

SENATE AMENDMENTS

2nd Printing

Engrossed Riders

H.B. 3

I certify that the attached committee substitute and the 67 floor amendments for H.B. No. 3 were adopted by the Texas House of Representatives during the bill's second and third reading consideration on April 29, 2009. I further certify that, on April 29, 2009, the House suspended House Rule 2, Section 1(a)(9) to permit H.B. No. 3 to be sent to the Senate in the form of engrossed riders in lieu of a full engrossment.

Chief Clerk of the House

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

AS Amended

By: Eissler

H.B. No. 3

Substitute the following for H.B. No. 3:

By: Hochberg

C.S. H.B. No. 3

A BILL TO BE ENTITLED

AN ACT

1
2 relating to public school accountability, curriculum, and
3 promotion requirements.

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

5 SECTION 1. Sections 7.056(e) and (f), Education Code, are
6 amended to read as follows:

7 (e) Except as provided by Subsection (f), a school campus or
8 district may not receive an exemption or waiver under this section
9 from:

10 (1) a prohibition on conduct that constitutes a
11 criminal offense;

12 (2) a requirement imposed by federal law or rule,
13 including a requirement for special education or bilingual
14 education programs; or

15 (3) a requirement, restriction, or prohibition
16 relating to:

17 (A) essential knowledge or skills under Section
18 28.002 or high school [~~minimum~~] graduation requirements under
19 Section 28.025;

20 (B) public school accountability as provided by
21 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

22 (C) extracurricular activities under Section
23 33.081 or participation in a University Interscholastic League
24 area, regional, or state competition under Section 33.0812;

- 1 (D) health and safety under Chapter 38;
- 2 (E) purchasing under Subchapter B, Chapter 44;
- 3 (F) elementary school class size limits, except
- 4 as provided by Section 25.112;
- 5 (G) removal of a disruptive student from the
- 6 classroom under Subchapter A, Chapter 37;
- 7 (H) at-risk programs under Subchapter C, Chapter
- 8 29;
- 9 (I) prekindergarten programs under Subchapter E,
- 10 Chapter 29;
- 11 (J) educator rights and benefits under
- 12 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
- 13 A, Chapter 22;
- 14 (K) special education programs under Subchapter
- 15 A, Chapter 29;
- 16 (L) bilingual education programs under
- 17 Subchapter B, Chapter 29; or
- 18 (M) the requirements for the first day of
- 19 instruction under Section 25.0811.

20 (f) A school district or campus that is required to develop

21 and implement a student achievement improvement plan under Section

22 39.102 [~~39.131~~] or 39.103 [~~39.132~~] may receive an exemption or

23 waiver under this section from any law or rule other than:

- 24 (1) a prohibition on conduct that constitutes a
- 25 criminal offense;
- 26 (2) a requirement imposed by federal law or rule;
- 27 (3) a requirement, restriction, or prohibition

1 imposed by state law or rule relating to:

2 (A) public school accountability as provided by
3 Subchapters B, C, D, E, and J [~~G~~], Chapter 39; or

4 (B) educator rights and benefits under
5 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
6 A, Chapter 22; or

7 (4) textbook selection under Chapter 31.

8 SECTION 2. Section 11.203(d), Education Code, is amended to
9 read as follows:

10 (d) A principal who was employed as a principal at a campus
11 that was [of a campus] rated academically unacceptable during the
12 preceding school year [as well as any person employed to replace
13 ~~that principal,~~] shall participate in the program and complete the
14 program requirements not later than a date determined by the
15 commissioner.

16 SECTION 3. Section 12.104(b), Education Code, is amended to
17 read as follows:

18 (b) An open-enrollment charter school is subject to:

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

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

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

27 (B) criminal history records under Subchapter C,

- 1 Chapter 22;
- 2 (C) reading instruments and accelerated reading
3 instruction programs under Section 28.006;
- 4 (D) [~~satisfactory performance on assessment~~
5 ~~instruments and to~~] accelerated instruction under Section 28.0211;
- 6 (E) high school graduation requirements under
7 Section 28.025;
- 8 (F) special education programs under Subchapter
9 A, Chapter 29;
- 10 (G) bilingual education under Subchapter B,
11 Chapter 29;
- 12 (H) prekindergarten programs under Subchapter E,
13 Chapter 29;
- 14 (I) extracurricular activities under Section
15 33.081;
- 16 (J) discipline management practices or behavior
17 management techniques under Section 37.0021;
- 18 (K) health and safety under Chapter 38;
- 19 (L) public school accountability under
20 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;
- 21 (M) the requirement under Section 21.006 to
22 report an educator's misconduct; and
- 23 (N) intensive programs of instruction under
24 Section 28.0213.

25 SECTION 4. Section 28.002, Education Code, is amended by
26 adding Subsections (c-1) and (c-2) to read as follows:

27 (c-1) The State Board of Education shall adopt rules to

1 allow courses offered in the foundation curriculum or the
2 enrichment curriculum to simultaneously satisfy, to the extent
3 practicable, more than one required credit for the minimum,
4 recommended, or advanced high school program in which the student
5 is participating.

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

12 SECTION 5. The heading to Section 28.0211, Education Code,
13 is amended to read as follows:

14 Sec. 28.0211. STUDENT ADVANCEMENT DETERMINATION;
15 [SATISFACTORY] PERFORMANCE ON ASSESSMENT INSTRUMENTS [REQUIRED];
16 ACCELERATED INSTRUCTION.

17 SECTION 6. Section 28.0211, Education Code, is amended by
18 amending Subsections (a), (b), (c), (d), (e), (f), (g), and (i) and
19 adding Subsections (d-1), (d-2), and (d-3) to read as follows:

20 (a) Not later than the first day of the school year, a school
21 district shall determine the requirements for student advancement
22 from one grade level to the next. In determining whether a student
23 may be promoted to the next grade level, the district shall
24 consider:

- 25 (1) the recommendation of the student's teacher;
26 (2) the student's grade in each subject or course;
27 (3) the student's score on an assessment instrument

1 administered under Section 39.023(a), (b), or (1); and

2 (4) any other necessary information, as determined by
3 the district. [~~Except as provided by Subsection (b) or (c), a~~
4 student may not be promoted to:

5 ~~[(1) the fourth grade program to which the student~~
6 ~~would otherwise be assigned if the student does not perform~~
7 ~~satisfactorily on the third grade reading assessment instrument~~
8 ~~under Section 39.023;~~

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

13 ~~[(3) the ninth grade program to which the student~~
14 ~~would otherwise be assigned if the student does not perform~~
15 ~~satisfactorily on the eighth grade mathematics and reading~~
16 ~~assessment instruments under Section 39.023.]~~

17 (b) A school district shall provide to a student who
18 initially fails to perform satisfactorily on the third grade
19 reading assessment instrument, the fifth grade mathematics and
20 reading assessment instruments, or the eighth grade mathematics and
21 reading assessment instruments under Section 39.023 an [assessment
22 instrument specified under Subsection (a) at least two] additional
23 opportunity [opportunities] to take the assessment instrument. [A
24 ~~school district may administer an alternate assessment instrument~~
25 ~~to a student who has failed an assessment instrument specified~~
26 ~~under Subsection (a) on the previous two opportunities.~~
27 ~~Notwithstanding any other provision of this section, a student may~~

1 ~~be promoted if the student performs at grade level on an alternate~~
2 ~~assessment instrument under this subsection that is appropriate for~~
3 ~~the student's grade level and approved by the commissioner.]~~

