactorily on
 23-11 an assessment instrument described by this subsection an alternate
 23-12 assessment instrument selected from a list of assessment
 23-13 instruments approved by the commissioner. The commissioner shall
 23-14 determine the level of performance considered to be satisfactory on
 23-15 an alternate assessment instrument. The district may not
 23-16 administer to the student an assessment instrument or a part of an
 23-17 assessment instrument that assesses a subject that was not assessed
 23-18 in an assessment instrument required for graduation administered
 23-19 under this section as this section existed before September 1,
 23-20 1999. The commissioner shall make available to districts
 23-21 information necessary to administer the alternate assessment
 23-22 instrument authorized by this subsection. The determination of the
 23-23 commissioner regarding the list of approved alternate assessment
 23-24 instruments under this subsection and the performance required on
 23-25 the assessment instruments are final and may not be appealed.

23-26 (f) The commissioner shall by rule adopt a transition plan
 23-27 to implement the amendments made by Chapter 1312 (S.B. No. 1031),
 23-28 Acts of the 80th Legislature, Regular Session, 2007, replacing
 23-29 general subject assessment instruments administered at the high
 23-30 school level with end-of-course assessment instruments [~~to this~~
 23-31 ~~section and Sections 39.023(a) and (c) and 39.051(b)(5)].~~ The
 23-32 rules must provide for the end-of-course assessment instruments
 23-33 adopted under Section 39.023(c) to be administered beginning with
 23-34 students entering the ninth grade during the 2011-2012 school year.
 23-35 During the period under which the transition to end-of-course
 23-36 assessment instruments is made:

23-37 (1) for students entering a grade above the ninth
 23-38 grade during the 2011-2012 school year, the commissioner shall
 23-39 retain, administer, and use for purposes of district accreditation
 23-40 and other campus and district accountability measures [~~ratings]~~
 23-41 ~~under this chapter [Subchapter D]~~ the assessment instruments
 23-42 required by Section 39.023(a) or (c), as that section existed
 23-43 before amendment by Chapter 1312 (S.B. No. 1031), Acts of the 80th
 23-44 Legislature, Regular Session, 2007;

23-45 (2) a student subject to Subdivision (1) may not
 23-46 receive a high school diploma unless the student has performed
 23-47 satisfactorily on the English language arts, mathematics, science,
 23-48 and social studies assessment instruments administered under
 23-49 Section 39.023(c), as that section existed before amendment by
 23-50 Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature, Regular
 23-51 Session, 2007; and

23-52 (3) [~~(2)~~] the agency may defer releasing assessment
 23-53 instrument questions and answer keys as required by Section
 23-54 39.023(e) to the extent necessary to develop additional assessment
 23-55 instruments.

23-56 SECTION 52. Section 39.0261, Education Code, is amended by
 23-57 adding Subsection (a-1) to read as follows:

23-58 (a-1) As part of the assessment program under Section
 23-59 39.022, the commissioner by rule shall develop a plan for
 23-60 implementing college preparation assessment instruments under this
 23-61 section beginning with eighth grade assessment instruments under
 23-62 Subsection (a)(1) in the 2010-2011 school year.

23-63 SECTION 53. Section 39.027, Education Code, is amended by
 23-64 amending Subsections (a) and (e) and adding Subsections (a-1) and
 23-65 (a-2) to read as follows:

23-66 (a) A student may be administered an accommodated or
 23-67 alternative assessment instrument or may be granted an exemption
 23-68 [~~exempted~~] from or a postponement of the administration of an
 23-69 assessment instrument under:

24-1 (1) Section 39.023(a) or (b) if the student is
24-2 eligible for a special education program under Section 29.003 and
24-3 the student's individualized education program does not include
24-4 instruction in the essential knowledge and skills under Section
24-5 28.002 at any grade level;

24-6 (2) Section 39.023(c) or (d) if the student is
24-7 eligible for a special education program under Section 29.003 and:
24-8 (A) the student's individualized education
24-9 program does not include instruction in the essential knowledge and
24-10 skills under Section 28.002 at any grade level; or
24-11 (B) the assessment instrument, even with
24-12 allowable modifications, would not provide an appropriate measure
24-13 of the student's achievement as determined by the student's
24-14 admission, review, and dismissal committee;

24-15 (3) Section 39.023(a), (b), (c), or (1) for a period of
24-16 up to three years [~~one year~~] after initial enrollment in a school in
24-17 the United States if the student is an immigrant and a student of
24-18 limited English proficiency, as defined by Section 29.052, who, as
24-19 a result of inadequate schooling outside of the United States,
24-20 lacks the necessary foundation in the essential knowledge and
24-21 skills of the curriculum [~~and has not demonstrated proficiency in~~
24-22 ~~English as determined by the assessment system under Subsection~~
24-23 ~~(e)]]; or~~

24-24 (4) Section 39.023(a), (b), (c), or (1) for a period of
24-25 up to five [~~two~~] years, if the student is a student of limited
24-26 English proficiency, as defined by Section 29.052, whose initial
24-27 enrollment in a school in the United States was as an unschooled
24-28 asylee or refugee [~~in addition to the exemption period authorized~~
24-29 ~~by Subdivision (3) if the student has received an exemption under~~
24-30 ~~Subdivision (3) and:~~
24-31 [~~(A) is a recent unschooled immigrant; or~~
24-32 [~~(B) is in a grade for which no assessment~~
24-33 ~~instrument in the primary language of the student is available].~~
24-34 (a-1) The language proficiency assessment committee
24-35 established under Section 29.063 shall determine whether a student
24-36 meets the criteria under Subsection (a)(3) or (4). The
24-37 commissioner by rule shall develop procedures under which the
24-38 language proficiency assessment committee makes a determination
24-39 under this subsection. In adopting rules under this subsection,
24-40 the commissioner shall:
24-41 (1) consider the end-of-course requirements for
24-42 graduation for students; and
24-43 (2) ensure that the language proficiency assessment
24-44 committee requires students to be administered assessment
24-45 instruments under this section at the earliest practical date.
24-46 (a-2) For purposes of this section, "unschooled asylee or
24-47 refugee" means a student who:
24-48 (1) initially enrolled in a school in the United
24-49 States as:
24-50 (A) an asylee as defined by 45 C.F.R. Section
24-51 400.41; or
24-52 (B) a refugee as defined by 8 U.S.C. Section
24-53 1101;
24-54 (2) has a visa issued by the United States Department
24-55 of State with a Form I-94 Arrival/Departure record, or a successor
24-56 document, issued by the United States Citizenship and Immigration
24-57 Services that is stamped with "Asylee," "Refugee," or "Asylum"; and
24-58 (3) has had little or no formal schooling outside of
24-59 the United States and lacks even rudimentary literacy skills.
24-60 (e) The commissioner shall develop an assessment system
24-61 that shall be used for evaluating the academic progress, including
24-62 reading proficiency in English, of all students of limited English
24-63 proficiency, as defined by Section 29.052. A student who is exempt
24-64 from the administration of an assessment instrument under
24-65 Subsection (a)(3) or (4) who achieves reading proficiency in
24-66 English as determined by the assessment system developed under this
24-67 subsection shall be administered the assessment instruments
24-68 described by Sections 39.023(a) and (c). The performance under the
24-69 assessment system developed under this subsection of students to

25-1 whom Subsection (a)(3) or (4) applies shall be included in the
 25-2 [~~academic excellence~~] indicator system under Section 39.301, as
 25-3 applicable [~~Section 39.051~~], the performance report under Section
 25-4 39.306 [~~39.053~~], and the comprehensive annual report under Section
 25-5 39.332 [~~39.182~~]. This information shall be provided in a manner
 25-6 that is disaggregated by the bilingual education or special
 25-7 language program, if any, in which the student is enrolled.

25-8 SECTION 54. Subsection (b), Section 39.033, Education Code,
 25-9 is amended to read as follows:

25-10 (b) An agreement under this section must require the private
 25-11 school to:

25-12 (1) as determined appropriate by the commissioner,
 25-13 provide to the commissioner the information described by Sections
 25-14 39.053(c) and 39.301(c); [~~Section 39.051(b)~~] and

25-15 (2) [~~to~~] maintain confidentiality in compliance with
 25-16 Section 39.030.

25-17 SECTION 55. Section 39.034, Education Code, is amended by
 25-18 amending Subsection (d) and adding Subsection (d-1) to read as
 25-19 follows:

25-20 (d) The agency shall determine the necessary annual
 25-21 improvement required each year for a student to be prepared to
 25-22 perform satisfactorily on, as applicable:

25-23 (1) the grade five assessment instruments;
 25-24 (2) the grade eight assessment instruments; and
 25-25 (3) the end-of-course assessment instruments required
 25-26 under this subchapter for graduation.

25-27 (d-1) The agency shall report the necessary annual
 25-28 improvement required under Subsection (d) to the district. Each
 25-29 year, the report must state whether the student fell below, met, or
 25-30 exceeded the necessary target for improvement.

25-31 SECTION 56. Subchapters C through L, Chapter 39, Education
 25-32 Code, as amended by Section 2.25, Chapter 396 (S.B. 4), and Section
 25-33 4, Chapter 931 (H.B. 2307), Acts of the 76th Legislature, Regular
 25-34 Session, 1999, are amended to read as follows:

25-35 SUBCHAPTER C. ACCREDITATION [~~PERFORMANCE INDICATORS~~
 25-36 [~~SUBCHAPTER D. ACCREDITATION STATUS~~]
 25-37 Sec. 39.051 [~~39.071~~]. ACCREDITATION STATUS.
 25-38 [~~(a)~~] Accreditation of a school district is determined in
 25-39 accordance with this subchapter [~~section~~]. The commissioner by
 25-40 rule shall determine in accordance with this subchapter the
 25-41 criteria for [~~define~~] the following accreditation statuses:

25-42 (1) accredited;
 25-43 (2) accredited-warned; and
 25-44 (3) accredited-probation.

25-45 Sec. 39.052. DETERMINATION OF ACCREDITATION STATUS.
 25-46 (a) Not later than August 8 of each [~~(b) Each~~] year, the
 25-47 commissioner shall determine the accreditation status of each
 25-48 school district.

25-49 (b) In determining the accreditation status of a school
 25-50 district, the commissioner:

25-51 (1) shall evaluate and consider:
 25-52 (A) [~~the~~] performance on student achievement
 25-53 indicators described by Section 39.053(c);

25-54 (B) whether a significant pattern of decreased
 25-55 academic performance has developed as a result of the promotion in
 25-56 the preceding two school years of students who did not perform
 25-57 satisfactorily as determined by the commissioner under Section
 25-58 39.0241(a) on assessment instruments administered under Section
 25-59 39.023(a), (c), or (1) [of the district under.

25-60 [~~(A) the academic accountability system under~~
 25-61 Section 39.072]; and

25-62 (C) performance under [~~(B)~~] the financial
 25-63 accountability rating system developed under Subchapter D [~~±~~]; and

25-64 (2) may evaluate and consider:
 25-65 (A) the district's compliance with statutory
 25-66 requirements and requirements imposed by rule of the commissioner
 25-67 or State Board of Education under specific statutory authority that
 25-68 relate to:

25-69 (i) reporting data through the Public

26-1 Education Information Management System (PEIMS) or other reports
 26-2 required by state or federal law or court order;

26-3 (ii) the high school graduation
 26-4 requirements under Section 28.025; or

26-5 (iii) an item listed under Sections
 26-6 7.056(e)(3)(C)-(I) that applies to the district;

26-7 (B) the effectiveness of the district's programs
 26-8 for special populations; and

26-9 (C) the effectiveness of the district's career
 26-10 and technology program.

26-11 (c) Based on a school district's performance under
 26-12 Subsection (b), the commissioner shall:

26-13 (1) assign each ~~[a]~~ district an accreditation status;
 26-14 or

26-15 (2) revoke the accreditation of the district and order
 26-16 closure of the district under this subchapter.

26-17 (d) A school district's accreditation status may be raised
 26-18 or lowered based on the district's performance or may be lowered
 26-19 based on the performance of one or more campuses in the district
 26-20 that is below a standard required under this subchapter.

26-21 (e) ~~[(d)]~~ The commissioner shall notify a school district
 26-22 that receives an accreditation status of accredited-warned or
 26-23 accredited-probation or a campus that performs below a standard
 26-24 required under this subchapter that the performance of the district
 26-25 or campus is below a standard required under this subchapter. If
 26-26 the district received an accreditation status of accredited-warned
 26-27 or accredited-probation for the preceding school year or if any
 26-28 campus performed below a standard required under this subchapter in
 26-29 the preceding school year, the commissioner shall notify the
 26-30 district or campus of a subsequent such designation on or before
 26-31 June 15 ~~[section]~~. The commissioner shall require the district to
 26-32 notify the parents of students enrolled in the district and
 26-33 property owners in the district of the district's accreditation
 26-34 status and the implications of that accreditation status.

26-35 (f) ~~[(e)]~~ A school district that is not accredited may not
 26-36 receive funds from the agency or hold itself out as operating a
 26-37 public school of this state.

26-38 (g) ~~[(f)]~~ This chapter may not be construed to invalidate a
 26-39 diploma awarded, course credit earned, or grade promotion granted
 26-40 by a school district before the commissioner revoked the district's
 26-41 accreditation.

26-42 Sec. 39.053. PERFORMANCE INDICATORS: STUDENT ACHIEVEMENT.

26-43 (a) The commissioner shall adopt a set of indicators of the
 26-44 quality of learning and student achievement. The commissioner
 26-45 biennially shall review the indicators for the consideration of
 26-46 appropriate revisions.

26-47 ~~[Sec. 39.051. ACADEMIC EXCELLENCE INDICATORS. (a) The~~
 26-48 ~~State Board of Education shall adopt a set of indicators of the~~
 26-49 ~~quality of learning on a campus. The State Board of Education~~
 26-50 ~~biennially shall review the indicators for the consideration of~~
 26-51 ~~appropriate revisions.]~~

26-52 (b) Performance on the student achievement indicators
 26-53 adopted under this section shall be compared to state-established
 26-54 standards. The degree of change from one school year to the next in
 26-55 performance on each indicator adopted under this section shall also
 26-56 be considered. The indicators must be based on information that is
 26-57 disaggregated by race, ethnicity, ~~[gender,~~ and socioeconomic
 26-58 status.

26-59 (c) Indicators of student achievement adopted under this
 26-60 section ~~[and]~~ must include:

26-61 (1) the results of assessment instruments required
 26-62 under Sections 39.023(a), (c), and (l), including the results of
 26-63 assessment instruments required for graduation retaken by a
 26-64 student, aggregated across ~~[by]~~ grade levels by ~~[level and]~~ subject
 26-65 area, including:

26-66 (A) for the performance standard determined by
 26-67 the commissioner under Section 39.0241(a):

26-68 (i) the percentage of students who
 26-69 performed satisfactorily on the assessment instruments, aggregated

27-1 across grade levels by subject area; and
27-2 (ii) for students who did not perform
27-3 satisfactorily, the percentage of students who met the standard for
27-4 annual improvement, as determined by the agency under Section
27-5 39.034, on the assessment instruments, aggregated across grade
27-6 levels by subject area; and
27-7 (B) for the college readiness performance
27-8 standard as determined under Section 39.0241:
27-9 (i) the percentage of students who
27-10 performed satisfactorily on the assessment instruments, aggregated
27-11 across grade levels by subject area; and
27-12 (ii) for students who did not perform
27-13 satisfactorily, the percentage of students who met the standard for
27-14 annual improvement, as determined by the agency under Section
27-15 39.034, on the assessment instruments, aggregated across grade
27-16 levels by subject area;
27-17 (2) dropout rates, including dropout rates and
27-18 district completion rates for grade levels 9 through 12, computed
27-19 in accordance with standards and definitions adopted by the
27-20 National Center for Education Statistics of the United States
27-21 Department of Education; and
27-22 (3) high school graduation rates, computed in
27-23 accordance with standards and definitions adopted in compliance
27-24 with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et
27-25 seq.).
27-26 (d) For purposes of Subsection (c), the commissioner by rule
27-27 shall determine the period within which a student must retake an
27-28 assessment instrument for that assessment instrument to be
27-29 considered in determining the accreditation status of the district.
27-30 (e) [(Pub. L. No. 107-110);
27-31 [(4) student attendance rates;
27-32 [(5) the percentage of graduating students who attain
27-33 scores on the questions developed for end-of-course assessment
27-34 instruments under Section 39.0233(a) that are equivalent to a
27-35 passing score on the assessment instrument required under Section
27-36 51.3062;
27-37 [(6) the percentage of graduating students who meet
27-38 the course requirements established for the recommended high school
27-39 program by State Board of Education rule;
27-40 [(7) the results of the Scholastic Assessment Test
27-41 (SAT), the American College Test (ACT), articulated postsecondary
27-42 degree programs described by Section 61.852, and certified
27-43 workforce training programs described by Chapter 311, Labor Code;
27-44 [(8) the percentage of students, aggregated by grade
27-45 level, provided accelerated instruction under Section 28.0211(c),
27-46 the results of assessments administered under that section, the
27-47 percentage of students promoted through the grade placement
27-48 committee process under Section 28.0211, the subject of the
27-49 assessment instrument on which each student failed to perform
27-50 satisfactorily, and the performance of those students in the school
27-51 year following that promotion on the assessment instruments
27-52 required under Section 39.023;
27-53 [(9) for students who have failed to perform
27-54 satisfactorily on an assessment instrument required under Section
27-55 39.023(a) or (c), the numerical progress of those students grouped
27-56 by percentage on subsequent assessment instruments required under
27-57 those sections, aggregated by grade level and subject area;
27-58 [(10) the percentage of students exempted, by
27-59 exemption category, from the assessment program generally
27-60 applicable under this chapter;
27-61 [(11) the percentage of students of limited English
27-62 proficiency exempted from the administration of an assessment
27-63 instrument under Sections 39.027(a)(3) and (4);
27-64 [(12) the percentage of students in a special
27-65 education program under Subchapter A, Chapter 29, assessed through
27-66 assessment instruments developed or adopted under Section
27-67 39.023(b);
27-68 [(13) the measure of progress toward preparation for
27-69 postsecondary success; and

28-1 ~~[(14) the measure of progress toward dual language~~
 28-2 ~~proficiency under Section 39.034(b), for students of limited~~
 28-3 ~~English proficiency, as defined by Section 29.052.~~

28-4 ~~[(b-1) Performance on the indicators described by~~
 28-5 ~~Subsections (b)(1), (2), (3), (8), (9), and (14) must be based on~~
 28-6 ~~longitudinal student data that is disaggregated by the bilingual~~
 28-7 ~~education or special language program, if any, in which students of~~
 28-8 ~~limited English proficiency, as defined by Section 29.052, are or~~
 28-9 ~~former students of limited English proficiency were enrolled. If a~~
 28-10 ~~student described by this subsection is not or was not enrolled in~~
 28-11 ~~specialized language instruction, the number and percentage of~~
 28-12 ~~those students shall be provided.~~

28-13 ~~[(c)] Performance on the student achievement indicators~~
 28-14 ~~[indicator] under Subsections (c)(1) and (2) [Subsection (b)(1)]~~
 28-15 ~~shall be compared to state standards and [r] required improvement [r,~~
 28-16 ~~and comparable improvement]. The state standard shall be~~
 28-17 ~~established by the commissioner. Required improvement is [defined~~
 28-18 ~~as] the progress necessary for the campus or district to meet state~~
 28-19 ~~standards and, for the student achievement indicator under~~
 28-20 ~~Subsection (c)(1), for its students to meet each of the performance~~
 28-21 ~~standards as determined under Section 39.0241.~~

28-22 ~~(f) [exit requirements as defined by the commissioner.~~
 28-23 ~~Comparable improvement is derived by measuring campuses and~~
 28-24 ~~districts against a profile developed from a total state student~~
 28-25 ~~performance database which exhibits substantial equivalence to the~~
 28-26 ~~characteristics of students served by the campus or district,~~
 28-27 ~~including past academic performance, socioeconomic status,~~
 28-28 ~~ethnicity, and limited English proficiency.~~

28-29 ~~[(d)] Annually, the commissioner shall define the state~~
 28-30 ~~standard for the current school year for each student achievement~~
 28-31 ~~[exemplary, recognized, and unacceptable performance for each~~
 28-32 ~~academic excellence] indicator described by Subsection (c)~~
 28-33 ~~[included under Subsections (b)(1) through (7)] and shall project~~
 28-34 ~~the state standards for each [of those levels of performance for~~
 28-35 ~~succeeding years. For the] indicator for the following two school~~
 28-36 ~~[under Subsection (b)(8), the commissioner shall define exemplary,~~
 28-37 ~~recognized, and unacceptable performance based on student~~
 28-38 ~~performance for the period covering both the current and preceding~~
 28-39 ~~academic] years.~~

28-40 ~~(g) In defining the required state standard [exemplary,~~
 28-41 ~~recognized, and unacceptable performance] for the indicator~~
 28-42 ~~described by Subsection (c)(2) [indicators under Subsections~~
 28-43 ~~(b)(2) and (4)], the commissioner may not consider as a dropout [or~~
 28-44 ~~as] a student [who has failed to attend school a student] whose~~
 28-45 ~~failure to attend school results from:~~

- 28-46 (1) the student's expulsion under Section 37.007; and
- 28-47 (2) as applicable:

28-48 (A) adjudication as having engaged in delinquent
 28-49 conduct or conduct indicating a need for supervision, as defined by
 28-50 Section 51.03, Family Code; or

28-51 (B) conviction of and sentencing for an offense
 28-52 under the Penal Code.