4 (c) If ~~[Each time]~~ a student fails to perform satisfactorily
5 on an assessment instrument specified under Subsection (b) ~~[(a)]~~,
6 the school district ~~[in which the student attends school]~~ shall
7 ~~[provide to the student accelerated instruction in the applicable~~
8 ~~subject area, including reading instruction for a student who fails~~
9 ~~to perform satisfactorily on a reading assessment instrument.~~
10 ~~After a student fails to perform satisfactorily on an assessment~~
11 ~~instrument a second time, a grade placement committee shall be~~
12 ~~established to] prescribe [the] accelerated instruction for [the~~
13 ~~district shall provide to] the student [before the student is~~
14 ~~administered the assessment instrument the third time. The grade~~
15 ~~placement committee shall be composed of the principal or the~~
16 ~~principal's designee, the student's parent or guardian, and the~~
17 ~~teacher of the subject of an assessment instrument on which the~~
18 ~~student failed to perform satisfactorily. The district shall~~
19 ~~notify the parent or guardian of the time and place for convening~~
20 ~~the grade placement committee and the purpose of the committee].~~
21 The accelerated instruction program provided under this subsection
22 must be systematic and may not be based solely on assessment
23 instrument practice skills and:

24 (1) must provide for instruction in the applicable
25 subject area;

26 (2) must be developed in consultation with the
27 student's parent or guardian; and

1 (3) ~~[An accelerated instruction group administered by~~
2 ~~a school district under this section]~~ may not have a ratio of more
3 than 10 students for each teacher in an accelerated instruction
4 group.

5 (d) In addition to providing accelerated instruction to a
6 student under Subsection (c), the school district shall notify the
7 student's parent or guardian of:

8 (1) the information collected under Subsection (a),
9 including if applicable, the student's failure to perform
10 satisfactorily on the assessment instrument;

11 (2) the accelerated instruction program to which the
12 student is assigned; ~~and~~

13 (3) the possibility that the student might be retained
14 at the same grade level for the next school year;

15 (4) the areas requiring improvement for the student to
16 meet the requirements for advancement from one grade level to the
17 next as determined by the district under Subsection (a); and

18 (5) any other applicable information as determined by
19 the district.

20 (d-1) A school district shall make information provided to a
21 parent or guardian under Subsections (d)(1), (4), and (5) available
22 to the student's current teacher and the student's teacher in the
23 next grade level.

24 (d-2) If a student fails to meet the requirements for
25 student advancement from grade level three, five, or eight
26 determined by a school district under Subsection (a), the district
27 shall establish a grade placement committee for the student

1 composed of the principal or the principal's designee, the
2 student's parent or guardian, and one of the student's teachers. If
3 the student has failed to perform satisfactorily on an assessment
4 instrument administered under Section 39.023(a), (b), or (1), the
5 teacher serving on the committee must be the student's teacher for
6 the subject of an assessment instrument on which the student failed
7 to perform satisfactorily. The grade placement committee shall
8 make a determination that the student be:

9 (1) retained at the same grade level for the next
10 school year; or

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

13 (d-3) A student who fails to participate in an accelerated
14 instruction program developed under Subsection (c)(1) may not be
15 promoted to the next grade level program to which the student would
16 otherwise be assigned if the student does not perform
17 satisfactorily on the applicable assessment instrument specified
18 under Subsection (b).

19 (e) A [student who, after at least three attempts, fails to
20 perform satisfactorily on an assessment instrument specified under
21 Subsection (a) shall be retained at the same grade level for the
22 next school year in accordance with Subsection (a). The] student's
23 parent or guardian may [appeal the student's retention by
24 submitting a] request that [to] the grade placement committee
25 reconsider the committee's decision under Subsection (d-2) to
26 retain the student [established under Subsection (c)]. The school
27 district shall give the parent or guardian written notice of the

1 opportunity to request reconsideration [~~appeal. The grade~~
2 ~~placement committee may decide in favor of a student's promotion~~
3 ~~only if the committee concludes, using standards adopted by the~~
4 ~~board of trustees, that if promoted and given accelerated~~
5 ~~instruction, the student is likely to perform at grade level~~]. A
6 student may not be promoted on the basis of the grade placement
7 committee's decision under this subsection unless that decision is
8 unanimous. The commissioner by rule shall establish a time line for
9 making the placement determination. This subsection does not
10 create a property interest in promotion. The decision of the grade
11 placement committee under this subsection is final and may not be
12 appealed.

13 (f) An accelerated instruction program under Subsection (c)
14 [~~A school district shall provide to a student who, after three~~
15 ~~attempts, has failed to perform satisfactorily on an assessment~~
16 ~~instrument specified under Subsection (a) accelerated instruction~~
17 ~~during the next school year as prescribed by an educational plan~~
18 ~~developed for the student by the student's grade placement~~
19 ~~committee established under Subsection (c). The district shall~~
20 ~~provide that accelerated instruction regardless of whether the~~
21 ~~student has been promoted or retained. The educational plan~~] must
22 be designed to enable the student to perform at the appropriate
23 grade level by the conclusion of the school year. During the school
24 year, the student shall be monitored to ensure that the student is
25 progressing in accordance with the program [~~plan~~]. The district
26 shall administer to the student the assessment instrument for the
27 grade level in which the student is placed at the time the district

1 regularly administers the assessment instruments for that school
2 year.

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

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

13 (1) the manner in which the student will participate
14 in an accelerated instruction program under this section; and

15 (2) whether the student will be promoted or retained
16 under this section.

17 SECTION 7. Section 28.025, Education Code, is amended by
18 amending Subsections (a), (b), (b-1), and (b-2) and adding
19 Subsections (b-3), (b-4), and (b-5) to read as follows:

20 (a) The State Board of Education by rule shall determine
21 curriculum requirements for the minimum, recommended, and advanced
22 high school programs that are consistent with the required
23 curriculum under Section 28.002. Subject to Subsection (b-1), the
24 State Board of Education shall designate the specific courses in
25 the foundation curriculum required for a student participating in
26 the minimum, recommended, or advanced high school program. Except
27 as provided by Subsection (b-1), the State Board of Education may

1 not designate a specific course or a specific number of credits in
2 the enrichment curriculum as requirements for the recommended
3 program.

4 (b) A school district shall ensure that each student enrolls
5 in the courses necessary to complete the curriculum requirements
6 identified by the State Board of Education under Subsection (a) for
7 the recommended or advanced high school program unless the student,
8 the student's parent or other person standing in parental relation
9 to the student, and a school counselor or school administrator
10 agree that the student should be permitted to take courses under the
11 minimum high school program and the student:

12 (1) is at least 16 years of age;

13 (2) has completed the credits necessary for the tenth
14 grade under the recommended or advanced high school program; or

15 (3) has failed to be promoted to the tenth grade one or
16 more times.

17 (b-1) The State Board of Education by rule shall require
18 that:

19 (1) except as provided by Subsection (b-2), the
20 curriculum requirements for the recommended and advanced high
21 school programs under Subsection (a) include a requirement that
22 students successfully complete:

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

27 (B) two credits in the same language in a

1 language other than English under Section 28.002(a)(2)(A); and

2 (C) eight elective credits; and

3 (2) one or more credits [~~courses~~] offered in the
4 required curriculum for the recommended and advanced high school
5 programs include a research writing component.

6 (b-2) Notwithstanding any other provision of this section,
7 [~~In adopting rules under Subsection (b-1), the State Board of~~
8 ~~Education shall allow~~] a student may [~~to~~] comply with the
9 curriculum requirements under the minimum, recommended, or
10 advanced program for a mathematics course [~~under Subsection~~
11 ~~(b-1)(1) taken after the successful completion of an Algebra II~~
12 ~~course~~] or science course [~~under Subsection (b-1)(1) taken after~~
13 ~~the successful completion of a physics course~~] by successfully
14 completing a [~~an advanced~~] career and technical course approved for
15 that purpose [~~designated~~] by the State Board of Education under
16 Section 28.027 [~~as containing substantively similar and rigorous~~
17 ~~academic content. A student may use the option provided by this~~
18 ~~subsection for not more than two courses~~]. A student's
19 substitution of a career and technical course under this subsection
20 does not affect requirements relating to end-of-course assessment
21 instruments otherwise applicable to the student under Sections
22 39.023(c) and 39.025, and the student must comply with those
23 requirements in the same manner as if the course substitution had
24 not occurred.

25 (b-3) In adopting rules to provide students with the option
26 described by Subsection (b-1)(1), the State Board of Education must
27 approve a variety of mathematics and science courses that may be

1 taken by a student after completion of Algebra II and physics to
2 comply with the recommended program requirements. The board may
3 not limit the courses approved for that purpose.

4 (b-4) Before a student's parent or other person standing in
5 parental relation to the student may agree that the student be
6 permitted to take courses under the minimum high school program as
7 provided by Subsection (b), a school district must provide written
8 notice to the parent or person standing in parental relation
9 explaining the benefits of the recommended high school program.

10 The notice shall be developed by the agency and must:

11 (1) be printed in English and Spanish; and

12 (2) require that the student's parent or person
13 standing in parental relation to the student sign a confirmation of
14 receipt and return the confirmation to the student's campus.

15 (b-5) Notwithstanding Section 5.09, Chapter 5 (H.B. 1),
16 79th Legislature, 3rd Called Session, 2006, the curriculum
17 requirements for the recommended and advanced high school programs
18 under Subsection (b-1) apply to students entering the ninth grade
19 beginning with the 2011-2012 school year. This subsection expires
20 September 1, 2015.

21 SECTION 8. Section 28.0252(b), Education Code, is amended
22 to read as follows:

23 (b) If the commissioner develops a standard method under
24 this section, a school district shall use the standard method to
25 compute a student's high school grade point average[, ~~except that~~
26 ~~to the extent of a conflict between that method and the method~~
27 ~~adopted under Section 51.807, the student's grade point average~~

1 ~~computed in accordance with the method established under Section~~
2 ~~51.807 shall be used in determining the student's eligibility for~~
3 ~~university admission under Subchapter U, Chapter 51].~~

4 SECTION 9. Subchapter B, Chapter 28, Education Code, is
5 amended by adding Section 28.027 to read as follows:

6 Sec. 28.027. CAREER AND TECHNICAL COURSES. (a) In
7 accordance with rules adopted by the State Board of Education, a
8 school district may seek approval from the board to offer one or
9 more career and technical courses, including career and technical
10 courses offered as alternatives to mathematics or science courses
11 otherwise required under the minimum, recommended, or advanced high
12 school program.

13 (b) A school district seeking approval to offer a course
14 under this section must submit an application for approval not
15 later than January 1 of the year preceding the first school year
16 that the district proposes to offer the course. The application
17 must include:

18 (1) a detailed description of the course, the
19 curriculum, the instructional materials, and any required
20 equipment; and

21 (2) any other information required by the board.

22 (c) The board shall evaluate each application and
23 associated information. If the board does not take action
24 approving or denying an application on or before the 180th day after
25 the date the district submitted the application and all associated
26 information, the application is considered approved.

27 (d) Approval of a course obtained under this section is

1 effective for a period of three school years immediately following
2 the date of approval. Subsequently, any district may seek renewed
3 approval of the course for an additional three-year period in
4 accordance with procedures established by the board. There is no
5 limit on the number of three-year periods for which approval of a
6 course may be renewed.

7 (e) Any district in this state may offer a course approved
8 under this section.

9 (f) Section 7.102(f) does not apply to a rule adopted by the
10 board under this section.

11 SECTION 10. Section 29.094(c), Education Code, is amended
12 to read as follows:

13 (c) A campus may apply to the commissioner to participate in
14 the pilot program. The commissioner may select for participation
15 in the pilot program only campuses that have failed to improve
16 student performance in reading according to standards established
17 by the commissioner. The standards established by the commissioner
18 for purposes of this subsection must be based on reading
19 performance standards considered [~~required~~] for student promotion
20 under Section 28.0211.

21 SECTION 11. Section 29.904(d), Education Code, is amended
22 to read as follows:

23 (d) A plan developed under this section:

24 (1) must establish clear, achievable goals for
25 increasing the percentage of the school district's graduating
26 seniors, particularly the graduating seniors attending a high
27 school described by Subsection (a), who enroll in an institution of

1 higher education for the academic year following graduation;

2 (2) must establish an accurate method of measuring
3 progress toward the goals established under Subdivision (1) that
4 may include the percentage of district high school students and the
5 percentage of students attending a district high school described
6 by Subsection (a) who:

7 (A) are enrolled in a course for which a student
8 may earn college credit, such as an advanced placement or
9 international baccalaureate course or a course offered through
10 concurrent enrollment in high school and at an institution of
11 higher education;

12 (B) are enrolled in courses that meet the
13 curriculum requirements for the recommended or advanced high school
14 program as determined under Section 28.025;

15 (C) have submitted a free application for federal
16 student aid (FAFSA);

17 (D) are exempt under Section 51.3062(p) or (q)
18 [~~51.306(1) or (m)~~] from administration of an assessment [~~a test~~]
19 instrument under Section 51.3062 [~~51.306~~] or have performed
20 successfully on an assessment [~~a test~~] instrument under Section
21 51.3062 [~~51.306~~];

22 (E) graduate from high school;

23 (F) graduate from an institution of higher
24 education; and

25 (G) have taken college entrance examinations and
26 the average score of those students on the examinations;

27 (3) must cover a period of at least five years; and

1 (4) may be directed at district students at any level
2 of primary or secondary education.

3 SECTION 12. Section 32.252(b), Education Code, is amended
4 to read as follows:

5 (b) The portal must serve as a single point of access to
6 educational resources other than student assessment data
7 accessible through the student assessment data portal under Section
8 32.258. In addition to any other purpose specified by this
9 subchapter or any other educational purpose, the portal may be used
10 to:

11 (1) alleviate inequities in access to educational
12 resources by providing access to on-line courses;

13 (2) improve student academic performance by providing
14 access to tutorial materials, instructional materials that have
15 been shown to improve academic performance, and other interactive
16 materials, including materials that assess an individual student's
17 knowledge and prepare the student for the administration of a
18 standardized assessment instrument, including an assessment
19 instrument administered under Section 39.023;

20 (3) provide school districts with access to
21 administrative software and other electronic tools designed to
22 promote administrative efficiency and intra-district
23 communication; or

24 (4) ~~[provide secure access to student assessment data,~~
25 ~~or~~

26 ~~(5)]~~ provide links to appropriate educational
27 resources and experts available through the Internet.

1 SECTION 13. Section 32.258, Education Code, is amended to
2 read as follows:

3 Sec. 32.258. STUDENT ASSESSMENT DATA; DATA PORTAL. (a) The
4 agency shall establish and maintain a student assessment data
5 portal for use by school districts, teachers, parents, students,
6 and public institutions of higher education. The agency shall
7 ~~may~~ establish a secure, interoperable system to be implemented
8 through the portal under which:

9 (1) a student or the student's parent or other person
10 standing in parental relationship can easily access the student's
11 individual assessment data;

12 (2) an authorized employee of a school district,
13 including a district teacher, ~~districts~~ can readily access
14 individual ~~student~~ assessment data of district students for use
15 in developing strategies for improving student performance; and

16 (3) an authorized employee of a public institution of
17 higher education can access appropriate student data.

18 (b) The system established under Subsection (a) shall
19 provide a means for a student or the student's parent or other
20 person standing in parental relationship to track the student's
21 progress on assessment instrument requirements for graduation.

22 (c) The agency shall establish an interoperable system to be
23 implemented through the portal under which general student
24 assessment data is easily accessible to the public.