28-53 (g-1) In computing dropout and completion rates under
 28-54 Subsection (c)(2), the commissioner shall exclude:

28-55 (1) students who are ordered by a court to attend a
 28-56 high school equivalency certificate program but who have not yet
 28-57 earned a high school equivalency certificate;

28-58 (2) students who were previously reported to the state
 28-59 as dropouts;

28-60 (3) students in attendance who are not in membership
 28-61 for purposes of average daily attendance;

28-62 (4) students whose initial enrollment in a school in
 28-63 the United States in grades 7 through 12 was as unschooled refugees
 28-64 or asylees as defined by Section 39.027(a-2);

28-65 (5) students who are in the district exclusively as a
 28-66 function of having been detained at a county detention facility but
 28-67 are otherwise not students of the district in which the facility is
 28-68 located;

28-69 (6) students who return to school at any point up

29-1 through the fourth Friday in October each year; and
 29-2 (7) students who are incarcerated in state jails and
 29-3 federal penitentiaries as adults and as persons certified to stand
 29-4 trial as adults.

29-5 (h) [(e)] Each school district shall cooperate with the
 29-6 agency in determining whether a student is a dropout for purposes of
 29-7 accreditation and evaluating performance by school districts and
 29-8 campuses under this chapter [section].

29-9 (i) [(f) The indicator under Subsection (b)(1) must include
 29-10 the results of assessment instruments required under Section
 29-11 39.023(b).

29-12 [(g)] The commissioner by rule shall adopt accountability
 29-13 measures to be used in assessing the progress of students who have
 29-14 failed to perform satisfactorily as determined by the commissioner
 29-15 under Section 39.0241(a) or under the college readiness standard as
 29-16 determined under Section 39.0241 in the preceding school year on an
 29-17 assessment instrument required under Section 39.023(a), (c), or
 29-18 (l).

29-19 Sec. 39.054. METHODS AND STANDARDS FOR EVALUATING
 29-20 PERFORMANCE. (a) The commissioner shall adopt rules consistent
 29-21 with this section to evaluate school district and campus
 29-22 performance and assign each district and campus a performance
 29-23 rating that reflects satisfactory performance, unsatisfactory
 29-24 performance, or performance eligible for distinction under
 29-25 Subchapter G.

29-26 (a-1) A campus is considered academically accredited if the
 29-27 campus is assigned a satisfactory performance rating under this
 29-28 section.

29-29 (b) In evaluating performance, the commissioner shall
 29-30 evaluate against state standards and consider the performance of
 29-31 each campus in a school district and each open-enrollment charter
 29-32 school on the basis of:

29-33 (1) the campus's or school's performance on the
 29-34 student achievement indicators adopted under Section 39.053(c);
 29-35 and

29-36 (2) whether a significant pattern of decreased
 29-37 academic performance has developed as a result of the promotion in
 29-38 the preceding two school years of students who did not perform
 29-39 satisfactorily as determined by the commissioner under Section
 29-40 39.0241(a) on assessment instruments administered under Section
 29-41 39.023(a), (c), or (l).

29-42 [(b-1) [39.072. ACCREDITATION STANDARDS. (a) The State
 29-43 Board of Education shall adopt rules to evaluate the performance of
 29-44 school districts and to assign to each district a performance
 29-45 rating as follows:

29-46 [(1) exemplary (meets or exceeds state exemplary
 29-47 standards);

29-48 [(2) recognized (meets or exceeds required
 29-49 improvement and within 10 percent of state exemplary standards);

29-50 [(3) academically acceptable (below the exemplary and
 29-51 recognized standards but exceeds the academically unacceptable
 29-52 standards); or

29-53 [(4) academically unacceptable (below the state
 29-54 clearly unacceptable performance standard and does not meet
 29-55 required improvement).

29-56 [(b) The academic excellence indicators adopted under
 29-57 Sections 39.051(b)(1) through (8) and the district's current
 29-58 special education compliance status with the agency shall be the
 29-59 main considerations of the agency in the rating of the district
 29-60 under this section. Additional criteria in the rules may include
 29-61 consideration of:

29-62 [(1) compliance with statutory requirements and
 29-63 requirements imposed by rule of the State Board of Education under
 29-64 specific statutory authority that relate to:

29-65 [(A) reporting data through the Public Education
 29-66 Information Management System (PEIMS);

29-67 [(B) the high school graduation requirements
 29-68 under Section 28.025; or

29-69 [(C) an item listed in Sections

30-1 ~~7.056(e)(3)(C)-(I) that applies to the district;~~
 30-2 ~~[(2) the effectiveness of the district's programs for~~
 30-3 ~~special populations; and~~
 30-4 ~~[(3) the effectiveness of the district's career and~~
 30-5 ~~technology programs.~~
 30-6 ~~[(c) The agency shall evaluate against state standards and~~
 30-7 ~~shall, not later than August 1 of each year, report the performance~~
 30-8 ~~of each campus in a district and each open-enrollment charter~~
 30-9 ~~school on the basis of the campus's performance on the indicators~~
 30-10 ~~adopted under Sections 39.051(b)(1) through (8).] Consideration of~~
 30-11 ~~the effectiveness of district programs under Section~~
 30-12 ~~39.052(b)(2)(B) or (C):~~
 30-13 ~~(1) [Subsection (b)(2) or (3)] must:~~
 30-14 ~~(A) be based on data collected through the Public~~
 30-15 ~~Education Information Management System (PEIMS) for purposes of~~
 30-16 ~~accountability under this chapter; and~~
 30-17 ~~(B) include the results of assessments required~~
 30-18 ~~under Section 39.023; and~~
 30-19 ~~(2) may be based on the results of a special~~
 30-20 ~~accreditation investigation conducted under Section 39.057.~~
 30-21 ~~(c) In evaluating school district and campus performance on~~
 30-22 ~~the student achievement indicators adopted under Sections~~
 30-23 ~~39.053(c)(1) and (2), the commissioner shall identify satisfactory~~
 30-24 ~~performance as meeting the state standard determined by the~~
 30-25 ~~commissioner under Section 39.053(f) for the current school year~~
 30-26 ~~based on:~~
 30-27 ~~(1) student performance in the current school year; or~~
 30-28 ~~(2) student performance as averaged over the current~~
 30-29 ~~school year and the preceding two school years.~~
 30-30 ~~(d) [Notwithstanding any other provision of this code, for~~
 30-31 ~~purposes of determining the performance of a school district under~~
 30-32 ~~this chapter, including the accreditation status of the district, a~~
 30-33 ~~student confined by court order in a residential program or~~
 30-34 ~~facility operated by or under contract with the Texas Youth~~
 30-35 ~~Commission, Texas Juvenile Probation Commission, or any other~~
 30-36 ~~governmental entity, including a juvenile board, is not considered~~
 30-37 ~~to be a student of the school district in which the program or~~
 30-38 ~~facility is physically located. The performance of such a student~~
 30-39 ~~on an assessment instrument or other academic excellence indicator~~
 30-40 ~~adopted under Section 39.051 shall be determined, reported, and~~
 30-41 ~~considered separately from the performance of students attending a~~
 30-42 ~~school of the district in which the program or facility is~~
 30-43 ~~physically located.~~
 30-44 ~~[Sec. 39.0721. GOLD PERFORMANCE RATING PROGRAM. (a) In~~
 30-45 ~~addition to district and campus performance ratings reported under~~
 30-46 ~~Section 39.072, the commissioner shall develop a gold performance~~
 30-47 ~~rating program based on enhanced performance. The agency shall~~
 30-48 ~~administer the program.~~
 30-49 ~~[(b) Under the gold performance rating program, a district~~
 30-50 ~~or campus rated exemplary under Section 39.072 is eligible for an~~
 30-51 ~~exemplary gold rating, a district or campus rated recognized is~~
 30-52 ~~eligible for a recognized gold rating, and a district or campus~~
 30-53 ~~rated academically acceptable is eligible for an academically~~
 30-54 ~~acceptable gold rating.~~
 30-55 ~~[(c) The performance standards on which a gold performance~~
 30-56 ~~rating is based should include:~~
 30-57 ~~[(1) student proficiency on:~~
 30-58 ~~[(A) assessment instruments administered under~~
 30-59 ~~Sections 39.023(a), (c), and (1); and~~
 30-60 ~~[(B) other measures of proficiency determined by~~
 30-61 ~~the commissioner,~~
 30-62 ~~[(2) student performance on one or more nationally~~
 30-63 ~~recognized norm-referenced assessment instruments,~~
 30-64 ~~[(3) improvement in student performance,~~
 30-65 ~~[(4) in the case of middle or junior high school~~
 30-66 ~~campuses, student proficiency in mathematics, including algebra,~~
 30-67 ~~and~~
 30-68 ~~[(5) in the case of high school campuses:~~
 30-69 ~~[(A) the extent to which graduating students are~~

31-1 ~~academically prepared to attend institutions of higher education,~~
 31-2 ~~[(B) the percentage of students who take advanced~~
 31-3 ~~placement tests and student performance on those tests; and~~
 31-4 ~~[(C) the percentage of students who take and~~
 31-5 ~~successfully complete advanced academic courses or college-level~~
 31-6 ~~course work offered through dual credit programs provided under~~
 31-7 ~~agreements between high schools and institutions of higher~~
 31-8 ~~education.~~

31-9 ~~[(d) The commissioner may adopt rules as necessary to~~
 31-10 ~~implement and administer this section.~~

31-11 ~~[Sec. 39.073. DETERMINING ACCREDITATION STATUS. (a) The~~
 31-12 ~~agency shall annually review the performance of each district and~~
 31-13 ~~campus on the indicators adopted under Sections 39.051(b)(1)~~
 31-14 ~~through (8) and determine if a change in the accreditation status of~~
 31-15 ~~the district is warranted. The commissioner may determine how all~~
 31-16 ~~indicators adopted under Section 39.051(b) may be used to determine~~
 31-17 ~~accountability ratings and to select districts and campuses for~~
 31-18 ~~acknowledgment.~~

31-19 ~~[(b)]~~ Each annual performance review under this section
 31-20 shall include an analysis of the student achievement indicators
 31-21 adopted under Section 39.053(c) [Sections 39.051(b)(1) through
 31-22 (8)] to determine school district and campus performance in
 31-23 relation to:

31-24 (1) standards established for each indicator; and

31-25 (2) required improvement as defined under Section
 31-26 39.053(e).

31-27 (d-1) The commissioner by rule may adopt a method of
 31-28 evaluation by which a district or campus is not assigned an
 31-29 unsatisfactory performance rating solely because the district or
 31-30 campus fails to satisfy the minimum performance standards on 15
 31-31 percent or fewer of the measures of evaluation the commissioner
 31-32 determines appropriate with respect to the student achievement
 31-33 indicators adopted under Section 39.053(c). Under the method of
 31-34 evaluation adopted by the commissioner under this subsection, the
 31-35 commissioner:

31-36 (1) may grant an exception under this subsection to a
 31-37 district or campus only if the performance of the district or campus
 31-38 is within five percentage points of the minimum performance
 31-39 standard established by the commissioner for the measure of
 31-40 evaluation;

31-41 (2) may not grant an exception under this subsection
 31-42 if a district or campus fails to satisfy the minimum performance
 31-43 standard on the same measure of evaluation for two consecutive
 31-44 school years; and

31-45 (3) may establish other performance criteria for a
 31-46 district or campus to obtain an exception under this subsection
 31-47 [39.051(c); and

31-48 ~~[(3) comparable improvement as defined by Section~~
 31-49 ~~39.051(c)].~~

31-50 ~~[(c) A district's accreditation rating may be raised or~~
 31-51 ~~lowered based on the district's performance or may be lowered based~~
 31-52 ~~on the unacceptable performance of one or more campuses in the~~
 31-53 ~~district.~~

31-54 ~~[(d) The commissioner shall notify a district that is rated~~
 31-55 ~~academically unacceptable that the performance of the district or a~~
 31-56 ~~campus in the district is below each standard under Subsection (b)~~
 31-57 ~~and shall require the district to notify property owners and~~
 31-58 ~~parents in the district of the lowered accreditation rating and its~~
 31-59 ~~implication.]~~

31-60 ~~(e) [In determining a district's accreditation rating, the~~
 31-61 ~~agency shall consider:~~

31-62 ~~[(1) the district's current special education~~
 31-63 ~~compliance status with the agency; and~~

31-64 ~~[(2) the progress of students who have failed to~~
 31-65 ~~perform satisfactorily in the preceding school year on an~~
 31-66 ~~assessment instrument required under Section 39.023(a), (c), or~~
 31-67 ~~(1).]~~

31-68 ~~[(f)]~~ In the computation of dropout rates under Section
 31-69 39.053(c)(2) [39.051(b)(2)], a student who is released from a

32-1 juvenile pre-adjudication secure detention facility or juvenile
 32-2 post-adjudication secure correctional facility and fails to enroll
 32-3 in school or a student who leaves a residential treatment center
 32-4 after receiving treatment for fewer than 85 days and fails to enroll
 32-5 in school may not be considered to have dropped out from the [~~campus~~
 32-6 ~~or~~] school district or campus serving the facility or center unless
 32-7 that district or campus [~~or district~~] is the one to which the
 32-8 student is regularly assigned. The commissioner may not limit the
 32-9 number of students excluded from being counted as dropouts under
 32-10 this subsection.

32-11 Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT NOT
 32-12 CONSIDERED FOR ACCOUNTABILITY PURPOSES. Notwithstanding any other
 32-13 provision of this code, for purposes of determining the performance
 32-14 of a school district or campus under this chapter, a student ordered
 32-15 by a juvenile court into a residential program or facility operated
 32-16 by or under contract with the Texas Youth Commission, the Texas
 32-17 Juvenile Probation Commission, a juvenile board, or any other
 32-18 governmental entity is not considered to be a student of the school
 32-19 district in which the program or facility is physically located.
 32-20 The performance of such a student on an assessment instrument or
 32-21 other student achievement indicator adopted under Section 39.053 or
 32-22 reporting indicator adopted under Section 39.301 shall be
 32-23 determined, reported, and considered separately from the
 32-24 performance of students attending a school of the district in which
 32-25 the program or facility is physically located.

32-26 Sec. 39.056 [~~39.074~~]. ON-SITE INVESTIGATIONS. (a) The
 32-27 commissioner may:

32-28 (1) direct the agency to conduct on-site
 32-29 investigations of a school district at any time to answer any
 32-30 questions concerning a program, including special education,
 32-31 required by federal law or for which the district receives federal
 32-32 funds; and

32-33 (2) [~~raise or lower the performance rating~~] as a
 32-34 result of the investigation, change the accreditation status of a
 32-35 district or accountability rating of a district or campus or
 32-36 withdraw a distinction designation under Subchapter G.

32-37 (b) The commissioner shall determine the frequency of
 32-38 on-site investigations by the agency according to annual
 32-39 comprehensive analyses of student performance and equity in
 32-40 relation to the student achievement [~~academic excellence~~]
 32-41 indicators adopted under Section 39.053 [~~39.051~~].

32-42 (c) In making an on-site [~~accreditation~~] investigation, the
 32-43 investigators shall obtain information from administrators,
 32-44 teachers, and parents of students enrolled in the school district.
 32-45 The investigation may not be closed until information is obtained
 32-46 from each of those sources. The State Board of Education shall
 32-47 adopt rules for:

32-48 (1) obtaining information from parents and using that
 32-49 information in the investigator's report; and

32-50 (2) obtaining information from teachers in a manner
 32-51 that prevents a [~~campus or~~] district or campus from screening the
 32-52 information.

32-53 (d) The agency shall give written notice to the
 32-54 superintendent and the board of trustees of a school district of any
 32-55 impending investigation of the district's accreditation.

32-56 (e) [~~If an annual review indicates low performance on one or~~
 32-57 ~~more of the indicators under Sections 39.051(b)(1) through (8) of~~
 32-58 ~~one or more campuses in a district, the agency may conduct an~~
 32-59 ~~on-site evaluation of those campuses only.~~

32-60 [~~(f)~~] The investigators shall report orally and in writing
 32-61 to the board of trustees of the school district and, as appropriate,
 32-62 to campus administrators and shall make recommendations concerning
 32-63 any necessary improvements or sources of aid such as regional
 32-64 education service centers.

32-65 Sec. 39.057 [~~39.075~~]. SPECIAL ACCREDITATION INVESTIGATIONS.

32-66 (a) The commissioner shall authorize special accreditation
 32-67 investigations to be conducted:

32-68 (1) when excessive numbers of absences of students
 32-69 eligible to be tested on state assessment instruments are

33-1 determined;

33-2 (2) when excessive numbers of allowable exemptions

33-3 from the required state assessment instruments are determined;

33-4 (3) in response to complaints submitted to the agency

33-5 with respect to alleged violations of civil rights or other

33-6 requirements imposed on the state by federal law or court order;

33-7 (4) in response to established compliance reviews of

33-8 the district's financial accounting practices and state and federal

33-9 program requirements;

33-10 (5) when extraordinary numbers of student placements

33-11 in disciplinary alternative education programs, other than

33-12 placements under Sections 37.006 and 37.007, are determined;

33-13 (6) in response to an allegation involving a conflict

33-14 between members of the board of trustees or between the board and

33-15 the district administration if it appears that the conflict

33-16 involves a violation of a role or duty of the board members or the

33-17 administration clearly defined by this code;

33-18 (7) when excessive numbers of students in special

33-19 education programs under Subchapter A, Chapter 29, are assessed

33-20 through assessment instruments developed or adopted under Section

33-21 39.023(b);

33-22 (8) in response to an allegation regarding or an

33-23 analysis using a statistical method result indicating a possible

33-24 violation of an assessment instrument security procedure

33-25 established under Section 39.0301, including for the purpose of

33-26 investigating or auditing a school district under that section;

33-27 [~~or~~]

33-28 (9) when excessive numbers of students graduate under

33-29 the minimum high school program;

33-30 (10) when excessive numbers of students eligible to

33-31 enroll fail to complete an Algebra II course or any other course

33-32 determined by the commissioner as distinguishing between students

33-33 participating in the recommended high school program from students

33-34 participating in the minimum high school program; or

33-35 (11) as the commissioner otherwise determines

33-36 necessary.

33-37 (b) If the agency's findings in an investigation under

33-38 Subsection (a)(6) indicate that the board of trustees has observed

33-39 a lawfully adopted policy, the agency may not substitute its

33-40 judgment for that of the board.

33-41 (c) [~~(b-1)~~] The commissioner may authorize special

33-42 accreditation investigations to be conducted in response to

33-43 repeated complaints submitted to the agency concerning imposition

33-44 of excessive paperwork requirements on classroom teachers.

33-45 (d) [~~(c)~~] Based on the results of a special accreditation

33-46 investigation, the commissioner may:

33-47 (1) take appropriate action under Subchapter E [~~G~~];

33-48 (2) lower the school district's accreditation status

33-49 or the district's or campus's accountability rating; or

33-50 (3) take action under both Subdivisions (1) and (2).

33-51 (e) [~~(c)~~ ~~Based on the results of a special accreditation~~

33-52 ~~investigation, the commissioner may lower the district's~~

33-53 ~~accreditation rating and may take appropriate action under~~

33-54 ~~Subchapter G.] Regardless of whether the commissioner lowers the~~

33-55 school district's accreditation status or the district's or

33-56 campus's accountability rating under Subsection (d), the

33-57 commissioner may take action under Sections 39.101(a)(1) through

33-58 (8) or Section 39.102 [~~39.131(a)(1) through (8)~~] if the

33-59 commissioner determines that the action is necessary to improve any

33-60 area of a district's or campus's performance, including the

33-61 district's financial accounting practices.

33-62 Sec. 39.058 [~~39.076~~]. CONDUCT OF INVESTIGATIONS. (a) The

33-63 agency shall adopt written procedures for conducting on-site

33-64 investigations under this subchapter. The agency shall make the

33-65 procedures available to the complainant, the alleged violator, and

33-66 the public. Agency staff must be trained in the procedures and must

33-67 follow the procedures in conducting the investigation.

33-68 (b) After completing an investigation, the agency shall

33-69 present preliminary findings to any person the agency finds has

34-1 violated a law, rule, or policy. Before issuing a report with its
34-2 final findings, the agency must provide a person the agency finds
34-3 has violated a law, rule, or policy an opportunity for an informal
34-4 review by the commissioner or a designated hearing examiner.

34-5 SUBCHAPTER D [±]. FINANCIAL ACCOUNTABILITY

34-6 Sec. 39.081 [~~39.201~~]. DEFINITIONS. In this subchapter:

34-7 (1) "Parent" includes a guardian or other person
34-8 having lawful control of a student.

34-9 (2) "System" means the financial accountability
34-10 rating system.

34-11 Sec. 39.082 [~~39.202~~]. DEVELOPMENT AND IMPLEMENTATION.

34-12 (a) The commissioner shall, in consultation with the comptroller,
34-13 develop and implement a financial accountability rating system for
34-14 school districts in this state that:

34-15 (1) distinguishes among school districts based on
34-16 levels of financial performance; and

34-17 (2) includes procedures to:

34-18 (A) provide additional transparency to public
34-19 education finance; and

34-20 (B) enable the commissioner and school district
34-21 administrators to provide meaningful financial oversight and
34-22 improvement.

34-23 (b) The system must include uniform indicators adopted by
34-24 the commissioner by which to measure a district's financial
34-25 management performance.

34-26 Sec. 39.0821. COMPTROLLER REVIEW OF RESOURCE ALLOCATION
34-27 PRACTICES. The comptroller shall identify school districts and
34-28 campuses that use resource allocation practices that contribute to
34-29 high academic achievement and cost-effective operations. In
34-30 identifying districts and campuses under this section, the
34-31 comptroller shall:

34-32 (1) evaluate existing academic accountability and
34-33 financial data by integrating the data;

34-34 (2) rank the results of the evaluation under
34-35 Subdivision (1) to identify the relative performance of districts
34-36 and campuses; and

34-37 (3) identify potential areas for district and campus
34-38 improvement.

34-39 Sec. 39.0822. FINANCIAL SOLVENCY REVIEW REQUIRED. (a) The
34-40 agency shall develop a review process to anticipate the future
34-41 financial solvency of each school district. The review process
34-42 shall analyze:

34-43 (1) district revenues and expenditures for the
34-44 preceding school year; and

34-45 (2) projected district revenues and expenditures for
34-46 the current school year and the following two school years.

34-47 (b) In analyzing the information under Subsection (a), the
34-48 review process developed must consider, for the preceding school
34-49 year, the current school year, and the following two school years,
34-50 as appropriate:

34-51 (1) student-to-staff ratios relative to expenditures,
34-52 including average staff salaries;

34-53 (2) the rate of change in the district unreserved
34-54 general fund balance;

34-55 (3) the number of students enrolled in the district;

34-56 (4) the adopted tax rate of the district;

34-57 (5) any independent audit report prepared for the
34-58 district; and

34-59 (6) actual district financial information for the
34-60 first quarter.

34-61 (c) The agency shall consult school district financial
34-62 officers and public finance experts in developing the review
34-63 process under this section.

34-64 (d) The agency shall develop an electronic-based program
34-65 for school districts to use in submitting information to the agency
34-66 for purposes of this section. Each district shall update
34-67 information for purposes of the program within the period
34-68 prescribed by the commissioner. The commissioner shall adopt rules
34-69 under this subsection to allow a district to enter estimates of

35-1 critical data into the program before the district adopts its
 35-2 budget. The program must:

35-3 (1) be capable of importing, to the extent
 35-4 practicable, data a district has previously submitted to the
 35-5 agency;

35-6 (2) include an entry space that allows a district to
 35-7 enter information explaining any irregularity in data submitted;
 35-8 and

35-9 (3) provide alerts for:

35-10 (A) a student-to-staff ratio that is
 35-11 significantly outside the norm;

35-12 (B) a rapid depletion of the district general
 35-13 fund balance; and

35-14 (C) a significant discrepancy between actual
 35-15 budget figures and projected revenues and expenditures.

35-16 (e) An alert in the program developed under Subsection (d)
 35-17 must be developed to notify the agency immediately on the
 35-18 occurrence of a condition described by Subsection (d)(3). After
 35-19 the agency is alerted, the agency shall immediately notify the
 35-20 affected school district regarding the condition triggering the
 35-21 alert.

35-22 Sec. 39.0823. PROJECTED DEFICIT. (a) If the review
 35-23 process under Section 39.0822 indicates a projected deficit for a
 35-24 school district general fund within the following three school
 35-25 years, the district shall provide the agency interim financial
 35-26 reports, supplemented by staff and student count data, as needed,
 35-27 to evaluate the district's current budget status.

35-28 (b) If the interim financial data provided under Subsection
 35-29 (a) substantiates the projected deficit, the school district shall
 35-30 develop a financial plan and submit the plan to the agency for
 35-31 approval. The agency may approve the plan only if the agency
 35-32 determines the plan will permit the district to avoid the projected
 35-33 insolvency.

35-34 (c) The commissioner shall assign a school district an
 35-35 accredited-warned status if:

35-36 (1) the district fails to submit a plan as provided by
 35-37 Subsection (b);

35-38 (2) the district fails to obtain approval from the
 35-39 agency for a plan as provided by Subsection (b);

35-40 (3) the district fails to comply with a plan approved
 35-41 by the agency under Subsection (b); or

35-42 (4) the agency determines in a subsequent school year,
 35-43 based on financial data submitted by the district, that the
 35-44 approved plan for the district is no longer sufficient or is not
 35-45 appropriately implemented.

35-46 Sec. 39.083 [39.203]. REPORTING. (a) The commissioner
 35-47 shall develop, as part of the system, a reporting procedure under
 35-48 which:

35-49 (1) each school district is required to prepare and
 35-50 distribute an annual financial management report; and

35-51 (2) the public is provided an opportunity to comment
 35-52 on the report at a hearing.

35-53 (b) The annual financial management report must include:

35-54 (1) a description of the district's financial
 35-55 management performance based on a comparison, provided by the
 35-56 agency, of the district's performance on the indicators adopted
 35-57 under Section 39.082(b) [39.202(b)] to:

35-58 (A) state-established standards; and

35-59 (B) the district's previous performance on the
 35-60 indicators; [and]

35-61 (2) a description of the data submitted using the
 35-62 electronic-based program developed under Section 39.0822; and

35-63 (3) any descriptive information required by the
 35-64 commissioner.

35-65 (c) The report may include:

35-66 (1) information concerning the district's:

35-67 (A) financial allocations;

35-68 (B) tax collections;

35-69 (C) financial strength;

36-1 (D) operating cost management;
 36-2 (E) personnel management;
 36-3 (F) debt management;
 36-4 (G) facility acquisition and construction
 36-5 management;
 36-6 (H) cash management;
 36-7 (I) budgetary planning;
 36-8 (J) overall business management;
 36-9 (K) compliance with rules; and
 36-10 (L) data quality; and

36-11 (2) any other information the board of trustees
 36-12 determines to be necessary or useful.

36-13 (d) The board of trustees of each school district shall hold
 36-14 a public hearing on the report. The board shall give notice of the
 36-15 hearing to owners of real property in the district and to parents of
 36-16 district students. In addition to other notice required by law,
 36-17 notice of the hearing must be provided:

36-18 (1) to a newspaper of general circulation in the
 36-19 district; and

36-20 (2) through electronic mail to media serving the
 36-21 district.

36-22 (e) After the hearing, the report shall be disseminated in
 36-23 the district in the manner prescribed by the commissioner.

36-24 Sec. 39.084 [~~39.204~~]. RULES. The commissioner shall adopt
 36-25 rules as necessary for the implementation and administration of
 36-26 this subchapter.

36-27 SUBCHAPTER E [~~G~~]. ACCREDITATION INTERVENTIONS AND SANCTIONS

36-28 Sec. 39.101 [~~39.131~~]. INTERVENTIONS AND SANCTIONS FOR
 36-29 DISTRICTS. (a) If a school district does not satisfy the
 36-30 accreditation criteria under Section 39.052 [~~39.071~~], the
 36-31 [~~academic~~] performance standards under Section 39.053 or 39.054
 36-32 [~~39.072~~], or any financial accountability standard as determined by
 36-33 commissioner rule, the commissioner shall take any of the following
 36-34 actions to the extent the commissioner determines necessary:

36-35 (1) issue public notice of the deficiency to the board
 36-36 of trustees;

36-37 (2) order a hearing conducted by the board of trustees
 36-38 of the district for the purpose of notifying the public of the
 36-39 insufficient [~~unacceptable~~] performance, the improvements in
 36-40 performance expected by the agency, and the interventions and
 36-41 sanctions that may be imposed under this section if the performance
 36-42 does not improve;

36-43 (3) order the preparation of a student achievement
 36-44 improvement plan that addresses each student achievement [~~academic~~
 36-45 ~~excellence~~] indicator under Section 39.053(c) for which the
 36-46 district's performance is insufficient [~~unacceptable~~], the
 36-47 submission of the plan to the commissioner for approval, and
 36-48 implementation of the plan;

36-49 (4) order a hearing to be held before the commissioner
 36-50 or the commissioner's designee at which the president of the board
 36-51 of trustees of the district and the superintendent shall appear and
 36-52 explain the district's low performance, lack of improvement, and
 36-53 plans for improvement;

36-54 (5) arrange an on-site investigation of the district;

36-55 (6) appoint an agency monitor to participate in and
 36-56 report to the agency on the activities of the board of trustees or
 36-57 the superintendent;

36-58 (7) appoint a conservator to oversee the operations of
 36-59 the district;

36-60 (8) appoint a management team to direct the operations
 36-61 of the district in areas of insufficient [~~unacceptable~~] performance
 36-62 or require the district to obtain certain services under a contract
 36-63 with another person;

36-64 (9) if a district has a current accreditation status
 36-65 of accredited-warned or accredited-probation, fails to satisfy any
 36-66 standard under Section 39.054(d) [~~is rated academically~~
 36-67 ~~unacceptable~~], or fails to satisfy financial accountability
 36-68 standards as determined by commissioner rule, appoint a board of
 36-69 managers to exercise the powers and duties of the board of trustees;

(10) if for two consecutive school years, including the ~~[current]~~ school year for which performance is currently determined, a district has received an accreditation status of accredited-warned or accredited-probation, has failed to satisfy any standard under Section 39.054(d) [been rated academically unacceptable], or has failed to satisfy financial accountability standards as determined by commissioner rule, revoke the district's accreditation and:

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

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

(11) if a district has failed to satisfy any standard under Section 39.054(d) [been rated academically unacceptable for two consecutive school years, including the current school year], due to the district's dropout rates, impose sanctions designed to improve high school completion rates, including:

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

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

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

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

(b) This subsection applies regardless of whether a district has satisfied the accreditation criteria. If for two consecutive school years, including the ~~[current]~~ school year for which the accreditation status is currently determined, a district has had a conservator or management team assigned, the commissioner may appoint a board of managers, a majority of whom must be residents of the district, to exercise the powers and duties of the board of trustees.

Sec. 39.102 ~~[39.132]~~. INTERVENTIONS AND SANCTIONS FOR [ACADEMICALLY UNACCEPTABLE] CAMPUSES. (a) If a campus performance is below any standard under Section 39.054(d) ~~[39.073(b)]~~, the ~~[campus is considered an academically unacceptable campus. The]~~ commissioner ~~[may permit the campus to participate in an innovative redesign of the campus to improve campus performance or]~~ shall take ~~[any of the other following]~~ actions, to the extent the commissioner determines necessary, as provided by this subchapter.

(b) For a campus described by Subsection (a), the commissioner, to the extent the commissioner determines necessary, may[+]

~~[(1) issue public notice of the deficiency to the board of trustees,~~

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

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

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

~~[(3) order the preparation of a report regarding the parental involvement program at the campus and a plan describing strategies for improving parental involvement at the campus;~~

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

38-1 ~~[(5) order the preparation of a student improvement~~
 38-2 ~~plan that addresses each academic excellence indicator for which~~
 38-3 ~~the campus's performance is unacceptable, the submission of the~~
 38-4 ~~plan to the commissioner for approval, and implementation of the~~
 38-5 ~~plan;~~

38-6 ~~[(6)] order a hearing to be held before the~~
 38-7 ~~commissioner or the commissioner's designee at which the president~~
 38-8 ~~of the board of trustees, the superintendent, and the campus~~
 38-9 ~~principal shall appear and explain the campus's low performance,~~
 38-10 ~~lack of improvement, and plans for improvement[7 or~~

38-11 ~~[(7) appoint a campus intervention team under Section~~
 38-12 ~~39.1322].~~

38-13 (c) Notwithstanding the provisions of this subchapter, if
 38-14 the commissioner determines that a campus subject to interventions
 38-15 or sanctions under this subchapter has implemented substantially
 38-16 similar intervention measures under federal accountability
 38-17 requirements, the commissioner may accept the substantially
 38-18 similar intervention measures as measures in compliance with this
 38-19 subchapter.

38-20 Sec. 39.103 [39.1321]. INTERVENTIONS AND SANCTIONS FOR
 38-21 CHARTER SCHOOLS. (a) Interventions and sanctions [sanctions]
 38-22 authorized under this chapter for a school district or campus apply
 38-23 in the same manner to an open-enrollment charter school.

38-24 (b) The commissioner shall adopt rules to implement
 38-25 procedures to impose any intervention or sanction provision under
 38-26 this chapter as those provisions relate to open-enrollment charter
 38-27 schools.

38-28 (c) In adopting rules under this section, the commissioner
 38-29 shall require that the charter of an open-enrollment charter
 38-30 school:

38-31 (1) be automatically revoked if the charter school is
 38-32 ordered closed under this chapter; and

38-33 (2) be automatically modified to remove authorization
 38-34 for an individual campus if the campus is ordered closed under this
 38-35 chapter.

38-36 (d) If interventions or sanctions are imposed on an
 38-37 open-enrollment charter school under the procedures provided by
 38-38 this chapter, a charter school is not entitled to an additional
 38-39 hearing relating to the modification, placement on probation,
 38-40 revocation, or denial of renewal of a charter as provided by
 38-41 Subchapter D, Chapter 12.

38-42 Sec. 39.104 [39.1322]. [TECHNICAL ASSISTANCE AND] CAMPUS
 38-43 IMPROVEMENT PLAN [INTERVENTION TEAMS]. (a) This section applies
 38-44 if [if] a campus performance satisfies performance standards under
 38-45 Section 39.054(d) [is rated academically acceptable] for the
 38-46 current school year but would not satisfy performance standards
 38-47 under Section 39.054(d) [be rated as academically unacceptable] if
 38-48 the [performance] standards to be used for the following school
 38-49 year were applied to the current school year. On request of [7] the
 38-50 commissioner, the campus shall submit to the commissioner in an
 38-51 electronic format the portions of the campus improvement plan
 38-52 developed under Section 11.253 that are relevant to those areas for
 38-53 which the campus would not satisfy performance standards [select
 38-54 and assign a technical assistance team to assist the campus in
 38-55 executing a school improvement plan and any other school
 38-56 improvement strategies the commissioner determines appropriate.
 38-57 The commissioner may waive the requirement to assign a technical
 38-58 assistance team under this subsection if the improvement in
 38-59 performance standards among all student groups, including special
 38-60 populations, over the preceding three years indicates that the
 38-61 campus is likely to be rated academically acceptable in the
 38-62 following school year].

38-63 (b) If the [a] campus to which this section applies is an
 38-64 open-enrollment charter school, the school shall establish a
 38-65 campus-level planning and decision-making committee as provided
 38-66 for through procedures as much as practicable the same as those
 38-67 provided by Sections 11.251(b)-(e) and develop a campus improvement
 38-68 plan as provided by Section 11.253. On request of the commissioner,
 38-69 the school shall submit to the commissioner in an electronic format

39-1 ~~the portions of the campus improvement plan that are relevant to~~
 39-2 ~~those areas for which the school would not satisfy performance~~
 39-3 ~~standards [has been identified as academically unacceptable under~~
 39-4 ~~Section 39.132, the commissioner shall appoint a campus~~
 39-5 ~~intervention team.~~

39-6 ~~[(c) To the extent practicable, the commissioner shall~~
 39-7 ~~select and assign the technical assistance team under Subsection~~
 39-8 ~~(a) or the campus intervention team under Subsection (b) before the~~
 39-9 ~~first day of instruction for the school year.~~

39-10 ~~[(d) The commissioner may determine when the services of a~~
 39-11 ~~technical assistance team or campus intervention team are no longer~~
 39-12 ~~needed at a campus under this section].~~

39-13 Sec. 39.105 [39.1323]. CAMPUS INTERVENTION TEAM
 39-14 [PROCEDURES]. (a) If a campus performance is below any standard
 39-15 under Section 39.054(d), the commissioner shall assign a campus
 39-16 intervention team. A campus intervention team shall:

39-17 (1) conduct:
 39-18 (A) a targeted [comprehensive] on-site needs
 39-19 assessment relevant to an area of insufficient performance
 39-20 [evaluation] of the campus as provided by Subsection (b) [to
 39-21 determine the cause for the campus's low performance and lack of
 39-22 progress]; or

39-23 (B) if the commissioner determines necessary, a
 39-24 comprehensive on-site needs assessment, using the procedures
 39-25 provided by Subsection (b);

39-26 (2) recommend appropriate actions as provided by
 39-27 Subsection (c) [, including reallocation of resources and technical
 39-28 assistance, changes in school procedures or operations, staff
 39-29 development for instructional and administrative staff,
 39-30 intervention for individual administrators or teachers, waivers
 39-31 from state statute or rule, or other actions the team considers
 39-32 appropriate];

39-33 (3) assist in the development of a targeted [school]
 39-34 improvement plan [for student achievement]; [and]

39-35 (4) assist the campus in submitting the targeted
 39-36 improvement plan to the board of trustees for approval and
 39-37 presenting the plan in a public hearing as provided by Subsection
 39-38 (e-1); and

39-39 (5) assist the commissioner in monitoring the progress
 39-40 of the campus in implementing the targeted [school] improvement
 39-41 plan [for improvement of student achievement].