25 (d) Student assessment data provided under this section
26 must:

27 (1) include student performance data on assessment

1 instruments over multiple years, beginning with the 2007-2008
2 school year, including any data indicating progress in student
3 achievement; and

4 (2) be updated before the beginning of each school
5 year to include current student assessment data.

6 (e) Each [(b) In establishing the] system established
7 under [required by] this section must permit comparisons of [the
8 agency shall seek to further the goal of providing school districts
9 with access to] student performance information at the classroom,
10 campus, district, and state levels [level].

11 SECTION 14. Chapter 39, Education Code, is amended by
12 adding Subchapter A to read as follows:

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 39.001. RULEMAKING AUTHORITY. The commissioner may
15 adopt rules as necessary to administer this chapter.

16 SECTION 15. Section 39.023, Education Code, is amended by
17 adding Subsection (a-1) and amending Subsections (c-4), (e), and
18 (1) to read as follows:

19 (a-1) The agency shall develop assessment instruments
20 required under Subsection (a) in a manner that allows, to the extent
21 practicable:

22 (1) the score a student receives to provide reliable
23 information relating to a student's satisfactory performance for
24 each performance standard, as determined under Section 39.0241; and

25 (2) an appropriate range of performances to serve as a
26 valid indication of growth in student achievement.

27 (c-4) To the extent practicable and subject to Section

1 39.024, the agency shall ensure that each end-of-course assessment
2 instrument adopted under Subsection (c) is:

3 (1) developed in a manner that measures a student's
4 performance under the college readiness standards established
5 under Section 28.008; and

6 (2) validated by national postsecondary education
7 experts for college readiness content and performance standards.

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

20 (1) The State Board of Education shall adopt rules for the
21 administration of the assessment instruments adopted under
22 Subsection (a) in Spanish to students in grades three through five
23 [~~six~~] who are of limited English proficiency, as defined by Section
24 29.052, whose primary language is Spanish, and who are not
25 otherwise exempt from the administration of an assessment
26 instrument under Section 39.027(a)(3) or (4). Each student of
27 limited English proficiency whose primary language is Spanish,

1 other than a student to whom Subsection (b) applies, may be assessed
2 using assessment instruments in Spanish under this subsection for
3 up to three years or assessment instruments in English under
4 Subsection (a). The language proficiency assessment committee
5 established under Section 29.063 shall determine which students are
6 administered assessment instruments in Spanish under this
7 subsection.

8 SECTION 16. Section 39.0233(d), Education Code, is amended
9 to read as follows:

10 (d) The questions adopted under this section may not ~~[must]~~
11 be administered in a separate section of the end-of-course
12 assessment instrument ~~[in which the questions are included]~~.

13 SECTION 17. Subchapter B, Chapter 39, Education Code, is
14 amended by amending Section 39.024 and adding Sections 39.0241 and
15 39.0242 to read as follows:

16 Sec. 39.024. MEASURE OF COLLEGE READINESS. (a) In this
17 section, "college readiness" means the level of preparation a
18 student must attain in English language arts and mathematics
19 courses to enroll and succeed, without remediation, in an
20 entry-level general education course for credit in that same
21 content area for a baccalaureate degree or associate degree program
22 at:

23 (1) a general academic teaching institution, as
24 defined by Section 61.003, other than a research institution, as
25 categorized under the Texas Higher Education Coordinating Board's
26 accountability system; or

27 (2) a postsecondary educational institution that

1 primarily offers associate degrees or certificates or credentials
2 other than baccalaureate or advanced degrees.

3 (b) The agency shall ensure that the Algebra II and English
4 III end-of-course assessment instruments required under Section
5 39.023(c) are developed to be capable of, beginning with the
6 2011-2012 school year, measuring college readiness.

7 (c) Before the beginning of the 2012-2013 school year, the
8 agency shall gather data and conduct research studies to
9 substantiate the correlation between a certain level of performance
10 by students on the Algebra II and English III end-of-course
11 assessment instruments and college readiness.

12 (d) Studies under Subsection (c) must include an evaluation
13 of any need for remediation courses to facilitate college
14 readiness.

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

21 (f) To the extent practicable, the agency shall conduct
22 research studies similar to the studies conducted under Subsection
23 (c) for the appropriate science and social studies end-of-course
24 assessment instruments.

25 (f-1) Not later than December 1, 2012, the agency shall
26 deliver to the lieutenant governor, the speaker of the house of
27 representatives, and the clerks of the standing committees of the

1 senate and the house of representatives with primary jurisdiction
2 over public education a report that includes:

3 (1) an analysis of the feasibility of establishing
4 college readiness performance standards for science and social
5 studies end-of-course assessment instruments; and

6 (2) if feasible, recommendations for implementing
7 each standard.

8 (f-2) Subsection (f-1) and this subsection expire January
9 1, 2013.

10 (g) The agency shall continue to gather data to perform
11 studies as provided under Subsections (c) and (f) at least once
12 every three years.

13 (h) The agency shall periodically review the college
14 readiness performance standards established under this section and
15 compare the performance standards to performance standards
16 established nationally and internationally for comparable
17 assessment instruments. Following each review, the agency shall
18 deliver to the lieutenant governor, the speaker of the house of
19 representatives, and the clerks of the standing committees of the
20 senate and the house of representatives with primary jurisdiction
21 over public education a report on the results of the review
22 indicating whether the college readiness performance standards
23 established under this section are sufficiently rigorous to prepare
24 students in this state to compete academically with students
25 nationally and internationally. If the agency determines that the
26 college readiness performance standards established under this
27 section are not sufficiently rigorous, the agency shall recommend

1 changes to the college readiness performance standards.

2 Sec. 39.0241. SATISFACTORY PERFORMANCE. (a) Except as
3 otherwise provided by Subsection (b) [~~this subsection~~], the
4 commissioner [~~State Board of Education~~] shall determine the level
5 of performance considered to be satisfactory on the assessment
6 instruments.

7 (a-1) Beginning with the 2012-2013 school year,
8 satisfactory performance on English language arts and mathematics
9 assessment instruments for purposes of this chapter means the
10 performance across grade levels necessary to indicate:

11 (1) college readiness, as defined by Section
12 39.024(a), except as modified by Section 39.0242(d); and

13 (2) satisfactory performance as determined by the
14 commissioner under Subsection (a).

15 (a-2) For the purpose of establishing performance across
16 grade levels, the commissioner shall establish:

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

20 (2) the performance standards for the Algebra I and
21 English II end-of-course assessment instruments, as determined
22 based on studies under Section 39.0242 that correlate student
23 performance on the Algebra I and English II end-of-course
24 assessment instruments with student performance on the Algebra II
25 and English III assessment instruments;

26 (3) the performance standards for the English I
27 end-of-course assessment instrument, as determined based on

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

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

10 (5) the performance standards on the assessment
11 instruments in each of grades three through seven, as determined
12 based on studies under Section 39.0242 that correlate student
13 performance in the same content area on the assessment instrument
14 for each grade with student performance on the assessment
15 instrument in the succeeding grade.

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

21 (c) The agency shall develop study guides for the assessment
22 instruments administered under Sections 39.023(a) and (c). To
23 assist parents in providing assistance during the period that
24 school is recessed for summer, each school district shall make
25 ~~[distribute]~~ the study guides available to parents of students who
26 do not perform satisfactorily as determined by the commissioner
27 under Subsection (a) on one or more parts of an assessment

1 instrument administered under this subchapter.

2 (d) The agency shall develop and make available teacher
3 training materials and other teacher training resources to assist
4 teachers in enabling students of limited English proficiency to
5 meet state performance expectations. The teacher training
6 resources shall be designed to support intensive, individualized,
7 and accelerated instructional programs developed by school
8 districts for students of limited English proficiency.