39-42 (b) An [A campus intervention team assigned under Section
 39-43 39.1322 to a campus shall conduct a comprehensive] on-site needs
 39-44 assessment of the campus under Subsection (a) must [to] determine
 39-45 the contributing [causal] factors resulting in the campus's low
 39-46 performance and lack of progress. The team shall use any of the
 39-47 following guidelines and procedures relevant to any area of
 39-48 insufficient performance in conducting a targeted on-site needs
 39-49 assessment and shall use each of the following guidelines and
 39-50 procedures in conducting a [the] comprehensive on-site needs
 39-51 assessment [of the campus]:

39-52 (1) an assessment of the staff to determine the
 39-53 percentage of certified teachers who are teaching in their field,
 39-54 the number of teachers with less than three years of experience, and
 39-55 teacher turnover rates;

39-56 (2) compliance with the appropriate class-size rules
 39-57 and number of class-size waivers received;

39-58 (3) an assessment of the quality, quantity, and
 39-59 appropriateness of instructional materials, including the
 39-60 availability of technology-based instructional materials;

39-61 (4) a report on the parental involvement strategies
 39-62 and the effectiveness of the strategies;

39-63 (5) an assessment of the extent and quality of the
 39-64 mentoring program provided for new teachers on the campus;

39-65 (6) an assessment of the type and quality of the
 39-66 professional development provided to the staff;

39-67 (7) a demographic analysis of the student population,
 39-68 including student demographics, at-risk populations, and special
 39-69 education percentages;

40-1 (8) a report of disciplinary incidents and school
40-2 safety information;
40-3 (9) financial and accounting practices;
40-4 (10) an assessment of the appropriateness of the
40-5 curriculum and teaching strategies; and
40-6 (11) any other research-based data or information
40-7 obtained from a data collection process that would assist the
40-8 campus intervention team in:
40-9 (A) recommending an action under Subsection (c);
40-10 and
40-11 (B) executing a targeted ~~[school]~~ improvement
40-12 plan under Subsection (d-1) ~~[(d)]~~.
40-13 (c) On completing the on-site needs assessment [evaluation]
40-14 under this section, the campus intervention team shall recommend
40-15 actions relating to any area of insufficient performance,
40-16 including:
40-17 (1) reallocation of resources;
40-18 (2) technical assistance;
40-19 (3) changes in school procedures or operations;
40-20 (4) staff development for instructional and
40-21 administrative staff;
40-22 (5) intervention for individual administrators or
40-23 teachers;
40-24 (6) waivers from state statutes or rules; or
40-25 (7) other actions the campus intervention team
40-26 considers appropriate.
40-27 (d) The campus intervention team shall assist the campus in
40-28 submitting the targeted improvement plan to the commissioner for
40-29 approval.
40-30 (d-1) In executing the targeted [a school] improvement plan
40-31 [developed under Subsection (a)(3)], the campus intervention team
40-32 shall, if appropriate:
40-33 (1) assist the campus in implementing research-based
40-34 practices for curriculum development and classroom instruction,
40-35 including bilingual education and special education programs~~[, if~~
40-36 ~~appropriate,]~~ and financial management; and
40-37 (2) provide research-based technical assistance,
40-38 including data analysis, academic deficiency identification,
40-39 intervention implementation, and budget analysis, to strengthen
40-40 and improve the instructional programs at the campus~~[, and~~
40-41 ~~[(3) submit the school improvement plan to the~~
40-42 ~~commissioner for approval].~~
40-43 (e) For each year campus performance is below any standard
40-44 under Section 39.054(d), a [A] campus intervention team shall
40-45 [appointed under Section 39.1322(b)]:
40-46 (1) ~~[shall]~~ continue to work with a campus until:
40-47 (A) the campus satisfies all performance
40-48 standards under Section 39.054(d) [is rated academically
40-49 acceptable] for a two-year period; or
40-50 (B) the campus satisfies all performance
40-51 standards under Section 39.054(d) [is rated academically
40-52 acceptable] for a one-year period and the commissioner determines
40-53 that the campus is operating and will continue to operate in a
40-54 manner that improves student achievement; ~~[and]~~
40-55 (2) assist in updating the targeted improvement plan
40-56 to identify and analyze areas of growth and areas that require
40-57 improvement; and
40-58 (3) submit each updated plan described by Subdivision
40-59 (2) to the board of trustees of the school district [may continually
40-60 update the school improvement plan, with approval from the
40-61 commissioner, to meet the needs of the campus].
40-62 (e-1) After a targeted improvement plan or updated plan is
40-63 submitted to the board of trustees of the school district, the
40-64 board:
40-65 (1) shall conduct a hearing for the purpose of:
40-66 (A) notifying the public of the insufficient
40-67 performance, the improvements in performance expected by the
40-68 agency, and the intervention measures or sanctions that may be
40-69 imposed under this subchapter if the performance does not improve

41-1 within a designated period; and
41-2 (B) soliciting public comment on the targeted
41-3 improvement plan or any updated plan;
41-4 (2) may conduct one hearing relating to one or more
41-5 campuses subject to a targeted improvement plan or an updated plan;
41-6 and
41-7 (3) shall submit the targeted improvement plan or any
41-8 updated plan to the commissioner for approval.
41-9 (f) Notwithstanding any other provision of this subchapter,
41-10 if the commissioner determines that a campus for which an
41-11 intervention is ordered under Subsection (a) [~~Section 39.1322(b)~~]
41-12 is not fully implementing the campus intervention team's
41-13 recommendations or targeted [school] improvement plan or updated
41-14 plan, the commissioner may order the reconstitution of the campus
41-15 as provided by Section 39.106.
41-16 Sec. 39.106 [39.1324]. RECONSTITUTION, REPURPOSING,
41-17 ALTERNATIVE MANAGEMENT, AND CLOSURE [MANDATORY SANCTIONS].
41-18 (a) Unless otherwise provided under the procedures for approval of
41-19 an updated targeted improvement plan under Section 39.105(e-1) or
41-20 this subsection, after [~~If~~] a campus has been identified as below
41-21 any standard under Section 39.054(d) [~~academically unacceptable~~]
41-22 for two consecutive school years, [~~including the current school~~
41-23 ~~year,~~] the commissioner shall order the reconstitution of the
41-24 campus [~~and assign a campus intervention team~~]. In reconstituting
41-25 a [~~the~~] campus, a campus intervention team shall assist the campus
41-26 in:
41-27 (1) developing an updated targeted [a school]
41-28 improvement plan;
41-29 (2) submitting the updated targeted improvement plan
41-30 to the board of trustees of the school district for approval and
41-31 presenting the plan in a public hearing as provided by Section
41-32 39.105(e-1);
41-33 (3) [~~(2)~~] obtaining approval of the updated plan from
41-34 the commissioner; and
41-35 (4) [~~(3)~~] executing the plan on approval by the
41-36 commissioner.
41-37 (b) The campus intervention team shall decide which
41-38 educators may be retained at that campus. A principal who has been
41-39 employed by the campus in that capacity during the full [~~two-year~~]
41-40 period described by Subsection (a) may not be retained at that
41-41 campus unless the campus intervention team determines that:
41-42 (1) students enrolled at the campus have demonstrated
41-43 significant academic improvement; or
41-44 (2) retention is appropriate under Section 39.236.
41-45 (b-1) A teacher of a subject assessed by an assessment
41-46 instrument under Section 39.023 may be retained only if the campus
41-47 intervention team determines that a pattern exists of significant
41-48 academic improvement by students taught by the teacher. If an
41-49 educator is not retained, the educator may be assigned to another
41-50 position in the district.
41-51 (b-2) For each year the performance of a campus is below any
41-52 standard under Section 39.054(d) after the second consecutive
41-53 school year the performance of the campus is below any standard
41-54 under Section 39.054(d), a campus intervention team shall:
41-55 (1) assist in updating the targeted improvement plan
41-56 to identify and analyze areas of growth and areas that require
41-57 improvement;
41-58 (2) submit the updated plan to the board of trustees of
41-59 the school district; and
41-60 (3) assist in submitting the updated plan to the
41-61 commissioner for approval.
41-62 (c) A campus subject to Subsection (a) shall implement the
41-63 updated targeted [school] improvement plan as approved by the
41-64 commissioner. The commissioner may appoint a monitor, conservator,
41-65 management team, or [~~a~~] board of managers to the district to ensure
41-66 and oversee district-level support to low-performing campuses and
41-67 the implementation of the updated targeted [school] improvement
41-68 plan. In making appointments under this subsection, the
41-69 commissioner shall consider individuals who have demonstrated

42-1 success in managing campuses with student populations from similar
 42-2 demographic groups and with similar educational needs as the
 42-3 student population the campus at which the individual appointed
 42-4 will serve.

42-5 (d) If [Notwithstanding any other provision of this
 42-6 subchapter, if] the commissioner determines that the [a] campus
 42-7 [subject to Subsection (a)] is not fully implementing the updated
 42-8 targeted [school] improvement plan or if the students enrolled at
 42-9 the campus fail to demonstrate substantial improvement in the areas
 42-10 targeted by the updated plan, the commissioner may order:

42-11 (1) repurposing of the campus under this section;

42-12 (2) [pursue] alternative management of the campus
 42-13 under this section; [Section 39.1327] or

42-14 (3) [may order] closure of the campus.

42-15 (e) [If a campus is considered an academically unacceptable
 42-16 campus for the subsequent school year after the campus is
 42-17 reconstituted under this section, the commissioner shall review the
 42-18 progress of the campus and may order closure of the campus or pursue
 42-19 alternative management under Section 39.1327.

42-20 [(-f)] If the performance of a campus is below any standard
 42-21 under Section 39.054(d) [considered academically unacceptable] for
 42-22 three [two] consecutive school years after the campus is
 42-23 reconstituted under Subsection (a), the commissioner shall order:

42-24 (1) repurposing of the campus under this section;

42-25 (2) alternative management of the campus under this
 42-26 section; or

42-27 (3) closure of the campus [or pursue alternative
 42-28 management under Section 39.1327].

42-29 (f) If the commissioner orders repurposing of a campus, the
 42-30 school district shall develop a comprehensive plan for repurposing
 42-31 the campus and submit the plan to the board of trustees for
 42-32 approval, using the procedures described by Section 39.105(e-1),
 42-33 and to the commissioner for approval. The plan must include a
 42-34 description of a rigorous and relevant academic program for the
 42-35 campus. The plan may include various instructional models. The
 42-36 commissioner may not approve the repurposing of a campus unless:

42-37 (1) all students in the assigned attendance zone of
 42-38 the campus in the school year immediately preceding the repurposing
 42-39 of the campus are provided with the opportunity to enroll in and are
 42-40 provided transportation on request to another school, which may
 42-41 include another school on the same campus, unless the commissioner
 42-42 grants an exception because there is no other school in the district
 42-43 in which the students may enroll;

42-44 (2) the principal is not retained at the campus,
 42-45 unless the commissioner determines that students enrolled at the
 42-46 campus have demonstrated significant academic improvement; and

42-47 (3) at least 75 percent of the teachers employed at the
 42-48 campus in the school year immediately preceding the repurposing of
 42-49 the campus are not retained at the campus, unless the commissioner
 42-50 or the commissioner's designee grants an exception, at the request
 42-51 of a school district, for:

42-52 (A) a teacher who provides instruction in a
 42-53 subject other than a subject for which an assessment instrument is
 42-54 administered under Section 39.023(a) or (c) who demonstrates to the
 42-55 commissioner satisfactory performance; or

42-56 (B) a teacher who provides instruction in a
 42-57 subject for which an assessment instrument is administered under
 42-58 Section 39.023(a) or (c) if the district demonstrates that the
 42-59 students of the teacher demonstrated satisfactory performance or
 42-60 improved academic growth on that assessment instrument.

42-61 (g) If an educator is not retained under Subsection (f), the
 42-62 educator may be assigned to another position in the district.

42-63 (h) If the commissioner orders alternative management under
 42-64 this section, the [Sec. 39.1327. MANAGEMENT OF CERTAIN
 42-65 ACADEMICALLY UNACCEPTABLE CAMPUSES. (a) A campus may be subject
 42-66 to this section if the campus has been identified as academically
 42-67 unacceptable under Section 39.132 and the commissioner orders
 42-68 alternative management under Section 39.1324(d), (e), or (f).

42-69 [-(b) The] commissioner shall solicit proposals from

43-1 qualified [~~nonprofit~~] entities to assume management of a campus
 43-2 subject to this section or may appoint to assume management of a
 43-3 campus subject to this section a school district other than the
 43-4 district in which the campus is located that is located in the
 43-5 boundaries of the same regional education service center as the
 43-6 campus is located. A district appointed under this section shall
 43-7 assume management of a campus subject to this section in the same
 43-8 manner provided by this section for a qualified [~~nonprofit~~] entity
 43-9 or in accordance with commissioner rule.

43-10 (i) [(e)] If the commissioner determines that the basis for
 43-11 the unsatisfactory performance of [identifying] a campus for more
 43-12 than two consecutive school years [as academically unacceptable] is
 43-13 limited to a specific condition that may be remedied with targeted
 43-14 technical assistance, the commissioner may[+]

43-15 [~~(1) provide the campus a one-year waiver under this~~
 43-16 ~~section; and~~

43-17 [~~(2)]~~ require the district to contract for the
 43-18 appropriate technical assistance.

43-19 (j) [(d)] The commissioner may annually solicit proposals
 43-20 under this section for the management of a campus subject to this
 43-21 section. The commissioner shall notify a qualified [~~nonprofit~~]
 43-22 entity that has been approved as a provider under this section. The
 43-23 district must execute a contract with an approved provider and
 43-24 relinquish control of the campus before January 1 of the school
 43-25 year.

43-26 (k) [(e)] To qualify for consideration as a managing entity
 43-27 under this section, the entity must submit a proposal that provides
 43-28 information relating to the entity's management and leadership team
 43-29 that will participate in management of the campus under
 43-30 consideration, including information relating to individuals that
 43-31 have:

43-32 (1) documented success in whole school interventions
 43-33 that increased the educational and performance levels of students
 43-34 in [~~academically unacceptable~~] campuses in which the campus
 43-35 performance was below any standard under Section 39.054(d);

43-36 (2) a proven record of effectiveness with programs
 43-37 assisting low-performing students;

43-38 (3) a proven ability to apply research-based school
 43-39 intervention strategies;

43-40 (4) a proven record of financial ability to perform
 43-41 under the management contract; and

43-42 (5) any other experience or qualifications the
 43-43 commissioner determines necessary.

43-44 (l) [(f)] In selecting a managing entity under this
 43-45 section, the commissioner shall give preference to a qualified
 43-46 [~~nonprofit~~] entity that:

43-47 (1) meets any qualifications under this section; and

43-48 (2) has documented success in educating students from
 43-49 similar demographic groups and with similar educational needs as
 43-50 the students who attend the campus that is to be operated by a
 43-51 managing entity under this section.

43-52 (m) [(g)] The school district may negotiate the term of a
 43-53 management contract for not more than five years with an option to
 43-54 renew the contract. The management contract must include a
 43-55 provision describing the district's responsibilities in supporting
 43-56 the operation of the campus. The commissioner shall approve the
 43-57 contract before the contract is executed and, as appropriate, may
 43-58 require the district, as a term of the contract, to support the
 43-59 campus in the same manner as the district was required to support
 43-60 the campus before the execution of the management contract.

43-61 (n) [(h)] A management contract under this section shall
 43-62 include provisions approved by the commissioner that require the
 43-63 managing entity to demonstrate improvement in campus performance,
 43-64 including negotiated performance measures. The performance
 43-65 measures must be consistent with the priorities of this chapter.
 43-66 The commissioner shall evaluate a managing entity's performance on
 43-67 the first and second anniversaries of the date of the management
 43-68 contract. If the evaluation fails to demonstrate improvement as
 43-69 negotiated under the contract by the first anniversary of the date

44-1 of the management contract, the district may terminate the
 44-2 management contract, with the commissioner's consent, for
 44-3 nonperformance or breach of contract and select another provider
 44-4 from an approved list provided by the commissioner. If the
 44-5 evaluation fails to demonstrate significant improvement, as
 44-6 determined by the commissioner, by the second anniversary of the
 44-7 date of the management contract, the district shall terminate the
 44-8 management contract and select another provider from an approved
 44-9 list provided by the commissioner or resume operation of the campus
 44-10 if approved by the commissioner. If the commissioner approves the
 44-11 district's operation of the campus, the commissioner shall assign a
 44-12 technical assistance team to assist the campus.

44-13 (o) [~~(i)~~] Notwithstanding any other provision of this code,
 44-14 the funding for a campus operated by a managing entity must be not
 44-15 less than the funding of the other campuses in the district on a per
 44-16 student basis so that the managing entity receives at least the same
 44-17 funding the campus would otherwise have received.

44-18 (p) [~~(j)~~] Each campus operated by a managing entity under
 44-19 this section is subject to this chapter in the same manner as any
 44-20 other campus in the district.

44-21 (q) [~~(k)~~] The commissioner may adopt rules necessary to
 44-22 implement this section.

44-23 (r) [~~(l)~~] With respect to the management of a campus under
 44-24 this section:

44-25 (1) a managing entity is considered to be a
 44-26 governmental body for purposes of Chapters 551 and 552, Government
 44-27 Code; and

44-28 (2) any requirement in Chapter 551 or 552, Government
 44-29 Code, that applies to a school district or the board of trustees of
 44-30 a school district applies to a managing entity.

44-31 Sec. 39.107 [~~39.133~~]. ANNUAL REVIEW. The commissioner
 44-32 shall review annually the performance of a district or campus
 44-33 subject to this subchapter to determine the appropriate actions to
 44-34 be implemented under this subchapter. The commissioner must review
 44-35 at least annually the performance of a district for which the
 44-36 accreditation status or rating has been lowered due to insufficient
 44-37 [unacceptable] student performance and may not raise the
 44-38 accreditation status or rating until the district has demonstrated
 44-39 improved student performance. If the review reveals a lack of
 44-40 improvement, the commissioner shall increase the level of state
 44-41 intervention and sanction unless the commissioner finds good cause
 44-42 for maintaining the current status.

44-43 Sec. 39.108 [~~39.1331~~]. ACQUISITION OF PROFESSIONAL
 44-44 SERVICES. In addition to other interventions and sanctions
 44-45 authorized under this subchapter [~~Sections 39.131 and 39.132~~], the
 44-46 commissioner may order a school district or campus to acquire
 44-47 professional services at the expense of the district or campus to
 44-48 address the applicable financial, assessment, data quality,
 44-49 program, performance, or governance deficiency. The
 44-50 commissioner's order may require the district or campus to:

44-51 (1) select or be assigned an external auditor, data
 44-52 quality expert, professional authorized to monitor district
 44-53 assessment instrument administration, or curriculum or program
 44-54 expert; or

44-55 (2) provide for or participate in the appropriate
 44-56 training of district staff or board of trustees members in the case
 44-57 of a district, or campus staff, in the case of a campus.

44-58 Sec. 39.109 [~~39.134~~]. COSTS PAID BY DISTRICT. The costs of
 44-59 providing a monitor, conservator, management team, campus
 44-60 intervention team, technical assistance team, managing entity, or
 44-61 service provider under this subchapter [~~Section 39.1327, or service~~
 44-62 ~~provider under Section 39.1331~~] shall be paid by the district. If
 44-63 the district fails or refuses to pay the costs in a timely manner,
 44-64 the commissioner may:

44-65 (1) pay the costs using amounts withheld from any
 44-66 funds to which the district is otherwise entitled; or

44-67 (2) recover the amount of the costs in the manner
 44-68 provided for recovery of an overallocation of state funds under
 44-69 Section 42.258.

45-1 Sec. 39.110 [~~39.135~~]. CONSERVATOR OR MANAGEMENT TEAM.
 45-2 (a) The commissioner shall clearly define the powers and duties of
 45-3 a conservator or management team appointed to oversee the
 45-4 operations of the district.

45-5 (b) At least every 90 days, the commissioner shall review
 45-6 the need for the conservator or management team and shall remove the
 45-7 conservator or management team unless the commissioner determines
 45-8 that continued appointment is necessary for effective governance of
 45-9 the district or delivery of instructional services.

45-10 (c) A conservator or management team, if directed by the
 45-11 commissioner, shall prepare a plan for the implementation of action
 45-12 under Section 39.101(a)(9) [~~39.131(a)(9)~~] or (10). The conservator
 45-13 or management team:

45-14 (1) may direct an action to be taken by the principal
 45-15 of a campus, the superintendent of the district, or the board of
 45-16 trustees of the district;

45-17 (2) may approve or disapprove any action of the
 45-18 principal of a campus, the superintendent of the district, or the
 45-19 board of trustees of the district;

45-20 (3) may not take any action concerning a district
 45-21 election, including ordering or canceling an election or altering
 45-22 the date of or the polling places for an election;

45-23 (4) may not change the number of or method of selecting
 45-24 the board of trustees;

45-25 (5) may not set a tax rate for the district; and

45-26 (6) may not adopt a budget for the district that
 45-27 provides for spending a different amount, exclusive of required
 45-28 debt service, from that previously adopted by the board of
 45-29 trustees.

45-30 Sec. 39.111 [~~39.136~~]. BOARD OF MANAGERS. (a) A board of
 45-31 managers may exercise all of the powers and duties assigned to a
 45-32 board of trustees of a school district by law, rule, or regulation.
 45-33 This subchapter applies to a district governed by a board of
 45-34 managers in the same manner that this subchapter applies to any
 45-35 other district.

45-36 (b) If the commissioner appoints a board of managers to
 45-37 govern a district, the powers of the board of trustees of the
 45-38 district are suspended for the period of the appointment and the
 45-39 commissioner shall appoint a district superintendent.
 45-40 Notwithstanding any other provision of this code, the board of
 45-41 managers may amend the budget of the district.

45-42 (c) If the commissioner appoints a board of managers to
 45-43 govern a campus, the powers of the board of trustees of the district
 45-44 in relation to the campus are suspended for the period of the
 45-45 appointment and the commissioner shall appoint a campus principal.
 45-46 Notwithstanding any other provision of this code, the board of
 45-47 managers may submit to the commissioner for approval amendments to
 45-48 the budget of the district for the benefit of the campus. If the
 45-49 commissioner approves the amendments, the board of trustees of the
 45-50 district shall adopt the amendments.

45-51 (d) A conservator or a member of a management team appointed
 45-52 to serve on a board of managers may continue to be compensated as
 45-53 determined by the commissioner.

45-54 (e) At the direction of the commissioner but not later than
 45-55 the second anniversary of the date the board of managers of a
 45-56 district was appointed, the board of managers shall order an
 45-57 election of members of the district board of trustees. The election
 45-58 must be held on a uniform election date on which an election of
 45-59 district trustees may be held under Section 41.001, Election Code,
 45-60 that is at least 180 days after the date the election was ordered.
 45-61 On qualification of members for office, the board of trustees
 45-62 assumes all of the powers and duties assigned to a board of trustees
 45-63 by law, rule, or regulation.

45-64 Sec. 39.112 [~~39.137~~]. [~~SPECIAL~~] CAMPUS INTERVENTION TEAM.
 45-65 A [~~special~~] campus intervention team appointed under this
 45-66 subchapter may consist of teachers, principals, other educational
 45-67 professionals, and superintendents recognized for excellence in
 45-68 their roles and appointed by the commissioner to serve as members of
 45-69 a team.

46-1 Sec. 39.113 [~~39.138~~]. IMMUNITY FROM CIVIL LIABILITY. An
 46-2 employee, volunteer, or contractor acting on behalf of the
 46-3 commissioner under this subchapter is immune from civil liability
 46-4 to the same extent as a professional employee of a school district
 46-5 under Section 22.051.

46-6 Sec. 39.114. CAMPUS NAME CHANGE PROHIBITED. In
 46-7 reconstituting, repurposing, or imposing any other intervention or
 46-8 sanction on a campus under this subchapter, other than closure, the
 46-9 commissioner may not require that the name of the campus be changed.

46-10 Sec. 39.115. TRANSITIONAL INTERVENTIONS AND SANCTIONS.
 46-11 (a) During the period of transition to the accreditation system
 46-12 established under H.B. No. 3, Acts of the 81st Legislature, Regular
 46-13 Session, 2009, to be implemented in August 2014, the commissioner
 46-14 may suspend assignment of accreditation statuses and performance
 46-15 ratings for the 2011-2012 school year and, with respect to the
 46-16 college readiness indicators under Section 39.053(c)(1)(B), for
 46-17 the 2012-2013 school year.

46-18 (b) During the 2011-2012 school year and, with respect to
 46-19 the college readiness indicators under Section 39.053(c)(1)(B),
 46-20 the 2012-2013 school year, the commissioner shall continue to
 46-21 implement interventions and sanctions for those districts and
 46-22 campuses identified as having unsatisfactory performance in the
 46-23 2010-2011 school year in accordance with the performance standards
 46-24 applicable during the 2010-2011 school year and may increase or
 46-25 decrease the level of interventions and sanctions based on an
 46-26 evaluation of the district's or campus's performance.

46-27 (c) For purposes of determining multiple years of
 46-28 unsatisfactory performance and required district and campus
 46-29 interventions and sanctions under this subchapter, the performance
 46-30 ratings and accreditation statuses issued in the 2010-2011 and
 46-31 2012-2013 school years and, with respect to the college readiness
 46-32 indicators under Section 39.053(c)(1)(B), the 2010-2011 and
 46-33 2013-2014 school years, shall be considered consecutive.

46-34 (d) This section expires September 1, 2015.

46-35 SUBCHAPTER F [~~K~~]. PROCEDURES FOR CHALLENGE OF ACCOUNTABILITY
 46-36 DETERMINATION [~~RATING OR SANCTION~~]

46-37 Sec. 39.151 [~~39.301~~]. REVIEW BY COMMISSIONER:
 46-38 ACCOUNTABILITY DETERMINATION [~~RATINGS~~]. (a) The commissioner by
 46-39 rule shall provide a process for a school district or
 46-40 open-enrollment charter school to challenge an agency decision made
 46-41 under this chapter relating to an academic or financial
 46-42 accountability rating that affects the district or school.

46-43 (b) The rules under Subsection (a) must provide for the
 46-44 commissioner to appoint a committee to make recommendations to the
 46-45 commissioner on a challenge made to an agency decision relating to
 46-46 an academic performance rating or determination or financial
 46-47 accountability rating. The commissioner may not appoint an agency
 46-48 employee as a member of the committee.

46-49 (c) The commissioner may limit a challenge under this
 46-50 section to a written submission of any issue identified by the
 46-51 school district or open-enrollment charter school challenging the
 46-52 agency decision.

46-53 (d) The commissioner shall make a final decision under this
 46-54 section after considering the recommendation of the committee
 46-55 described by Subsection (b). The commissioner's decision may not
 46-56 be appealed under Section 7.057 or other law.

46-57 (e) A school district or open-enrollment charter school may
 46-58 not challenge an agency decision relating to an academic or
 46-59 financial accountability rating under this chapter in another
 46-60 proceeding if the district or school has had an opportunity to
 46-61 challenge the decision under this section.

46-62 Sec. 39.152 [~~39.302~~]. REVIEW BY STATE OFFICE OF
 46-63 ADMINISTRATIVE HEARINGS: SANCTIONS. (a) A school district or
 46-64 open-enrollment charter school that intends to challenge a decision
 46-65 by the commissioner under this chapter to close the district or a
 46-66 district campus or the charter school or to pursue alternative
 46-67 management of a district campus or the charter school must appeal
 46-68 the decision under the procedures provided for a contested case
 46-69 under Chapter 2001, Government Code.

47-1 (b) A challenge to a decision under this section is under
47-2 the substantial evidence rule as provided by Subchapter G, Chapter
47-3 2001, Government Code.

47-4 (c) Notwithstanding other law:

47-5 (1) the State Office of Administrative Hearings shall
47-6 provide an expedited review of a challenge under this section;

47-7 (2) the administrative law judge shall issue a final
47-8 order not later than the 30th day after the date on which the
47-9 hearing is finally closed; and

47-10 (3) the decision of the administrative law judge is
47-11 final and may not be appealed.

47-12 SUBCHAPTER G. DISTINCTION DESIGNATIONS

47-13 Sec. 39.201. ELIGIBILITY INDICATOR FOR DISTINCTION
47-14 DESIGNATION. (a) A district or campus is eligible for a
47-15 distinction designation under this subchapter if:

47-16 (1) the district or campus attains a minimum
47-17 percentage, as determined by the commissioner, of:

47-18 (A) students who performed satisfactorily, as
47-19 determined under the college readiness performance standard under
47-20 Section 39.0241, on assessment instruments required under Section
47-21 39.023(a), (b), (c), or (l), aggregated across grade levels by
47-22 subject area; or

47-23 (B) students who met the standard for annual
47-24 improvement, as determined by the agency under Section 39.034, on
47-25 assessment instruments required under Section 39.023(a), (b), (c),
47-26 or (l), aggregated across grade levels by subject area, for
47-27 students who did not perform satisfactorily as described by
47-28 Paragraph (A); or

47-29 (2) the district or campus demonstrates a significant
47-30 increase as compared to the preceding school year, as determined by
47-31 the commissioner, in the percentage of students who performed
47-32 satisfactorily as described by Subdivision (1)(A) or who met the
47-33 standard for annual improvement as described by Subdivision (1)(B).

47-34 (b) The commissioner shall periodically raise the minimum
47-35 percentage for the eligibility for the distinction designation
47-36 described by Subsection (a)(1) as necessary to reach the goal of
47-37 achieving, by not later than the 2019-2020 school year, student
47-38 performance in this state, disaggregated by race, ethnicity, and
47-39 socioeconomic status, that ranks nationally in the top 10 states in
47-40 terms of college readiness.

47-41 (c) If college readiness performance standards are adopted
47-42 for science and social studies end-of-course assessment
47-43 instruments under Section 39.024(f), those performance standards
47-44 and assessment instruments apply in determining district or campus
47-45 eligibility under this section.

47-46 Sec. 39.202. ACADEMIC EXCELLENCE DISTINCTION DESIGNATION
47-47 FOR DISTRICTS AND CAMPUSES. (a) The commissioner shall award a
47-48 district or campus an academic excellence distinction designation
47-49 if the district or campus attains percentages of students under
47-50 Sections 39.201(a)(1) and (2) higher than the percentages
47-51 determined by the commissioner under Sections 39.201(a)(1) and (2).

47-52 (b) The commissioner by rule shall establish a recognized
47-53 and exemplary rating for the academic distinction designation under
47-54 this section. In establishing the recognized and exemplary
47-55 ratings, the commissioner shall adopt criteria for the ratings,
47-56 including the percentages of students under Sections 39.201(a)(1)
47-57 and (2). The commissioner may consider the level of increased
47-58 performance from school year to school year as a factor.

47-59 (c) The commissioner shall investigate types and amounts of
47-60 monetary and nonmonetary awards available to motivate districts and
47-61 campuses to increase the number of students who perform
47-62 satisfactorily, as determined under the college readiness
47-63 performance standard under Section 39.0241. Not later than
47-64 November 30, 2010, the commissioner shall provide a report based on
47-65 the investigation under this subsection to the governor, the
47-66 lieutenant governor, the speaker of the house, and the presiding
47-67 officers of the standing committees with primary jurisdiction over
47-68 public education and appropriations. The report must include
47-69 strategies for increasing student performance in this state to a

48-1 level that ranks in the top 10 states in terms of college readiness.
 48-2 Sec. 39.203. CAMPUS DISTINCTION DESIGNATIONS. (a) The
 48-3 commissioner shall award a campus a distinction designation if the
 48-4 campus is ranked in the top 25 percent of campuses eligible under
 48-5 Section 39.201 in annual improvement in student achievement, as
 48-6 determined under Section 39.034, in English language arts,
 48-7 mathematics, science, or social studies.

48-8 (b) In addition to the distinction designation described by
 48-9 Subsection (a), the commissioner shall award a campus a distinction
 48-10 designation if the campus demonstrates an ability to significantly
 48-11 diminish or eliminate performance differentials between student
 48-12 subpopulations and is ranked in the top 25 percent of campuses
 48-13 eligible under Section 39.201 under the performance criteria
 48-14 described by this subsection. The commissioner shall adopt rules
 48-15 related to the distinction designation under this subsection to
 48-16 ensure that a campus does not artificially diminish or eliminate
 48-17 performance differentials through inhibiting the achievement of
 48-18 the highest achieving student subpopulation.

48-19 (c) In addition to the distinction designations described
 48-20 by Subsections (a) and (b), a campus that satisfies the criteria
 48-21 developed under Section 39.204 shall be awarded a distinction
 48-22 designation by the commissioner for the following programs or the
 48-23 following specific categories of performance:

48-24 (1) academic achievement in English language arts,
 48-25 mathematics, science, or social studies;

48-26 (2) fine arts;

48-27 (3) physical education;

48-28 (4) 21st Century Workforce Development program; and

48-29 (5) second language acquisition program.

48-30 (d) A campus may not be awarded a distinction designation
 48-31 under this subchapter unless the campus is eligible under Section
 48-32 39.201 and satisfies all performance standards under Section
 48-33 39.054(d).

48-34 Sec. 39.204. CAMPUS DISTINCTION DESIGNATION CRITERIA;
 48-35 COMMITTEES. (a) The commissioner by rule shall establish:

48-36 (1) standards for considering campuses for
 48-37 distinction designations under Section 39.203(c); and

48-38 (2) methods for awarding distinction designations to
 48-39 campuses.

48-40 (b) In adopting rules under this section, the commissioner
 48-41 shall establish a separate committee to develop criteria for each
 48-42 distinction designation under Section 39.203(c).

48-43 (c) Each committee established under this section must
 48-44 include:

48-45 (1) individuals who practice as professionals in the
 48-46 content area relevant to the distinction designation, as
 48-47 applicable;

48-48 (2) individuals with subject matter expertise in the
 48-49 content area relevant to the distinction designation;

48-50 (3) educators with subject matter expertise in the
 48-51 content area relevant to the distinction designation; and

48-52 (4) community leaders, including leaders from the
 48-53 business community.

48-54 (d) For each committee, the governor, lieutenant governor,
 48-55 and speaker of the house of representatives may each appoint a
 48-56 person described by each subdivision of Subsection (c).

48-57 (e) In developing criteria for distinction designations
 48-58 under this section, each committee shall:

48-59 (1) identify a variety of indicators for measuring
 48-60 excellence; and

48-61 (2) consider categories for distinction designations,
 48-62 with criteria relevant to each category, based on:

48-63 (A) the level of a program, whether elementary
 48-64 school, middle or junior high school, or high school; and

48-65 (B) the student enrollment of a campus.

48-66 SUBCHAPTER H [F]. ADDITIONAL REWARDS

48-67 Sec. 39.231 [39.111]. RECOGNITION AND REWARDS. The State
 48-68 Board of Education shall develop a plan for recognizing and
 48-69 rewarding school districts and campuses that are rated as exemplary

49-1 or recognized under Subchapter G and for developing a network for
 49-2 sharing proven successful practices statewide and regionally. The
 49-3 reward may be used to provide educators with summer stipends to
 49-4 develop curricula based on the cited successful strategies. The
 49-5 educators may copyright the curricula they develop.

49-6 Sec. 39.232 [~~39.112~~]. EXCELLENCE EXEMPTIONS. (a) Except
 49-7 as provided by Subsection (b), a school campus or district that is
 49-8 rated exemplary under Subchapter G is exempt from requirements and
 49-9 prohibitions imposed under this code including rules adopted under
 49-10 this code.

49-11 (b) A school campus or district is not exempt under this
 49-12 section from:

49-13 (1) a prohibition on conduct that constitutes a
 49-14 criminal offense;

49-15 (2) requirements imposed by federal law or rule,
 49-16 including requirements for special education or bilingual
 49-17 education programs; or

49-18 (3) a requirement, restriction, or prohibition
 49-19 relating to:

49-20 (A) curriculum essential knowledge and skills
 49-21 under Section 28.002 or high school [~~minimum~~] graduation
 49-22 requirements under Section 28.025;

49-23 (B) public school accountability as provided by
 49-24 Subchapters B, C, D, E, and J [~~G~~];

49-25 (C) extracurricular activities under Section
 49-26 33.081;

49-27 (D) health and safety under Chapter 38;

49-28 (E) purchasing [~~competitive bidding~~] under
 49-29 Subchapter B, Chapter 44;

49-30 (F) elementary school class size limits, except
 49-31 as provided by Subsection (d) or Section 25.112;

49-32 (G) removal of a disruptive student from the
 49-33 classroom under Subchapter A, Chapter 37;

49-34 (H) at risk programs under Subchapter C, Chapter
 49-35 29;

49-36 (I) prekindergarten programs under Subchapter E,
 49-37 Chapter 29;

49-38 (J) rights and benefits of school employees;

49-39 (K) special education programs under Subchapter
 49-40 A, Chapter 29; or

49-41 (L) bilingual education programs under
 49-42 Subchapter B, Chapter 29.

49-43 (c) The agency shall monitor and evaluate deregulation of a
 49-44 school campus or district under this section and Section 7.056.

49-45 (d) The commissioner may exempt an exemplary school campus
 49-46 under Subchapter G from elementary class size limits under this
 49-47 section if the school campus submits to the commissioner a written
 49-48 plan showing steps that will be taken to ensure that the exemption
 49-49 from the class size limits will not be harmful to the academic
 49-50 achievement of the students on the school campus. The commissioner
 49-51 shall review achievement levels annually. The exemption remains in
 49-52 effect until the commissioner determines that achievement levels of
 49-53 the campus have declined.

49-54 Sec. 39.233 [~~39.113~~]. RECOGNITION OF HIGH SCHOOL
 49-55 COMPLETION AND SUCCESS AND COLLEGE READINESS PROGRAMS. (a) The
 49-56 agency shall:

49-57 (1) develop standards for evaluating the success and
 49-58 cost-effectiveness of high school completion and success and
 49-59 college readiness programs implemented under Section 39.234
 49-60 [~~39.114~~];

49-61 (2) provide guidance for school districts and campuses
 49-62 in establishing and improving high school completion and success
 49-63 and college readiness programs implemented under Section 39.234
 49-64 [~~39.114~~]; and

49-65 (3) develop standards for selecting and methods for
 49-66 recognizing school districts and campuses that offer exceptional
 49-67 high school completion and success and college readiness programs
 49-68 under Section 39.234 [~~39.114~~].