9 (e) The commissioner shall retain a portion of the total
10 amount of funds allotted under Section 42.152(a) that the
11 commissioner considers appropriate to finance activities under
12 Subsection [~~Subsections~~] (c) and may retain a portion for
13 activities under Subsection (d) and for intensive programs of
14 instruction for students of limited English proficiency offered by
15 school districts and shall reduce each district's allotment
16 proportionately.

17 Sec. 39.0242. SATISFACTORY PERFORMANCE: RESEARCH STUDIES
18 AND IMPLEMENTATION OF STANDARD. (a) During the 2011-2012 school
19 year, the agency shall collect data through:

20 (1) the annual administration of assessment
21 instruments required under Section 39.023(a) in grades three
22 through eight; and

23 (2) the administration to appropriate students
24 throughout the state of an end-of-course assessment instrument
25 field test.

26 (b) Before the beginning of the 2012-2013 school year, the
27 agency shall analyze the data collected under Subsection (a) to

1 substantiate:

2 (1) the correlation between satisfactory student
3 performance for each performance standard under Section 39.0241 on
4 the grade three, four, five, six, or seven assessment instruments
5 with satisfactory performance under the same performance standard
6 on the assessment instruments in the same content area for the next
7 grade level;

8 (2) the correlation between satisfactory student
9 performance for each performance standard under Section 39.0241 on
10 the grade eight assessment instruments with satisfactory
11 performance under the same performance standard on the Algebra I
12 and English I end-of-course assessment instruments in the same
13 content area;

14 (3) the correlation between satisfactory student
15 performance for each performance standard under Section 39.0241 on
16 the English I end-of-course assessment instrument with
17 satisfactory performance under the same performance standard on the
18 English II end-of-course assessment instrument;

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

24 (5) the correlation between satisfactory student
25 performance for each performance standard under Section 39.0241 on
26 the Algebra I end-of-course assessment instrument with
27 satisfactory performance under the same performance standard on the

1 Algebra II end-of-course assessment instrument.

2 (c) Studies under this section must include an evaluation of
3 any need for remediation courses to facilitate college readiness.

4 (d) Once the level of satisfactory performance for the
5 college readiness performance standard has been established at the
6 level indicating college readiness, the agency shall continue to
7 gather data and perform studies as provided under this section at
8 least once every three years. If the data does not support the
9 correlation between student performance standards and college
10 readiness, the commissioner of education, in conjunction with the
11 commissioner of higher education, shall revise the standard of
12 performance considered to be satisfactory.

13 SECTION 18. Section 39.025, Education Code, is amended by
14 amending Subsections (a), (a-1), (b), (b-2), and (f) and adding
15 Subsection (c-1) to read as follows:

16 (a) The commissioner shall adopt rules requiring a student
17 participating in the minimum, recommended, or advanced high school
18 program to be administered each end-of-course assessment
19 instrument listed in Section 39.023(c) [~~and requiring a student~~
20 ~~participating in the minimum high school program to be administered~~
21 ~~an end-of-course assessment instrument listed in Section~~
22 ~~39.023(c)] only for courses [~~a course~~] in which the student is
23 enrolled and for which an end-of-course assessment instrument is
24 administered. Except as provided under Subsection (a-1), a student
25 participating in the minimum high school program must perform
26 satisfactorily, as determined by the commissioner under Section
27 39.0241(a), on the Algebra I and English III end-of-course~~

1 assessment instruments and a student participating in the
2 recommended or advanced high school program must perform
3 satisfactorily, as determined by the commissioner under Section
4 39.0241(a), on the Algebra II and English III end-of-course
5 assessment instruments. [~~A student is required to achieve, in each~~
6 ~~subject in the foundation curriculum under Section 28.002(a)(1), a~~
7 ~~cumulative score that is at least equal to the product of the number~~
8 ~~of end-of-course assessment instruments administered to the~~
9 ~~student in that subject and 70, with each end-of-course assessment~~
10 ~~instrument scored on a scale of 100. A student must achieve a score~~
11 ~~of at least 60 on an end-of-course assessment instrument for the~~
12 ~~score to count towards the student's cumulative score. For~~
13 ~~purposes of this subsection, a student's cumulative score is~~
14 ~~determined using the student's highest score on each end-of-course~~
15 ~~assessment instrument administered to the student.] A student may
16 not receive a high school diploma until the student has performed
17 satisfactorily on the end-of-course assessment instruments in the
18 manner provided under this subsection. [~~This subsection does not~~
19 ~~require a student to demonstrate readiness to enroll in an~~
20 ~~institution of higher education.]~~~~

21 (a-1) The commissioner by rule shall determine a method by
22 which a student's satisfactory performance on an advanced placement
23 test, international baccalaureate examination, a Scholastic
24 Assessment Test (SAT) Subject Test, or another assessment
25 instrument determined by the commissioner to be at least as
26 rigorous as an end-of-course assessment instrument adopted under
27 Section 39.023(c) may be used as a factor in determining whether the

1 student satisfies the requirements of Subsection (a) [~~, including~~
2 ~~the cumulative score requirement of that subsection~~].

3 (b) Each time an end-of-course assessment instrument is
4 administered, a student who failed to perform satisfactorily on an
5 ~~[achieve a score of at least 60 on the]~~ assessment instrument
6 required for graduation shall retake the assessment instrument. A
7 student who performs satisfactorily on an Algebra II or English III
8 end-of-course assessment instrument under the performance standard
9 determined by the commissioner under Section 39.0241(a) but who
10 fails to perform satisfactorily under the college readiness
11 performance standard, as determined under Section 39.024, [~~Any~~
12 ~~other student~~] may retake the [~~an~~] end-of-course assessment
13 instrument [~~for any reason~~]. A student is not required to retake a
14 course as a condition of retaking an end-of-course assessment
15 instrument.

16 (b-2) The agency, in consultation with the Texas Higher
17 Education Coordinating Board, shall develop senior-level English
18 language arts and mathematics accelerated instruction courses for
19 purposes of this section. If [~~a school district determines that~~] a
20 student does not demonstrate the performance standard for college
21 readiness as provided by Section 39.024 on the Algebra II or English
22 III end-of-course assessment instrument [~~, on completion of grade~~
23 ~~11, is unlikely to achieve the cumulative score requirements for~~
24 ~~one or more subjects prescribed by Subsection (a) for receiving a~~
25 ~~high school diploma~~], the district shall offer [~~require~~] the
26 student the opportunity to enroll in a [~~corresponding content-area~~
27 ~~college preparatory~~] course described by this subsection [~~for which~~

1 ~~an end-of-course assessment instrument has been adopted, if~~
2 ~~available].~~ A student who enrolls in a [~~college preparatory~~]
3 course described by this subsection shall be administered the
4 appropriate [~~an~~] end-of-course assessment instrument [~~for the~~
5 ~~course, with the end-of-course assessment instrument scored on a~~
6 ~~scale of 40. A student may use the student's score on the~~
7 ~~end-of-course assessment instrument for the college preparatory~~
8 ~~course towards satisfying the cumulative score requirements]~~
9 prescribed by Subsection (a).

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

1 and may not be appealed.

2 (f) The commissioner shall by rule adopt a transition plan
3 to implement the amendments made by Chapter 1312 (S.B. No. 1031),
4 Acts of the 80th Legislature, Regular Session, 2007, replacing
5 general subject assessment instruments administered at the high
6 school level with end-of-course assessment instruments [~~to this~~
7 ~~section and Sections 39.023(a) and (c) and 39.051(b)(5)~~]. The
8 rules must provide for the end-of-course assessment instruments
9 adopted under Section 39.023(c) to be administered beginning with
10 students entering the ninth grade during the 2011-2012 school year.
11 During the period under which the transition to end-of-course
12 assessment instruments is made:

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

21 (2) a student subject to Subdivision (1) may not
22 receive a high school diploma unless the student has performed
23 satisfactorily on each required assessment instrument administered
24 under Section 39.023(c) as that section existed before amendment by
25 Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature, Regular
26 Session, 2007; and

27 (3) [~~(2)~~] the agency may defer releasing assessment

1 instrument questions and answer keys as required by Section
2 39.023(e) to the extent necessary to develop additional assessment
3 instruments.