49-69 (b) The commissioner may adopt rules for the administration

50-1 of this section.

50-2 Sec. 39.234 [~~39.114~~]. HIGH SCHOOL ALLOTMENT. (a) Except
50-3 as provided by Subsection (b), a school district or campus must use
50-4 funds allocated under Section 42.2516(b)(3) to:

50-5 (1) implement or administer a college readiness
50-6 program that provides academic support and instruction to prepare
50-7 underachieving students for entrance into an institution of higher
50-8 education;

50-9 (2) implement or administer a program that encourages
50-10 students to pursue advanced academic opportunities, including
50-11 early college high school programs and dual credit, advanced
50-12 placement, and international baccalaureate courses;

50-13 (3) implement or administer a program that provides
50-14 opportunities for students to take academically rigorous course
50-15 work, including four years of mathematics and four years of science
50-16 at the high school level;

50-17 (4) implement or administer a program, including
50-18 online course support and professional development, that aligns the
50-19 curriculum for grades six through 12 with postsecondary curriculum
50-20 and expectations; or

50-21 (5) implement or administer other high school
50-22 completion and success initiatives in grades six through 12
50-23 approved by the commissioner.

50-24 (b) A school district may use funds allocated under Section
50-25 42.2516(b)(3) on any instructional program in grades six through 12
50-26 other than an athletic program if:

50-27 (1) the district's measure of progress toward college
50-28 readiness is determined exceptional by a standard set [~~district is~~
50-29 ~~recognized as exceptional~~] by the commissioner [~~under the academic~~
50-30 ~~accountability indicator adopted under Section 39.051(b)(13)~~]; and

50-31 (2) the district's completion rates for grades nine
50-32 through 12 [~~meet or~~] exceed completion rate standards required by
50-33 the commissioner to achieve a status of accredited under Section
50-34 39.051 [~~rating of exemplary under Section 39.072~~].

50-35 (b-1) Subsection (b) applies beginning with the 2008-2009
50-36 school year. This subsection expires September 1, 2009.

50-37 (c) An open-enrollment charter school is entitled to an
50-38 allotment under this section in the same manner as a school
50-39 district.

50-40 (d) The commissioner shall adopt rules to administer this
50-41 section, including rules related to the permissible use of funds
50-42 allocated under this section to an open-enrollment charter school.

50-43 Sec. 39.235 [~~39.115~~]. HIGH SCHOOL INNOVATION GRANT
50-44 INITIATIVE. (a) From funds appropriated for that purpose, the
50-45 commissioner may establish a grant program under which grants are
50-46 awarded to secondary campuses and school districts to support:

50-47 (1) the implementation of innovative high school
50-48 improvement programs that are based on the best available research
50-49 regarding high school reform, dropout prevention, and preparing
50-50 students for postsecondary coursework or employment;

50-51 (2) enhancing education practices that have been
50-52 demonstrated by significant evidence of effectiveness; and

50-53 (3) the alignment of grants and programs to the
50-54 strategic plan adopted under Section 39.407 [~~39.357~~].

50-55 (b) Before awarding a grant under this section, the
50-56 commissioner may require a campus or school district to:

50-57 (1) obtain local matching funds; or

50-58 (2) meet other conditions, including developing a
50-59 personal graduation plan under Section 28.0212 for each student
50-60 enrolled at the campus or in a district high school.

50-61 (c) The commissioner may:

50-62 (1) accept gifts, grants, or donations from a private
50-63 foundation to implement a grant program under this section; and

50-64 (2) coordinate gifts, grants, or donations with other
50-65 available funding to implement a grant program under this section.

50-66 (d) The commissioner may use funds appropriated under this
50-67 section to support technical assistance services for school
50-68 districts and open-enrollment charter schools to implement a high
50-69 school improvement program under this section.

51-1 Sec. 39.236 [~~39.116~~]. INITIATIVE FOR RETAINING QUALITY
 51-2 EDUCATORS. Notwithstanding Section 39.106(b) [~~39.1324(b)~~], a
 51-3 school district, to assist in preventing dropouts and disruptions
 51-4 that may result from certain mandatory sanctions, may retain at a
 51-5 campus a principal who has been employed at the campus as a
 51-6 principal during the [~~two-year~~] period described by Section
 51-7 39.106(a) [~~39.1324(a)~~] if the students enrolled at the campus have
 51-8 demonstrated a pattern of significant academic improvement.

51-9 SUBCHAPTER I [~~I~~]. SUCCESSFUL SCHOOL AWARDS

51-10 Sec. 39.261 [~~39.091~~]. CREATION OF SYSTEM. The Texas
 51-11 Successful Schools Awards System is created to recognize and reward
 51-12 those schools and school districts that demonstrate progress or
 51-13 success in achieving the education goals of the state.

51-14 Sec. 39.262 [~~39.092~~]. TYPES OF AWARDS. (a) The governor
 51-15 may present a financial award to the schools or districts that the
 51-16 commissioner determines have demonstrated the highest levels of
 51-17 sustained success or the greatest improvement in achieving the
 51-18 education goals. For each student in average daily attendance,
 51-19 each of those schools or districts is entitled to an amount set for
 51-20 the award for which the school or district is selected by the
 51-21 commissioner, subject to any limitation set by the commissioner on
 51-22 the total amount that may be awarded to a school or district.

51-23 (b) The governor may present proclamations or certificates
 51-24 to additional schools and districts determined to have met or
 51-25 exceeded the education goals.

51-26 (c) The commissioner may establish additional categories of
 51-27 awards and award amounts for a school or district determined to be
 51-28 successful under Subsection (a) or (b) that are contingent on the
 51-29 school's or district's involvement with paired, lower-performing
 51-30 schools.

51-31 Sec. 39.263 [~~39.093~~]. AWARDS. (a) The criteria that the
 51-32 commissioner shall use to select successful schools and districts
 51-33 must be related to the goals in Section 4.002 and must include
 51-34 consideration of performance on the student achievement [academic
 51-35 excellence] indicators adopted under Section 39.053(c) and
 51-36 consideration of the distinction designation criteria prescribed
 51-37 by or developed under Subchapter G [~~39.051~~].

51-38 (b) For purposes of selecting schools and districts under
 51-39 Section 39.262(a) [~~39.092(a)~~], each school's performance shall be
 51-40 compared to state standards and to its previous performance.

51-41 (c) [~~(b)~~] The commissioner shall select annually schools
 51-42 and districts qualified to receive successful school awards for
 51-43 their performance and report the selections to the governor and the
 51-44 State Board of Education.

51-45 (d) [~~(c)~~] The agency shall notify each school district of
 51-46 the manner in which the district or a school in the district may
 51-47 qualify for a successful school award.

51-48 Sec. 39.264 [~~39.094~~]. USE OF AWARDS. (a) In determining
 51-49 the use of a monetary award received under this subchapter, a school
 51-50 or district shall give priority to academic enhancement purposes.
 51-51 The award may not be used for any purpose related to athletics, and
 51-52 it may not be used to substitute for or replace funds already in the
 51-53 regular budget for a school or district.

51-54 (b) The campus-level committee established under Section
 51-55 11.253 shall determine the use of the funds awarded to a school
 51-56 under this subchapter. The professional staff of the district
 51-57 shall determine the use of the funds awarded to the school district
 51-58 under this subchapter.

51-59 Sec. 39.265 [~~39.095~~]. FUNDING. The award system may be
 51-60 funded by donations, grants, or legislative appropriations. The
 51-61 commissioner may solicit and receive grants and donations for the
 51-62 purpose of making awards under this subchapter. A small portion of
 51-63 the award funds may be used by the commissioner to pay for the costs
 51-64 associated with sponsoring a ceremony to recognize or present
 51-65 awards to schools or districts under this subchapter. The
 51-66 donations, grants, or legislative appropriations shall be
 51-67 accounted for and distributed by the agency. The awards are subject
 51-68 to audit requirements established by the State Board of Education.

51-69 Sec. 39.266 [~~39.096~~]. CONFIDENTIALITY. All information

52-1 and reports received by the commissioner under this subchapter from
 52-2 schools or school districts deemed confidential under Chapter 552,
 52-3 Government Code, are confidential and may not be disclosed in any
 52-4 public or private proceeding.

52-5 SUBCHAPTER J. PARENT AND EDUCATOR REPORTS

52-6 Sec. 39.301. ADDITIONAL PERFORMANCE INDICATORS:
 52-7 REPORTING. (a) In addition to the indicators adopted under
 52-8 Section 39.053, the commissioner shall adopt indicators of the
 52-9 quality of learning for the purpose of preparing reports under this
 52-10 chapter. The commissioner biennially shall review the indicators
 52-11 for the consideration of appropriate revisions.

52-12 (b) Performance on the indicators adopted under this
 52-13 section shall be evaluated in the same manner provided for
 52-14 evaluation of the student achievement indicators under Section
 52-15 39.053(b).

52-16 (c) Indicators for reporting purposes must include:

52-17 (1) the percentage of graduating students who meet the
 52-18 course requirements established for the recommended high school
 52-19 program by State Board of Education rule;

52-20 (2) the results of the Scholastic Assessment Test
 52-21 (SAT), the American College Test (ACT), articulated postsecondary
 52-22 degree programs described by Section 61.852, and certified
 52-23 workforce training programs described by Chapter 311, Labor Code;

52-24 (3) for students who have failed to perform
 52-25 satisfactorily, under each performance standard under Section
 52-26 39.0241, on an assessment instrument required under Section
 52-27 39.023(a) or (c), the numerical progress of those students grouped
 52-28 by percentage on subsequent assessment instruments required under
 52-29 those sections, aggregated by grade level and subject area;

52-30 (4) the percentage of students, aggregated by grade
 52-31 level, provided accelerated instruction under Section 28.0211(c),
 52-32 the results of assessment instruments administered under that
 52-33 section, the percentage of students promoted through the grade
 52-34 placement committee process under Section 28.0211, the subject of
 52-35 the assessment instrument on which each student failed to perform
 52-36 satisfactorily under each performance standard under Section
 52-37 39.0241, and the performance of those students in the school year
 52-38 following that promotion on the assessment instruments required
 52-39 under Section 39.023;

52-40 (5) the percentage of students exempted, by exemption
 52-41 category, from the assessment program generally applicable under
 52-42 this chapter;

52-43 (6) the percentage of students of limited English
 52-44 proficiency exempted from the administration of an assessment
 52-45 instrument under Sections 39.027(a)(3) and (4);

52-46 (7) the percentage of students in a special education
 52-47 program under Subchapter A, Chapter 29, assessed through assessment
 52-48 instruments developed or adopted under Section 39.023(b);

52-49 (8) the measure of progress toward college readiness;

52-50 (9) the measure of progress toward dual language
 52-51 proficiency under Section 39.034(b), for students of limited
 52-52 English proficiency, as defined by Section 29.052;

52-53 (10) the percentage of students who enroll and begin
 52-54 instruction at an institution of higher education in the school
 52-55 year following high school graduation; and

52-56 (11) the percentage of students who successfully
 52-57 complete the first year of instruction at an institution of higher
 52-58 education without needing a developmental education course.

52-59 (d) Performance on the indicators described by Section
 52-60 39.053(c) and Subsections (c)(3), (4), and (9) must be based on
 52-61 longitudinal student data that is disaggregated by the bilingual
 52-62 education or special language program, if any, in which students of
 52-63 limited English proficiency, as defined by Section 29.052, are or
 52-64 former students of limited English proficiency were enrolled. If a
 52-65 student described by this subsection is not or was not enrolled in
 52-66 specialized language instruction, the number and percentage of
 52-67 those students shall be provided.

52-68 (e) Section 39.055 applies in evaluating indicators
 52-69 described by Subsection (c).

53-1 Sec. 39.302. REPORT TO DISTRICT: COMPARISONS FOR ANNUAL
 53-2 PERFORMANCE ASSESSMENT. (a) The agency shall report to each
 53-3 school district the comparisons of student performance made under
 53-4 Section 39.034.

53-5 (b) To the extent practicable, the agency shall combine the
 53-6 report of comparisons with the report of the student's performance
 53-7 on assessment instruments under Section 39.023.

53-8 Sec. 39.303. REPORT TO PARENTS. (a) The school district a
 53-9 student attends shall provide a record of the comparisons made
 53-10 under Section 39.034 and provided to the district under Section
 53-11 39.302 in a written notice to the student's parent or other person
 53-12 standing in parental relationship.

53-13 (b) For a student who failed to perform satisfactorily as
 53-14 determined by the commissioner under Section 39.0241(a) on an
 53-15 assessment instrument administered under Section 39.023(a), (c),
 53-16 or (l), the school district shall include in the notice specific
 53-17 information relating to access to online educational resources at
 53-18 the appropriate assessment instrument content level, including
 53-19 educational resources described by Section 32.252(b)(2) and
 53-20 assessment instruments questions and answers released under
 53-21 Section 39.023(e).

53-22 Sec. 39.304. TEACHER REPORT CARD. Each school district
 53-23 shall prepare a report of the comparisons made under Section 39.034
 53-24 and provided to the district under Section 39.302 and provide the
 53-25 report at the beginning of the school year to each teacher for
 53-26 incoming students who were assessed on an assessment instrument
 53-27 under Section 39.023.

53-28 Sec. 39.305 [~~39.052~~]. CAMPUS REPORT CARD. (a) Each school
 53-29 year, the agency shall prepare and distribute to each school
 53-30 district a report card for each campus. The campus report cards
 53-31 must be based on the most current data available disaggregated by
 53-32 student groups. Campus performance must be compared to previous
 53-33 campus and district performance, current district performance, and
 53-34 state established standards[~~, and comparable campus group~~
 53-35 ~~performance].~~

53-36 (b) The report card shall include the following
 53-37 information:

53-38 (1) where applicable, the student achievement
 53-39 indicators described by Section 39.053(c) and the reporting
 53-40 indicators described by Sections 39.301(c)(1) through (4)
 53-41 [~~academic excellence indicators adopted under Sections~~
 53-42 ~~39.051(b)(1) through (10)].~~

53-43 (2) average class size by grade level and subject;

53-44 (3) the administrative and instructional costs per
 53-45 student, computed in a manner consistent with Section 44.0071; and

53-46 (4) the district's instructional expenditures ratio
 53-47 and instructional employees ratio computed under Section 44.0071,
 53-48 and the statewide average of those ratios, as determined by the
 53-49 commissioner.

53-50 (c) The commissioner shall adopt rules requiring
 53-51 dissemination of the information required under Subsection (b)(4)
 53-52 and appropriate class size and student performance portions of
 53-53 campus report cards annually to the parent, guardian, conservator,
 53-54 or other person having lawful control of each student at the campus.
 53-55 On written request, the school district shall provide a copy of a
 53-56 campus report card to any other party.

53-57 Sec. 39.306 [~~39.053~~]. PERFORMANCE REPORT. (a) Each board
 53-58 of trustees shall publish an annual report describing the
 53-59 educational performance of the district and of each campus in the
 53-60 district that includes uniform student performance and descriptive
 53-61 information as determined under rules adopted by the commissioner.
 53-62 The annual report must also include:

53-63 (1) campus performance objectives established under
 53-64 Section 11.253 and the progress of each campus toward those
 53-65 objectives, which shall be available to the public;

53-66 (2) information indicating the district's
 53-67 accreditation status and identifying each district campus awarded a
 53-68 distinction designation under Subchapter G or considered a
 53-69 low-performing campus under Subchapter E [~~the performance rating~~

54-1 ~~for the district as provided under Section 39.072(a) and the~~
 54-2 ~~performance rating of each campus in the district as provided under~~
 54-3 ~~Section 39.072(c)];~~

54-4 (3) the district's current special education
 54-5 compliance status with the agency;

54-6 (4) a statement of the number, rate, and type of
 54-7 violent or criminal incidents that occurred on each district
 54-8 campus, to the extent permitted under the Family Educational Rights
 54-9 and Privacy Act of 1974 (20 U.S.C. Section 1232g);

54-10 (5) information concerning school violence prevention
 54-11 and violence intervention policies and procedures that the district
 54-12 is using to protect students; ~~and]~~

54-13 (6) the findings that result from evaluations
 54-14 conducted under the Safe and Drug-Free Schools and Communities Act
 54-15 of 1994 (20 U.S.C. Section 7101 et seq.) ~~[and its subsequent~~
 54-16 ~~amendments];~~ and

54-17 (7) information received under Section 51.403(e) for
 54-18 each high school campus in the district, presented in a form
 54-19 determined by the commissioner.

54-20 (b) Supplemental information to be included in the reports
 54-21 shall be determined by the board of trustees. Performance
 54-22 information in the annual reports on the indicators described by
 54-23 Sections 39.053 and 39.301 ~~[established under Section 39.051]~~ and
 54-24 descriptive information required by this section shall be provided
 54-25 by the agency.

54-26 (c) The board of trustees shall hold a hearing for public
 54-27 discussion of the report. The board of trustees shall give notice
 54-28 of the hearing to property owners in the district and parents of and
 54-29 other persons standing in parental relation to ~~[, guardians,~~
 54-30 ~~conservators, and other persons having lawful control of]~~ a
 54-31 district student. The notification must include notice to a
 54-32 newspaper of general circulation in the district and notice to
 54-33 electronic media serving the district. After the hearing the
 54-34 report shall be widely disseminated within the district in a manner
 54-35 to be determined under rules adopted by the commissioner.

54-36 (d) The report must also include a comparison provided by
 54-37 the agency of:

54-38 (1) the performance of each campus to its previous
 54-39 performance and to state-established standards; and

54-40 (2) the performance of each district to its previous
 54-41 performance and to state-established standards ~~[, and~~

54-42 ~~[(3) the performance of each campus or district to~~
 54-43 ~~comparable improvement].~~

54-44 (e) The report may include the following information:

54-45 (1) student information, including total enrollment,
 54-46 enrollment by ethnicity, socioeconomic status, and grade groupings
 54-47 and retention rates;

54-48 (2) financial information, including revenues and
 54-49 expenditures;

54-50 (3) staff information, including number and type of
 54-51 staff by sex ~~[gender]~~, ethnicity, years of experience, and highest
 54-52 degree held, teacher and administrator salaries, and teacher
 54-53 turnover;

54-54 (4) program information, including student enrollment
 54-55 by program, teachers by program, and instructional operating
 54-56 expenditures by program; and

54-57 (5) the number of students placed in a disciplinary
 54-58 alternative education program under Chapter 37.

54-59 (f) The commissioner ~~[State Board of Education]~~ by rule
 54-60 shall authorize the combination of this report with other reports
 54-61 and financial statements and shall restrict the number and length
 54-62 of reports that school districts, school district employees, and
 54-63 school campuses are required to prepare.

54-64 (g) The report must include a statement of the amount, if
 54-65 any, of the school district's unencumbered surplus fund balance as
 54-66 of the last day of the preceding fiscal year and the percentage of
 54-67 the preceding year's budget that the surplus represents.

54-68 Sec. 39.307 ~~[39.054]~~. USES OF PERFORMANCE REPORT. The
 54-69 information required to be reported under Section 39.306 ~~[39.053]~~

55-1 shall be:

55-2 (1) the subject of public hearings or meetings
55-3 required under Sections 11.252, 11.253, and 39.306 [~~39.053~~];

55-4 (2) a primary consideration in school district and
55-5 campus planning; and

55-6 (3) a primary consideration of:

55-7 (A) the State Board of Education in the
55-8 evaluation of the performance of the commissioner;

55-9 (B) the commissioner in the evaluation of the
55-10 performance of the directors of the regional education service
55-11 centers;

55-12 (C) the board of trustees of a school district in
55-13 the evaluation of the performance of the superintendent of the
55-14 district; and

55-15 (D) the superintendent in the evaluation of the
55-16 performance of the district's campus principals.

55-17 Sec. 39.308 [~~39.055~~]. ANNUAL AUDIT OF DROPOUT RECORDS;
55-18 REPORT. (a) The commissioner shall develop a process for auditing
55-19 school district dropout records electronically. The commissioner
55-20 shall also develop a system and standards for review of the audit or
55-21 use systems already available at the agency. The system must be
55-22 designed to identify districts that are at high risk of having
55-23 inaccurate dropout records and that, as a result, require on-site
55-24 monitoring of dropout records.

55-25 (b) If the electronic audit of a school district's dropout
55-26 records indicates that a district is not at high risk of having
55-27 inaccurate dropout records, the district may not be subject to
55-28 on-site monitoring under this subsection.

55-29 (c) If the risk-based system indicates that a school
55-30 district is at high risk of having inaccurate dropout records, the
55-31 district is entitled to an opportunity to respond to the
55-32 commissioner's determination before on-site monitoring may be
55-33 conducted. The district must respond not later than the 30th day
55-34 after the date the commissioner notifies the district of the
55-35 commissioner's determination. If the district's response does not
55-36 change the commissioner's determination that the district is at
55-37 high risk of having inaccurate dropout records or if the district
55-38 does not respond in a timely manner, the commissioner shall order
55-39 agency staff to conduct on-site monitoring of the district's
55-40 dropout records.

55-41 (d) [~~(e)~~] The commissioner shall notify the board of
55-42 trustees of a school district of any objection the commissioner has
55-43 to the district's dropout data, any violation of sound accounting
55-44 practices or of a law or rule revealed by the data, or any
55-45 recommendation by the commissioner concerning the data. If the
55-46 data reflect that a penal law has been violated, the commissioner
55-47 shall notify the county attorney, district attorney, or criminal
55-48 district attorney, as appropriate, and the attorney general.

55-49 (e) The commissioner is entitled to access to all district
55-50 records the commissioner considers necessary or appropriate for the
55-51 review, analysis, or approval of district dropout data.

55-52 SUBCHAPTER K [~~H~~]. REPORTS BY TEXAS EDUCATION AGENCY

55-53 Sec. 39.331 [~~39.181~~]. GENERAL REQUIREMENTS. (a) Each
55-54 report required by this subchapter must:

55-55 (1) unless otherwise specified, contain summary
55-56 information and analysis only, with an indication that the agency
55-57 will provide the data underlying the report on request;

55-58 (2) specify a person at the agency who may be contacted
55-59 for additional information regarding the report and provide the
55-60 person's telephone number; and

55-61 (3) identify other sources of related information,
55-62 indicating the level of detail and format of information that may be
55-63 obtained, including the availability of any information on the
55-64 Texas Education Network.

55-65 (b) Each component of a report required by this subchapter
55-66 must:

55-67 (1) identify the substantive goal underlying the
55-68 information required to be reported;

55-69 (2) analyze the progress made and longitudinal trends

56-1 in achieving the underlying substantive goal;

56-2 (3) offer recommendations for improved progress in
56-3 achieving the underlying substantive goal; and

56-4 (4) identify the relationship of the information
56-5 required to be reported to state education goals.

56-6 (c) Unless otherwise provided, each report required by this
56-7 subchapter is due not later than December 1 of each even-numbered
56-8 year.

56-9 (d) Subsections (a) and (b) apply to any report required by
56-10 statute that the agency or the State Board of Education must prepare
56-11 and deliver to the governor, lieutenant governor, speaker of the
56-12 house of representatives, or legislature.

56-13 (e) Unless otherwise provided by law, any report required by
56-14 statute that the agency or the State Board of Education must prepare
56-15 and deliver to the governor, lieutenant governor, speaker of the
56-16 house of representatives, or legislature may be combined, at the
56-17 discretion of the commissioner, with a report required by this
56-18 subchapter.

56-19 Sec. 39.332 [~~39.182~~]. COMPREHENSIVE ANNUAL REPORT.

56-20 (a) Not later than December 1 of each year, the agency shall
56-21 prepare and deliver to the governor, the lieutenant governor, the
56-22 speaker of the house of representatives, each member of the
56-23 legislature, the Legislative Budget Board, and the clerks of the
56-24 standing committees of the senate and house of representatives with
56-25 primary jurisdiction over the public school system a comprehensive
56-26 report covering the preceding school year and containing the
56-27 information described by Subsection (b). [✚]

56-28 (b)(1) The report must contain an evaluation of the
56-29 achievements of the state educational program in relation to the
56-30 statutory goals for the public education system under Section
56-31 4.002. [✚]

56-32 (2) The report must contain an evaluation of the
56-33 status of education in the state as reflected by:

56-34 (A) the student achievement [~~academic~~
56-35 ~~excellence~~] indicators described by [~~adopted under~~] Section 39.053
56-36 [~~39.051~~]; and

56-37 (B) the reporting indicators described by
56-38 Section 39.301.

56-39 (3) The report must contain a summary compilation of
56-40 overall student performance on academic skills assessment
56-41 instruments required by Section 39.023 with the number and
56-42 percentage of students exempted from the administration of those
56-43 instruments and the basis of the exemptions, aggregated by grade
56-44 level, subject area, campus, and district, with appropriate
56-45 interpretations and analysis, and disaggregated by race,
56-46 ethnicity, gender, and socioeconomic status. [✚]

56-47 (4) The report must contain a summary compilation of
56-48 overall performance of students placed in a disciplinary
56-49 alternative education program established under Section 37.008 on
56-50 academic skills assessment instruments required by Section 39.023
56-51 with the number of those students exempted from the administration
56-52 of those instruments and the basis of the exemptions, aggregated by
56-53 district, grade level, and subject area, with appropriate
56-54 interpretations and analysis, and disaggregated by race,
56-55 ethnicity, gender, and socioeconomic status. [✚]

56-56 (5) The report must contain a summary compilation of
56-57 overall performance of students at risk of dropping out of school,
56-58 as defined by Section 29.081(d), on academic skills assessment
56-59 instruments required by Section 39.023 with the number of those
56-60 students exempted from the administration of those instruments and
56-61 the basis of the exemptions, aggregated by district, grade level,
56-62 and subject area, with appropriate interpretations and analysis,
56-63 and disaggregated by race, ethnicity, gender, and socioeconomic
56-64 status. [✚]

56-65 (6) The report must contain an evaluation of the
56-66 correlation between student grades and student performance on
56-67 academic skills assessment instruments required by Section
56-68 39.023. [✚]

56-69 (7) The report must contain a statement of the dropout

57-1 rate of students in grade levels 7 through 12, expressed in the
 57-2 aggregate and by grade level, and a statement of the completion
 57-3 rates of students for grade levels 9 through 12. [✓]

57-4 (8) The report must contain a statement of:

57-5 (A) the completion rate of students who enter
 57-6 grade level 9 and graduate not more than four years later;

57-7 (B) the completion rate of students who enter
 57-8 grade level 9 and graduate, including students who require more
 57-9 than four years to graduate;

57-10 (C) the completion rate of students who enter
 57-11 grade level 9 and not more than four years later receive a high
 57-12 school equivalency certificate;

57-13 (D) the completion rate of students who enter
 57-14 grade level 9 and receive a high school equivalency certificate,
 57-15 including students who require more than four years to receive a
 57-16 certificate; and

57-17 (E) the number and percentage of all students who
 57-18 have not been accounted for under Paragraph (A), (B), (C), or
 57-19 (D). [✓]

57-20 (9) The report must contain a statement of the
 57-21 projected cross-sectional and longitudinal dropout rates for grade
 57-22 levels 9 through 12 for the next five years, assuming no state
 57-23 action is taken to reduce the dropout rate. [✓]

57-24 (10) The report must contain a description of a
 57-25 systematic, measurable plan for reducing the projected
 57-26 cross-sectional and longitudinal dropout rates to five percent or
 57-27 less for the 1997-1998 school year. [✓]

57-28 (11) The report must contain a summary of the
 57-29 information required by Section 29.083 regarding grade level
 57-30 retention of students and information concerning:

57-31 (A) the number and percentage of students
 57-32 retained; and

57-33 (B) the performance of retained students on
 57-34 assessment instruments required under Section 39.023(a). [✓]

57-35 (12) The report must contain information, aggregated
 57-36 by district type and disaggregated by race, ethnicity, gender, and
 57-37 socioeconomic status, on:

57-38 (A) the number of students placed in a
 57-39 disciplinary alternative education program established under
 57-40 Section 37.008;

57-41 (B) the average length of a student's placement
 57-42 in a disciplinary alternative education program established under
 57-43 Section 37.008;

57-44 (C) the academic performance of students on
 57-45 assessment instruments required under Section 39.023(a) during the
 57-46 year preceding and during the year following placement in a
 57-47 disciplinary alternative education program; and

57-48 (D) the dropout rates of students who have been
 57-49 placed in a disciplinary alternative education program established
 57-50 under Section 37.008. [✓]

57-51 (13) The report must contain a list of each school
 57-52 district or campus that does not satisfy performance standards,
 57-53 with an explanation of the actions taken by the commissioner to
 57-54 improve student performance in the district or campus and an
 57-55 evaluation of the results of those actions. [✓]

57-56 (14) The report must contain an evaluation of the
 57-57 status of the curriculum taught in public schools, with
 57-58 recommendations for legislative changes necessary to improve or
 57-59 modify the curriculum required by Section 28.002. [✓]

57-60 (15) The report must contain a description of all
 57-61 funds received by and each activity and expenditure of the
 57-62 agency. [✓]

57-63 (16) The report must contain a summary and analysis of
 57-64 the instructional expenditures ratios and instructional employees
 57-65 ratios of school districts computed under Section 44.0071. [✓]

57-66 (17) The report must contain a summary of the effect of
 57-67 deregulation, including exemptions and waivers granted under
 57-68 Section 7.056 or 39.232. [~~39.112~~] [✓]

57-69 (18) The report must contain a statement of the total

58-1 number and length of reports that school districts and school
 58-2 district employees must submit to the agency, identifying which
 58-3 reports are required by federal statute or rule, state statute, or
 58-4 agency rule, and a summary of the agency's efforts to reduce overall
 58-5 reporting requirements. [✓]

58-6 (19) The report must contain a list of each school
 58-7 district that is not in compliance with state special education
 58-8 requirements, including:

58-9 (A) the period for which the district has not
 58-10 been in compliance;

58-11 (B) the manner in which the agency considered the
 58-12 district's failure to comply in determining the district's
 58-13 accreditation status; and

58-14 (C) an explanation of the actions taken by the
 58-15 commissioner to ensure compliance and an evaluation of the results
 58-16 of those actions. [✓]

58-17 (20) The report must contain a comparison of the
 58-18 performance of open-enrollment charter schools and school
 58-19 districts on the student achievement [~~academic excellence~~]
 58-20 indicators described by Section 39.053(c), the reporting
 58-21 indicators described by Section 39.301(c), [~~specified in Section~~
 58-22 ~~39.051(b)~~] and the accountability measures adopted under Section
 58-23 39.053(i) [~~39.051(g)~~], with a separately aggregated comparison of
 58-24 the performance of open-enrollment charter schools predominantly
 58-25 serving students at risk of dropping out of school, as described
 58-26 [~~defined~~] by Section 29.081(d), with the performance of school
 58-27 districts. [✓]

58-28 (21) The report must contain a summary of the
 58-29 information required by Section 38.0141 regarding student health
 58-30 and physical activity from each school district. [✓]

58-31 (22) The report must contain a summary compilation of
 58-32 overall student performance under the assessment system developed
 58-33 to evaluate the longitudinal academic progress as required by
 58-34 Section 39.027(e), disaggregated by bilingual education or special
 58-35 language program instructional model, if any. [✓ and]

58-36 (23) The report must contain any additional
 58-37 information considered important by the commissioner or the State
 58-38 Board of Education.

58-39 (c) [~~(b)~~] In reporting the information required by
 58-40 Subsection (b)(3) or (4) [~~(a)(3) or (4)~~], the agency may separately
 58-41 aggregate the performance data of students enrolled in a special
 58-42 education program under Subchapter A, Chapter 29.

58-43 (d) [~~(b-1)~~] In reporting the information required by
 58-44 Subsections (b)(3), (5), and (7) [~~(a)(3), (5), and (7)~~], the agency
 58-45 shall separately aggregate the longitudinal performance data of all
 58-46 students identified as students of limited English proficiency, as
 58-47 defined by Section 29.052, or former students of limited English
 58-48 proficiency, disaggregated by bilingual education or special
 58-49 language program instructional model, if any, in which the students
 58-50 are or were enrolled.

58-51 (e) [~~(c)~~] Each report must contain the most recent data
 58-52 available.

58-53 Sec. 39.333 [~~39.183~~]. REGIONAL AND DISTRICT LEVEL REPORT.
 58-54 The agency shall prepare and deliver to the governor, the
 58-55 lieutenant governor, the speaker of the house of representatives,
 58-56 each member of the legislature, the Legislative Budget Board, and
 58-57 the clerks of the standing committees of the senate and house of
 58-58 representatives with primary jurisdiction over the public school
 58-59 system a regional and district level report covering the preceding
 58-60 two school years and containing:

58-61 (1) a summary of school district compliance with the
 58-62 student/teacher ratios and class-size limitations prescribed by
 58-63 Sections 25.111 and 25.112, including:

58-64 (A) the number of campuses and classes at each
 58-65 campus granted an exception from Section 25.112; and

58-66 (B) for [~~the performance rating under Subchapter~~
 58-67 ~~D of~~] each campus granted an exception from Section 25.112, a
 58-68 statement of whether the campus has been awarded a distinction
 58-69 designation under Subchapter G or has been identified as a

59-1 low-performing campus under Subchapter E;

59-2 (2) a summary of the exemptions and waivers granted to
59-3 campuses and school districts under Section 7.056 or 39.232
59-4 [39.112] and a review of the effectiveness of each campus or
59-5 district following deregulation;

59-6 (3) an evaluation of the performance of the system of
59-7 regional education service centers based on the indicators adopted
59-8 under Section 8.101 and client satisfaction with services provided
59-9 under Subchapter B, Chapter 8;

59-10 (4) an evaluation of accelerated instruction programs
59-11 offered under Section 28.006, including an assessment of the
59-12 quality of such programs and the performance of students enrolled
59-13 in such programs; and

59-14 (5) the number of classes at each campus that are
59-15 currently being taught by individuals who are not certified in the
59-16 content areas of their respective classes.

59-17 Sec. 39.334 [~~39.184~~]. TECHNOLOGY REPORT. The agency shall
59-18 prepare and deliver to the governor, the lieutenant governor, the
59-19 speaker of the house of representatives, each member of the
59-20 legislature, the Legislative Budget Board, and the clerks of the
59-21 standing committees of the senate and house of representatives with
59-22 primary jurisdiction over the public school system a technology
59-23 report covering the preceding two school years and containing
59-24 information on the status of the implementation of and revisions to
59-25 the long-range technology plan required by Section 32.001,
59-26 including the equity of the distribution and use of technology in
59-27 public schools.

59-28 Sec. 39.335 [~~39.185~~]. INTERIM REPORT. Not later than
59-29 December 1 of each odd-numbered year, the agency shall prepare and
59-30 deliver to the governor, the lieutenant governor, the speaker of
59-31 the house of representatives, each member of the legislature, the
59-32 Legislative Budget Board, and the clerks of the standing committees
59-33 of the senate and house of representatives with primary
59-34 jurisdiction over the public school system an interim report
59-35 containing, for the previous school year, the information required
59-36 by Section 39.333(2) [~~39.183(2)~~].

59-37 SUBCHAPTER L [~~J~~]. NOTICE OF PERFORMANCE

59-38 Sec. 39.361 [~~39.251~~]. NOTICE IN STUDENT GRADE REPORT. The
59-39 first written notice of a student's performance that a school
59-40 district gives during a school year as required by Section
59-41 28.022(a)(2) must include [~~the following information~~]:

59-42 (1) a statement of whether the campus at which the
59-43 student is enrolled has been awarded a distinction designation
59-44 under Subchapter G or has been identified as a low-performing
59-45 campus under Subchapter E [~~the most recent performance rating of~~
59-46 ~~the campus at which the student is enrolled, as determined under~~
59-47 ~~Section 39.072~~]; and

59-48 (2) an explanation of the significance of the
59-49 information provided under Subdivision (1) [~~a definition and~~
59-50 ~~explanation of each performance rating described by Section~~
59-51 ~~39.072(a)~~].

59-52 Sec. 39.362 [~~39.252~~]. NOTICE ON DISTRICT WEBSITE. Not
59-53 later than the 10th day after the first day of instruction of each
59-54 school year, a school district that maintains an Internet website
59-55 shall make the following information available to the public on the
59-56 website:

59-57 (1) the information contained in the most recent
59-58 campus report card for each campus in the district [~~as determined~~]
59-59 under Section 39.305 [~~39.052~~];

59-60 (2) the information contained in the most recent
59-61 performance report for the district [~~as determined~~] under Section
59-62 39.306 [~~39.053~~];

59-63 (3) the most recent accreditation status [~~performance~~
59-64 ~~rating~~] of the district [~~as determined~~] under Section 39.052
59-65 [~~39.072~~]; and

59-66 (4) a definition and explanation of each accreditation
59-67 status under [~~performance rating described by~~] Section 39.051,
59-68 based on commissioner rule adopted under that section [~~39.072(a)~~].

60-1 SUBCHAPTER M ~~[L]~~. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE
 60-2 Sec. 39.401 [~~39.351~~]. DEFINITION. In this subchapter,
 60-3 "council" means the High School Completion and Success Initiative
 60-4 Council.

60-5 Sec. 39.402 [~~39.352~~]. HIGH SCHOOL COMPLETION AND SUCCESS
 60-6 INITIATIVE COUNCIL. (a) The High School Completion and Success
 60-7 Initiative Council is established to identify strategic priorities
 60-8 for and make recommendations to improve the effectiveness,
 60-9 coordination, and alignment of high school completion and college
 60-10 and workforce readiness efforts.

60-11 (b) The council is composed of:
 60-12 (1) the commissioner of education;
 60-13 (2) the commissioner of higher education; and
 60-14 (3) seven members appointed by the commissioner of
 60-15 education.

60-16 (c) In making appointments required by Subsection (b)(3),
 60-17 the commissioner of education shall appoint:

60-18 (1) three members from a list of nominations provided
 60-19 by the governor;

60-20 (2) two members from a list of nominations provided by
 60-21 the lieutenant governor; and

60-22 (3) two members from a list of nominations provided by
 60-23 the speaker of the house of representatives.

60-24 (d) In making nominations under Subsection (c), the
 60-25 governor, lieutenant governor, and speaker of the house of
 60-26 representatives shall nominate persons who have distinguished
 60-27 experience in:

60-28 (1) developing and implementing high school reform
 60-29 strategies; and

60-30 (2) promoting college and workforce readiness.

60-31 Sec. 39.403 [~~39.353~~]. TERMS. Members of the council
 60-32 appointed under Section 39.402(b)(3) [~~39.352(b)(3)~~] serve terms of
 60-33 two years and may be reappointed for additional terms.

60-34 Sec. 39.404 [~~39.354~~]. PRESIDING OFFICER. The commissioner
 60-35 of education serves as the presiding officer of the council.

60-36 Sec. 39.405 [~~39.355~~]. COMPENSATION AND REIMBURSEMENT. A
 60-37 member of the council is not entitled to compensation for service on
 60-38 the council but is entitled to reimbursement for actual and
 60-39 necessary expenses incurred in performing council duties.