4 SECTION 19. Section 39.027, Education Code, is amended by
5 amending Subsections (a) and (e) and adding Subsection (a-1) to
6 read as follows:

7 (a) A student may be exempted from the administration of an
8 assessment instrument under:

9 (1) Section 39.023(a) or (b) if the student is
10 eligible for a special education program under Section 29.003 and
11 the student's individualized education program does not include
12 instruction in the essential knowledge and skills under Section
13 28.002 at any grade level;

14 (2) Section 39.023(c) or (d) if the student is
15 eligible for a special education program under Section 29.003 and:

16 (A) the student's individualized education
17 program does not include instruction in the essential knowledge and
18 skills under Section 28.002 at any grade level; or

19 (B) the assessment instrument, even with
20 allowable modifications, would not provide an appropriate measure
21 of the student's achievement as determined by the student's
22 admission, review, and dismissal committee;

23 (3) Section 39.023(a) or (1) for a period of up to one
24 year after initial enrollment in a school in the United States if
25 the student is of limited English proficiency, as defined by
26 Section 29.052, and has not demonstrated proficiency in English as
27 determined by the assessment system under Subsection (e); [~~or~~]

1 (4) Section 39.023(a) or (1) for a period of up to two
2 years in addition to the exemption period authorized by Subdivision
3 (3) if the student has received an exemption under Subdivision (3)
4 and:

5 (A) is a recent unschooled immigrant; or

6 (B) is in a grade for which no assessment
7 instrument in the primary language of the student is available; or

8 (5) Section 39.023(a), (c), or (1) for a period of up
9 to four years, in addition to the exemption period authorized by
10 Subdivision (3), if the student's initial enrollment in a school in
11 the United States was as an unschooled asylee or refugee.

12 (a-1) For purposes of this section, "unschooled asylee or
13 refugee" means a student who:

14 (1) initially enrolled in a school in the United
15 States as:

16 (A) an asylee as defined by 45 C.F.R. Section
17 400.41; or

18 (B) a refugee as defined by 8 U.S.C. Section
19 1101;

20 (2) has a visa issued by the United States Department
21 of State with a Form I-94 Arrival/Departure record, or a successor
22 document, issued by the United States Citizenship and Immigration
23 Services that is stamped with "Asylee," "Refugee," or "Asylum"; and

24 (3) as a result of inadequate schooling outside of the
25 United States, lacks the necessary foundation in the essential
26 knowledge and skills of the curriculum prescribed under Section
27 28.002 as determined by the language proficiency assessment

1 committee established under Section 29.063.

2 (e) The commissioner shall develop an assessment system
3 that shall be used for evaluating the academic progress, including
4 reading proficiency in English, of all students of limited English
5 proficiency, as defined by Section 29.052. A student who is exempt
6 from the administration of an assessment instrument under
7 Subsection (a)(3) or (4) who achieves reading proficiency in
8 English as determined by the assessment system developed under this
9 subsection shall be administered the assessment instruments
10 described by Sections 39.023(a) and (c). The performance under the
11 assessment system developed under this subsection of students to
12 whom Subsection (a)(3) or (4) applies shall be included in the
13 ~~[academic excellence]~~ indicator systems ~~[system]~~ under Sections
14 39.053 and 39.301, as applicable ~~[Section 39.051]~~, the performance
15 report under Section 39.306 ~~[39.053]~~, and the comprehensive annual
16 report under Section 39.332 ~~[39.182]~~. This information shall be
17 provided in a manner that is disaggregated by the bilingual
18 education or special language program, if any, in which the student
19 is enrolled.

20 SECTION 20. Section 39.032, Education Code, is amended by
21 amending Subsection (c) and adding Subsections (c-1) and (c-2) to
22 read as follows:

23 (c) State and national norms of averages shall be computed
24 using data that are not more than eight ~~[six]~~ years old at the time
25 the assessment instrument is administered and that are
26 representative of the group of students to whom the assessment
27 instrument is administered.

1 (c-1) The standardization norms computed under Subsection
2 (a) shall be:

3 (1) based on a national probability sample that meets
4 accepted standards for educational and psychological testing; and

5 (2) [~~shall be~~] updated at least every eight [~~six~~]
6 years using proven psychometric procedures approved by the State
7 Board of Education.

8 (c-2) The eight-year limitation on data to compute norms
9 under this section does not apply if only data older than eight
10 years is available for an assessment instrument. The commissioner
11 by rule may limit the exception created by this subsection based on
12 the type of assessment instrument.

13 SECTION 21. Section 39.033(b), Education Code, is amended
14 to read as follows:

15 (b) An agreement under this section must require the private
16 school to:

17 (1) as determined appropriate by the commissioner,
18 provide to the commissioner the information described by Sections
19 39.053(c) and 39.301(b); [~~Section 39.051(b)~~] and

20 (2) [~~to~~] maintain confidentiality in compliance with
21 Section 39.030.

22 SECTION 22. Section 39.034, Education Code, is amended by
23 amending Subsection (d) and adding Subsection (d-1) to read as
24 follows:

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

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

5 (d-1) The agency shall report the necessary annual
6 improvement required under Subsection (d) to the district. Each
7 year, the report must state whether the student fell below, met, or
8 exceeded the necessary target for improvement.

9 SECTION 23. Subchapters C through L, Chapter 39, Education
10 Code, as amended by Section 2.25, Chapter 396 (S.B. 4), and Section
11 4, Chapter 931 (H.B. 2307), Acts of the 76th Legislature, Regular
12 Session, 1999, are amended to read as follows:

13 SUBCHAPTER C. ACCREDITATION [~~PERFORMANCE INDICATORS~~
14 ~~[SUBCHAPTER D. ACCREDITATION STATUS]~~]

15 Sec. 39.051 [~~39.071~~]. ACCREDITATION STATUS. ~~[(a)]~~
16 Accreditation of a school district is determined in accordance with
17 this subchapter [~~section~~]. The commissioner by rule shall
18 determine in accordance with this subchapter the criteria for
19 [~~define~~] the following accreditation statuses:

- 20 (1) accredited;
21 (2) accredited-warned; and
22 (3) accredited-probation.

23 Sec. 39.052. DETERMINATION OF ACCREDITATION STATUS. (a)
24 [~~(b)~~] Each year, the commissioner shall determine the accreditation
25 status of each school district.

26 (b) In determining the accreditation status of a school
27 district, the commissioner:

1 (1) shall evaluate and consider:

2 (A) performance on student achievement

3 indicators described by Section 39.053(c) [~~of the district under~~];

4 [~~(A) the academic accountability system under~~

5 ~~Section 39.072~~]; and

6 (B) performance under the financial

7 accountability rating system developed under Subchapter D [~~±~~]; and

8 (2) may evaluate and consider:

9 (A) the district's compliance with statutory

10 requirements and requirements imposed by rule of the commissioner

11 or State Board of Education under specific statutory authority that

12 relate to:

13 (i) reporting data through the Public

14 Education Information Management System (PEIMS) or other reports

15 required by state or federal law or court order;

16 (ii) the high school graduation

17 requirements under Section 28.025; or

18 (iii) an item listed under Sections

19 7.056(e)(3)(C)-(I) that applies to the district;

20 (B) the effectiveness of the district's programs

21 for special populations; and

22 (C) the effectiveness of the district's career

23 and technology program.

24 (c) In determining the accreditation status of a campus, the

25 commissioner:

26 (1) shall evaluate and consider performance on student

27 achievement indicators described by Section 39.053(c); and

1 (2) may evaluate and consider other factors the
2 commissioner considers appropriate.