60-40 Sec. 39.406 [~~39.356~~]. COUNCIL STAFF AND FUNDING.

60-41 (a) Except as otherwise provided, staff members of the agency,
 60-42 with the assistance of the Texas Higher Education Coordinating
 60-43 Board, shall provide administrative support for the council.

60-44 (b) Funding for the administrative and operational expenses
 60-45 of the council shall be provided by appropriation to the agency for
 60-46 that purpose and by gifts, grants, and donations solicited and
 60-47 accepted by the agency for that purpose.

60-48 Sec. 39.407 [~~39.357~~]. STRATEGIC PLAN. (a) The council
 60-49 shall adopt a strategic plan under this subchapter to:

60-50 (1) specify strategies to identify, support, and
 60-51 expand programs to improve high school completion rates and college
 60-52 and workforce readiness;

60-53 (2) establish specific goals with which to measure the
 60-54 success of the strategies identified under Subdivision (1) in
 60-55 improving high school completion rates and college and workforce
 60-56 readiness;

60-57 (3) identify strategies for alignment and
 60-58 coordination of federal and other funding sources that may be
 60-59 pursued for high school reform, dropout prevention, and preparation
 60-60 of students for postsecondary coursework or employment; and

60-61 (4) identify key objectives for appropriate research
 60-62 and program evaluation conducted as provided by this subchapter.

60-63 (b) The commissioner of education and the commissioner of
 60-64 higher education shall adopt rules as necessary to administer the
 60-65 strategic plan adopted by the council under this section.

60-66 (c) The commissioner of education or the commissioner of
 60-67 higher education may not, in a manner inconsistent with the
 60-68 strategic plan, spend money, award a grant, or enter into a contract
 60-69 in connection with a program relating to high school success and

61-1 completion.

61-2 Sec. 39.408 [~~39.358~~]. ELIGIBILITY CRITERIA FOR CERTAIN
61-3 GRANT PROGRAMS. A school district or campus is eligible to
61-4 participate in programs under Sections 21.4541, 29.095, 29.096,
61-5 29.097, and 29.098 if the district or campus exhibited during each
61-6 of the three preceding school years characteristics that strongly
61-7 correlate with high dropout rates.

61-8 Sec. 39.409 [~~39.359~~]. PRIVATE FOUNDATION PARTNERSHIPS.

61-9 (a) The commissioner of education or the commissioner of higher
61-10 education, as appropriate, and the council may coordinate with
61-11 private foundations that have made a substantial investment in the
61-12 improvement of high schools in this state to maximize the impact of
61-13 public and private investments.

61-14 (b) A private foundation is not required to obtain the
61-15 approval of the appropriate commissioner or the council under
61-16 Subsection (a) before allocating resources to a school in this
61-17 state.

61-18 Sec. 39.410 [~~39.360~~]. GRANT PROGRAM EVALUATION. (a) The
61-19 commissioner of education shall annually set aside not more than
61-20 five percent of the funds appropriated for high school completion
61-21 and success to contract for the evaluation of programs supported by
61-22 grants approved under this subchapter. In awarding a contract
61-23 under this subsection, the commissioner shall consider centers for
61-24 education research established under Section 1.005.

61-25 (b) A person who receives a grant approved under this
61-26 subchapter must consent to an evaluation under this section as a
61-27 condition of receiving the grant.

61-28 (c) The commissioner shall ensure that an evaluation
61-29 conducted under this section includes an assessment of whether
61-30 student achievement has improved. Results of the evaluation shall
61-31 be provided through the online clearinghouse of information
61-32 relating to the best practices of campuses and school districts
61-33 established under Section 7.009.

61-34 Sec. 39.411 [~~39.361~~]. COUNCIL RECOMMENDATIONS. (a) Based
61-35 on the strategic plan adopted under this subchapter [~~section~~], the
61-36 council shall make recommendations to the commissioner of education
61-37 or the commissioner of higher education, as applicable, for the use
61-38 of federal and state funds appropriated or received for high school
61-39 reform, college readiness, and dropout prevention, including
61-40 grants awarded under Sections 21.4511, 21.4541, 29.095-29.098,
61-41 29.917, 29.919, and 39.235 [~~39.115~~].

61-42 (b) The council shall include recommendations under this
61-43 section for:

- 61-44 (1) key elements of program design;
61-45 (2) criteria for awarding grants and evaluating
61-46 programs;
61-47 (3) program funding priorities; and
61-48 (4) program evaluation as provided by this subchapter.

61-49 (c) The commissioner of education or the commissioner of
61-50 higher education, as applicable, shall consider the council's
61-51 recommendations and based on those recommendations may award grants
61-52 to school districts, open-enrollment charter schools, institutions
61-53 of higher education, regional education service centers, and
61-54 nonprofit organizations to meet the goals of the council's
61-55 strategic plan.

61-56 (d) The commissioner of education or the commissioner of
61-57 higher education, as applicable:

- 61-58 (1) is not required under this section to allocate
61-59 funds to a program or initiative recommended by the council; and
61-60 (2) may not initiate a program funded under this
61-61 section that does not conform to the recommended use of funds as
61-62 provided under Subsections (a) and (b).

61-63 Sec. 39.412 [~~39.362~~]. FUNDING PROVIDED TO SCHOOL
61-64 DISTRICTS. From funds appropriated, the commissioner of education
61-65 may provide funding to school districts to permit a school district
61-66 to obtain technical assistance in preparing a grant proposal for a
61-67 grant program administered under this subchapter.

61-68 Sec. 39.413 [~~39.363~~]. FUNDING FOR CERTAIN PROGRAMS.
61-69 (a) From funds appropriated, the Texas Higher Education

62-1 Coordinating Board shall allocate \$8.75 million each year to
 62-2 establish mathematics, science, and technology teacher preparation
 62-3 academies under Section 21.462 and implement and administer the
 62-4 program under Section 29.098.

62-5 (b) The Texas Higher Education Coordinating Board shall
 62-6 establish mathematics, science, and technology teacher preparation
 62-7 academies under Section 21.462 and implement and administer the
 62-8 program under Section 29.098 in a manner consistent with the goals
 62-9 of this subchapter and the goals in "Closing the Gaps," the state's
 62-10 master plan for higher education.

62-11 Sec. 39.414 [~~39.364~~]. PRIVATE FUNDING. The commissioner of
 62-12 education or the commissioner of higher education, as appropriate,
 62-13 may accept gifts, grants, or donations to fund a grant administered
 62-14 under this subchapter.

62-15 Sec. 39.415 [~~39.365~~]. REPORTS. (a) Not later than
 62-16 December 1 of each even-numbered year, the agency shall prepare and
 62-17 deliver a report to the legislature that recommends any statutory
 62-18 changes the council considers appropriate to promote high school
 62-19 completion and college and workforce readiness.

62-20 (b) Not later than March 1 and September 1 of each year, the
 62-21 commissioner of education shall prepare and deliver a progress
 62-22 report to the presiding officers of the standing committees of each
 62-23 house of the legislature with primary jurisdiction over public
 62-24 education, the Legislative Budget Board, and the Governor's Office
 62-25 of Policy and Planning on:

62-26 (1) the implementation of Sections 7.031, 21.4511,
 62-27 21.4541, 21.462, 28.008(d-1), 28.0212(d), 29.095-29.098, 29.911,
 62-28 29.917-29.919, and 39.235 [~~39.115~~] and this subchapter;

62-29 (2) the programs supported by grants approved under
 62-30 this subchapter; and

62-31 (3) the alignment of grants and programs to the
 62-32 strategic plan adopted under Section 39.407 [~~39.357~~].

62-33 Sec. 39.416 [~~39.366~~]. RULES. The commissioner of education
 62-34 and the commissioner of higher education shall adopt rules as
 62-35 necessary to administer this subchapter and any programs under the
 62-36 authority of the commissioner of education or the commissioner of
 62-37 higher education and the council under this subchapter.

62-38 SECTION 57. Subsection (b), Section 42.002, Education Code,
 62-39 is amended to read as follows:

62-40 (b) The Foundation School Program consists of:

62-41 (1) two tiers that in combination provide for:

62-42 (A) sufficient financing for all school
 62-43 districts to provide a basic program of education that is rated
 62-44 accredited [~~academically acceptable or higher~~] under Section
 62-45 39.052 [~~39.072~~] and meets other applicable legal standards; and

62-46 (B) substantially equal access to funds to
 62-47 provide an enriched program; and

62-48 (2) a facilities component as provided by Chapter 46.

62-49 SECTION 58. Section 51.3062, Education Code, is amended by
 62-50 adding Subsections (i-1) and (q-1) to read as follows:

62-51 (i-1) The commissioner of higher education may by rule
 62-52 require an institution of higher education to adopt uniform
 62-53 standards for the placement of a student under this section.

62-54 (q-1) A student who has completed a recommended or advanced
 62-55 high school program as determined under Section 28.025 and
 62-56 demonstrated the performance standard for college readiness as
 62-57 provided by Section 39.024 on the Algebra II and English III
 62-58 end-of-course assessment instruments is exempt from the
 62-59 requirements of this section with respect to those content areas.
 62-60 The commissioner of higher education by rule shall establish the
 62-61 period for which an exemption under this subsection is valid.

62-62 SECTION 59. Section 51.807, Education Code, as amended by
 62-63 Chapters 941 (H.B. 3826) and 1369 (H.B. 3851), Acts of the 80th
 62-64 Legislature, Regular Session, 2007, is reenacted to read as
 62-65 follows:

62-66 Sec. 51.807. RULEMAKING. (a) The Texas Higher Education
 62-67 Coordinating Board may adopt rules relating to the operation of
 62-68 admissions programs under this subchapter, including rules
 62-69 relating to the identification of eligible students.

63-1 (b) The Texas Higher Education Coordinating Board, after
 63-2 consulting with the Texas Education Agency, by rule shall establish
 63-3 standards for determining for purposes of this subchapter:

63-4 (1) whether a private high school is accredited by a
 63-5 generally recognized accrediting organization; and

63-6 (2) whether a person completed a high school
 63-7 curriculum that is equivalent in content and rigor to the
 63-8 curriculum requirements established under Section 28.025 for the
 63-9 recommended or advanced high school program.

63-10 SECTION 60. Chapter 61, Education Code, is amended by
 63-11 adding Subchapter T-1 to read as follows:

63-12 SUBCHAPTER T-1. CAREER AND TECHNICAL EDUCATION

63-13 Sec. 61.861. DEVELOPMENT OF MATHEMATICS AND SCIENCE COURSES
 63-14 FOR HIGH-DEMAND OCCUPATIONS. (a) The commissioner of higher
 63-15 education and the commissioner of education, in consultation with
 63-16 the comptroller and the Texas Workforce Commission, may award a
 63-17 grant in an amount not to exceed \$1 million to an institution of
 63-18 higher education to develop advanced mathematics and science
 63-19 courses to prepare high school students for employment in a
 63-20 high-demand occupation. The commissioner of higher education, the
 63-21 commissioner of education, the comptroller, and the Texas Workforce
 63-22 Commission shall jointly determine what is considered a high-demand
 63-23 occupation for purposes of this subchapter.

63-24 (b) An institution of higher education shall work in
 63-25 partnership with at least one independent school district and a
 63-26 business entity in developing a course for purposes of this
 63-27 section.

63-28 (c) A course developed for purposes of this section must:

63-29 (1) provide content that enables a student to develop
 63-30 the relevant and critical skills needed to be prepared for
 63-31 employment or additional training in a high-demand occupation;

63-32 (2) incorporate college and career readiness skills as
 63-33 part of the curriculum;

63-34 (3) be offered for dual credit; and

63-35 (4) satisfy a mathematics or science requirement under
 63-36 the recommended or advanced high school program as determined under
 63-37 Section 28.025.

63-38 (d) An institution of higher education shall periodically
 63-39 review and revise the curriculum for a course developed for
 63-40 purposes of this section to accommodate changes in industry
 63-41 standards for the high-demand occupation.

63-42 Sec. 61.862. GRANT APPLICATION CRITERIA. The commissioner
 63-43 of higher education and the commissioner of education, in
 63-44 consultation with the comptroller and the Texas Workforce
 63-45 Commission, shall establish application criteria for a grant under
 63-46 this subchapter and in making an award shall give priority to
 63-47 courses that:

63-48 (1) will prepare students for high-demand, high-wage,
 63-49 and high-skill occupations and further postsecondary study;

63-50 (2) may be transferred as college credit to multiple
 63-51 institutions of higher education; and

63-52 (3) are developed as part of a sequence of courses that
 63-53 includes statewide availability of the instructional materials and
 63-54 training for the courses at a nominal cost to public educational
 63-55 institutions in this state.

63-56 Sec. 61.863. USE OF FUNDS. An institution of higher
 63-57 education may use funds awarded under this section to develop, in
 63-58 connection with a course described by Section 61.861:

63-59 (1) curriculum;

63-60 (2) assessments;

63-61 (3) instructional materials, including
 63-62 technology-based supplemental materials; or

63-63 (4) professional development programs for secondary
 63-64 grade-level teachers teaching a course described by Section 61.861.

63-65 Sec. 61.864. REVIEW OF COURSES. Courses developed for
 63-66 which a grant is awarded under this subchapter shall be reviewed by
 63-67 the commissioner of higher education and the commissioner of
 63-68 education, in consultation with the comptroller and the Texas
 63-69 Workforce Commission, once every four years to determine whether

64-1 the course:

64-2 (1) is being used by public educational institutions

64-3 in this state;

64-4 (2) prepares high school students with the skills

64-5 necessary for employment in the high-demand occupation and further

64-6 postsecondary study; and

64-7 (3) satisfies a mathematics or science requirement for

64-8 the recommended or advanced high school program as determined under

64-9 Section 28.025.

64-10 Sec. 61.865. MATCHING CONTRIBUTION REQUIRED. An

64-11 institution of higher education awarded a grant under this

64-12 subchapter must obtain from one or more business entities in the

64-13 industry for which students taking courses developed under Section

64-14 61.861 are training, in a total amount equal to the amount of the

64-15 state grant:

64-16 (1) gifts, grants, or donations of funds; or

64-17 (2) contributions of property that may be used in

64-18 providing the courses.

64-19 Sec. 61.866. LIMITATION ON TOTAL AMOUNT OF GRANTS. In any

64-20 state fiscal biennium, the total amount of grants awarded under

64-21 this subchapter may not exceed \$10 million.

64-22 Sec. 61.867. FUNDING OF GRANTS. The commissioner of higher

64-23 education shall administer this section using available

64-24 appropriations and gifts, grants, and donations made for the

64-25 purposes of this subchapter.

64-26 SECTION 61. Subsection (c), Section 302.006, Labor Code, is

64-27 amended to read as follows:

64-28 (c) To be eligible to receive a scholarship awarded under

64-29 this section, a person must:

64-30 (1) be employed in a child-care facility, as defined

64-31 by Section 42.002, Human Resources Code;

64-32 (2) intend to obtain a credential, certificate, or

64-33 degree specified in Subsection (b);

64-34 (3) agree to work for at least 18 additional months in

64-35 a child-care facility, as defined by Section 42.002, Human

64-36 Resources Code, that accepts federal Child Care Development Fund

64-37 subsidies and that, at the time the person begins to fulfill the

64-38 work requirement imposed by this subdivision, is located:

64-39 (A) within the attendance zone of a public school

64-40 campus considered low-performing under Section 39.102 [~~39.132~~],

64-41 Education Code; or

64-42 (B) in an economically disadvantaged community,

64-43 as determined by the commission; and

64-44 (4) satisfy any other requirements adopted by the

64-45 commission.

64-46 SECTION 62. The following provisions of the Education Code

64-47 are repealed:

64-48 (1) Subsections (e), (f), and (g), Section 39.034; and

64-49 (2) Section 44.011.

64-50 SECTION 63. (a) Not later than December 1, 2010, the Texas

64-51 Education Agency shall prepare and deliver to the governor, the

64-52 lieutenant governor, the speaker of the house of representatives,

64-53 each member of the legislature, the clerks of the standing

64-54 committees of the senate and the house of representatives with

64-55 primary jurisdiction over public education, and the Legislative

64-56 Budget Board a transition plan containing the information described

64-57 by Subsections (b) and (c) of this section.

64-58 (b) The transition plan referred to in Subsection (a) of

64-59 this section must contain a detailed description of the process the

64-60 commissioner of education will use to develop and implement this

64-61 Act, including:

64-62 (1) the timeline;

64-63 (2) the means by which public school educators who are

64-64 representative of this state and other stakeholders, including

64-65 parents of public primary and secondary school students, and

64-66 business and community leaders, will be included in the process to

64-67 develop and implement this Act, in accordance with Subdivision

64-68 (11), Subsection (b), Section 7.055, Education Code;

64-69 (3) the resources required to implement this Act,

65-1 including resources that may be required by districts and campuses;
 65-2 (4) the scope and sequence of tasks that must be
 65-3 accomplished to implement this Act; and

65-4 (5) the use of the standard rulemaking process to
 65-5 adopt any procedures necessary to implement this Act.

65-6 (c) Except as provided by this subsection, the transition
 65-7 plan referred to in Subsection (a) of this section must provide for
 65-8 the implementation during the 2011-2012 school year of changes made
 65-9 by this Act to the accreditation and academic accountability
 65-10 system. The assignment of accreditation statuses and any other
 65-11 academic accountability designations under this Act must be
 65-12 implemented beginning with the 2012-2013 school year.

65-13 (d) In conjunction with the transition plan prepared and
 65-14 delivered under this section, the commissioner of education shall
 65-15 provide for an equivalence of a performance rating, accreditation
 65-16 status, distinction designation, or performance indicator, as
 65-17 applicable, for each statutory performance rating or performance
 65-18 indicator that is superseded by this Act.

65-19 SECTION 64. To the extent of any conflict, the reenactment
 65-20 by this Act of Section 51.807, Education Code, prevails over
 65-21 another Act of the 81st Legislature, Regular Session, 2009,
 65-22 relating to nonsubstantive additions to and corrections in enacted
 65-23 codes.

65-24 SECTION 65. (a) Except as provided by Subsections (b) and
 65-25 (c) of this section, this Act applies beginning with the 2009-2010
 65-26 school year.

65-27 (b) Subsection (c-3), Section 28.002, Education Code, as
 65-28 added by this Act, applies beginning with the 2011-2012 school
 65-29 year.

65-30 (c) Subchapter E, Chapter 39, Education Code, as amended by
 65-31 this Act, applies as provided by the transition plan adopted by the
 65-32 commissioner of education under Section 39.115, Education Code, as
 65-33 added by this Act.

65-34 SECTION 66. Notwithstanding any other provision of this
 65-35 Act, the commissioner of education may immediately apply any
 65-36 provisions related to interventions and sanctions under Subchapter
 65-37 E, Chapter 39, Education Code, as amended by this Act, to
 65-38 interventions and sanctions under Subchapter G, Chapter 39,
 65-39 Education Code, as that law existed prior to amendment by this Act.

65-40 SECTION 67. This Act does not make an appropriation. This
 65-41 Act takes effect only if a specific appropriation for the
 65-42 implementation of the Act is provided in a general appropriations
 65-43 act of the 81st Legislature.

65-44 SECTION 68. Except as provided by Section 67 of this Act,
 65-45 this Act takes effect immediately if it receives a vote of
 65-46 two-thirds of all the members elected to each house, as provided by
 65-47 Section 39, Article III, Texas Constitution. If this Act does not
 65-48 receive the vote necessary for immediate effect, this Act takes
 65-49 effect September 1, 2009, except as provided by Section 67 of this
 65-50 Act.

65-51

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