3 (d) Based on a school district's performance under
4 Subsection (b), the commissioner shall:

5 (1) assign each [a] district an accreditation status;
6 or

7 (2) revoke the accreditation of the district and order
8 closure of the district under Subchapter E [~~this subchapter~~].

9 (e) A school district's accreditation status may be raised
10 or lowered based on the district's performance or may be lowered
11 based on the performance of one or more campuses in the district
12 that is below a standard required under this subchapter.

13 (f) [~~(d)~~] The commissioner shall notify a school district
14 that receives an accreditation status of accredited-warned or
15 accredited-probation that the performance of the district is below
16 a standard required under this subchapter [~~section~~]. The
17 commissioner shall require the district to notify the parents of
18 students enrolled in the district and property owners in the
19 district of the [~~district's~~] accreditation status of the district
20 and the implications of that accreditation status.

21 (g) [~~(e)~~] A school district that is not accredited may not
22 receive funds from the agency or hold itself out as operating a
23 public school of this state.

24 (h) [~~(f)~~] This chapter may not be construed to invalidate a
25 diploma awarded, course credit earned, or grade promotion granted
26 by a school district before the commissioner revoked the district's
27 accreditation.

1 Sec. 39.053. PERFORMANCE INDICATORS: STUDENT ACHIEVEMENT.

2 (a) The commissioner shall adopt a set of indicators of the quality
3 of learning and student achievement. The commissioner biennially
4 shall review the indicators for the consideration of appropriate
5 revisions.

6 ~~[Sec. 39.051. ACADEMIC EXCELLENCE INDICATORS. (a) The~~
7 ~~State Board of Education shall adopt a set of indicators of the~~
8 ~~quality of learning on a campus. The State Board of Education~~
9 ~~biennially shall review the indicators for the consideration of~~
10 ~~appropriate revisions.]~~

11 (b) Performance on the student achievement indicators
12 adopted under this section shall be compared to state-established
13 standards. ~~[The degree of change from one school year to the next~~
14 ~~in performance on each indicator adopted under this section shall~~
15 ~~also be considered.]~~ The indicators must be based on information
16 that is disaggregated by race, ethnicity, ~~[gender,~~ and
17 socioeconomic status.

18 (c) Indicators of student achievement adopted under this
19 section [and] must include:

20 (1) the results of assessment instruments required
21 under Sections 39.023(a), (c), and (1), including the results of
22 assessment instruments required for graduation retaken by a
23 student, aggregated across [by] grade levels by [level and] subject
24 area, including:

25 (A) the percentage of students who performed
26 satisfactorily, as determined by the commissioner under Section
27 39.0241(a) on the assessment instruments, aggregated across grade

1 levels by subject area;

2 (B) for students who did not perform
3 satisfactorily as described by Paragraph (A), the percentage of
4 students who met the standard for annual improvement, as determined
5 by the agency under Section 39.034, on assessment instruments,
6 aggregated across grade levels by subject area;

7 (C) the percentage of students who performed
8 satisfactorily, as determined under the college readiness
9 performance standards under Section 39.0241, on the assessment
10 instruments, aggregated across grade levels by subject area; and

11 (D) for students who did not perform
12 satisfactorily as described by Paragraph (C), the percentage of
13 students who met the standard for annual improvement, as determined
14 by the agency under Section 39.034, on assessment instruments,
15 aggregated across grade levels by subject area;

16 (2) the percentage increase from school year to school
17 year in students who performed satisfactorily as described by
18 Subdivision (1)(C) or who met the standard for annual improvement
19 as described by Subdivision (1)(D);

20 (3) dropout rates, including dropout rates and
21 district completion rates for grade levels 9 through 12, computed
22 in accordance with standards and definitions adopted by the
23 National Center for Education Statistics of the United States
24 Department of Education; and

25 (4) [~~3~~] high school graduation rates, computed in
26 accordance with standards and definitions adopted in compliance
27 with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et

1 seq.).

2 (d) [~~(Pub. L. No. 107-110)~~],

3 [~~(4) student attendance rates,~~

4 [~~(5) the percentage of graduating students who attain~~
5 ~~scores on the questions developed for end-of-course assessment~~
6 ~~instruments under Section 39.0233(a) that are equivalent to a~~
7 ~~passing score on the assessment instrument required under Section~~
8 ~~51.3062,~~

9 [~~(6) the percentage of graduating students who meet~~
10 ~~the course requirements established for the recommended high school~~
11 ~~program by State Board of Education rule,~~

12 [~~(7) the results of the Scholastic Assessment Test~~
13 ~~(SAT), the American College Test (ACT), articulated postsecondary~~
14 ~~degree programs described by Section 61.852, and certified~~
15 ~~workforce training programs described by Chapter 311, Labor Code,~~

16 [~~(8) the percentage of students, aggregated by grade~~
17 ~~level, provided accelerated instruction under Section 28.0211(c),~~
18 ~~the results of assessments administered under that section, the~~
19 ~~percentage of students promoted through the grade placement~~
20 ~~committee process under Section 28.0211, the subject of the~~
21 ~~assessment instrument on which each student failed to perform~~
22 ~~satisfactorily, and the performance of those students in the school~~
23 ~~year following that promotion on the assessment instruments~~
24 ~~required under Section 39.023,~~

25 [~~(9) for students who have failed to perform~~
26 ~~satisfactorily on an assessment instrument required under Section~~
27 ~~39.023(a) or (c), the numerical progress of those students grouped~~

1 ~~by percentage on subsequent assessment instruments required under~~
2 ~~those sections, aggregated by grade level and subject area,~~

3 ~~[(10) the percentage of students exempted, by~~
4 ~~exemption category, from the assessment program generally~~
5 ~~applicable under this chapter,~~

6 ~~[(11) the percentage of students of limited English~~
7 ~~proficiency exempted from the administration of an assessment~~
8 ~~instrument under Sections 39.027(a)(3) and (4),~~

9 ~~[(12) the percentage of students in a special~~
10 ~~education program under Subchapter A, Chapter 29, assessed through~~
11 ~~assessment instruments developed or adopted under Section~~
12 ~~39.023(b),~~

13 ~~[(13) the measure of progress toward preparation for~~
14 ~~postsecondary success, and~~

15 ~~[(14) the measure of progress toward dual language~~
16 ~~proficiency under Section 39.034(b), for students of limited~~
17 ~~English proficiency, as defined by Section 29.052.~~

18 ~~[(b-1) Performance on the indicators described by~~
19 ~~Subsections (b)(1), (2), (3), (8), (9), and (14) must be based on~~
20 ~~longitudinal student data that is disaggregated by the bilingual~~
21 ~~education or special language program, if any, in which students of~~
22 ~~limited English proficiency, as defined by Section 29.052, are or~~
23 ~~former students of limited English proficiency were enrolled. If a~~
24 ~~student described by this subsection is not or was not enrolled in~~
25 ~~specialized language instruction, the number and percentage of~~
26 ~~those students shall be provided.~~

27 ~~[(c)] Performance on the student achievement indicators~~

1 ~~[indicator]~~ under Subsections (c)(1) and (3) ~~[Subsection (b)(1)]~~
2 shall be compared to state standards and~~[,]~~ required improvement~~[,]~~
3 ~~and comparable improvement~~. The state standard shall be
4 established by the commissioner. Required improvement is ~~[defined~~
5 ~~as]~~ the progress necessary for the campus or district to meet state
6 standards and, for the student achievement indicator under
7 Subsection (c)(1), for its students to meet each of the performance
8 standards as determined under Section 39.0241.

9 (e) ~~[exit requirements as defined by the commissioner.~~
10 ~~Comparable improvement is derived by measuring campuses and~~
11 ~~districts against a profile developed from a total state student~~
12 ~~performance database which exhibits substantial equivalence to the~~
13 ~~characteristics of students served by the campus or district,~~
14 ~~including past academic performance, socioeconomic status,~~
15 ~~ethnicity, and limited English proficiency.~~

16 ~~[(d)]~~ Annually, the commissioner shall define the state
17 standard for the current school year for each student achievement
18 ~~[exemplary, recognized, and unacceptable performance for each~~
19 ~~academic excellence]~~ indicator described by Subsection (c)
20 ~~[included under Subsections (b)(1) through (7)]~~ and shall project
21 the state standards for each ~~[of those levels of performance for~~
22 ~~succeeding years. For the]~~ indicator for the following two school
23 ~~[under Subsection (b)(8), the commissioner shall define exemplary,~~
24 ~~recognized, and unacceptable performance based on student~~
25 ~~performance for the period covering both the current and preceding~~
26 ~~academic]~~ years. The commissioner shall periodically raise the
27 state standards for the student achievement indicator described by

1 Subsection (c)(1)(C) as necessary to reach the goal of achieving,
2 by not later than the 2019-2020 school year, student performance in
3 this state, disaggregated by race, ethnicity, and socioeconomic
4 status, that ranks nationally in the top 10 states in terms of
5 college readiness.

6 (f) In defining the required state standard [~~exemplary,~~
7 ~~recognized, and unacceptable performance~~] for the indicator
8 described by Subsection (c)(3) [~~indicators under Subsections~~
9 ~~(b)(2) and (4)~~], the commissioner may not consider as a dropout [~~or~~
10 ~~as~~] a student [~~who has failed to attend school a student~~] whose
11 failure to attend school results from:

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

13 (2) as applicable:

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

17 (B) conviction of and sentencing for an offense
18 under the Penal Code.

19 (g) In computing dropout and completion rates under
20 Subsection (c)(3), the commissioner shall exempt students who:

21 (1) are ordered by a court to attend a high school
22 equivalency certificate program but who have not yet earned a high
23 school equivalency certificate; or

24 (2) were previously reported to the state as dropouts.

25 (h) [~~e~~] Each school district shall cooperate with the
26 agency in determining whether a student is a dropout for purposes of
27 accreditation and evaluating performance by school districts and

1 campuses under this chapter [~~section~~].

2 (i) [~~(f)~~] ~~The indicator under Subsection (b)(1) must include~~
3 ~~the results of assessment instruments required under Section~~
4 ~~39.023(b).~~

5 [~~(g)~~] The commissioner by rule shall adopt accountability
6 measures to be used in assessing the progress of students who have
7 failed to perform satisfactorily as described by Subsections
8 (c)(1)(A) and (C) in the preceding school year on an assessment
9 instrument required under Section 39.023(a), (c), or (1).

10 Sec. 39.054. METHODS AND STANDARDS FOR EVALUATING
11 PERFORMANCE. (a) The commissioner shall adopt rules to evaluate
12 school district and campus performance and, not later than August 8
13 of each year, assign each district and campus a performance rating
14 that reflects acceptable performance, unacceptable performance, or
15 performance eligible for distinction under Subchapter G. If a
16 district or campus received a performance rating of unacceptable
17 performance for the preceding school year the commissioner shall
18 notify the district of a subsequent such designation on or before
19 June 15.

20 (b) In evaluating performance, the commissioner shall
21 evaluate against state standards and consider the performance of
22 each campus in a school district and each open-enrollment charter
23 school on the basis of the campus's or school's performance on the
24 student achievement indicators adopted under Section 39.053(c).

25 (b-1) [~~39.072. ACCREDITATION STANDARDS.~~] ~~(a)~~ ~~The State~~
26 ~~Board of Education shall adopt rules to evaluate the performance of~~
27 ~~school districts and to assign to each district a performance~~

1 ~~rating as follows:~~

2 ~~[(1) exemplary (meets or exceeds state exemplary~~
3 ~~standards);~~

4 ~~[(2) recognized (meets or exceeds required~~
5 ~~improvement and within 10 percent of state exemplary standards);~~

6 ~~[(3) academically acceptable (below the exemplary and~~
7 ~~recognized standards but exceeds the academically unacceptable~~
8 ~~standards); or~~

9 ~~[(4) academically unacceptable (below the state~~
10 ~~clearly unacceptable performance standard and does not meet~~
11 ~~required improvement)].~~

12 ~~[(b) The academic excellence indicators adopted under~~
13 ~~Sections 39.051(b)(1) through (8) and the district's current~~
14 ~~special education compliance status with the agency shall be the~~
15 ~~main considerations of the agency in the rating of the district~~
16 ~~under this section. Additional criteria in the rules may include~~
17 ~~consideration of:~~

18 ~~[(1) compliance with statutory requirements and~~
19 ~~requirements imposed by rule of the State Board of Education under~~
20 ~~specific statutory authority that relate to:~~

21 ~~[(A) reporting data through the Public Education~~
22 ~~Information Management System (PEIMS);~~

23 ~~[(B) the high school graduation requirements~~
24 ~~under Section 28.025; or~~

25 ~~[(C) an item listed in Sections~~
26 ~~7.056(e)(3)(C)-(I) that applies to the district;~~

27 ~~[(2) the effectiveness of the district's programs for~~

1 ~~special populations, and~~

2 ~~[(3) the effectiveness of the district's career and~~
3 ~~technology programs.~~

4 ~~[(c) The agency shall evaluate against state standards and~~
5 ~~shall, not later than August 1 of each year, report the performance~~
6 ~~of each campus in a district and each open-enrollment charter~~
7 ~~school on the basis of the campus's performance on the indicators~~
8 ~~adopted under Sections 39.051(b)(1) through (8).]~~ Consideration of
9 the effectiveness of district programs under Section
10 39.052(b)(2)(B) or (C) [~~Subsection (b)(2) or (3)~~] must be based on
11 data collected through the Public Education Information Management
12 System (PEIMS) for purposes of accountability under this chapter or
13 through a special accreditation investigation under Section 39.057
14 and include the results of assessments required under Section
15 39.023.

16 (c) In evaluating school district and campus performance on
17 the student achievement indicators adopted under Sections
18 39.053(c)(1) and (3), the commissioner shall identify satisfactory
19 performance as meeting the state standard determined by the
20 commissioner under Section 39.053(e) for the current school year
21 based on:

22 (1) student performance in the current school year; or
23 (2) student performance as averaged over the current
24 school year and the preceding two school years.

25 (d) To be assigned an accredited status, a school district
26 or campus:

27 (1) must perform satisfactorily on 85 percent of the

1 measures the commissioner determines appropriate with respect to
2 the student achievement indicators adopted under Sections
3 39.053(c)(1) and (3);

4 (2) may not fail to perform satisfactorily on the same
5 measure described by Subdivision (1) for two consecutive school
6 years; and

7 (3) may establish other performance criteria for a
8 district or campus to obtain an exception under this subsection.

9 (d-1) In determining additional criteria under Subsection
10 (d)(3), the commissioner shall give consideration to performance on
11 the same measure for student groups that are substantially similar
12 in composition to all students on the same campus or district.

13 ~~(e) [Notwithstanding any other provision of this code, for~~
14 ~~purposes of determining the performance of a school district under~~
15 ~~this chapter, including the accreditation status of the district, a~~
16 ~~student confined by court order in a residential program or~~
17 ~~facility operated by or under contract with the Texas Youth~~
18 ~~Commission, Texas Juvenile Probation Commission, or any other~~
19 ~~governmental entity, including a juvenile board, is not considered~~
20 ~~to be a student of the school district in which the program or~~
21 ~~facility is physically located. The performance of such a student~~
22 ~~on an assessment instrument or other academic excellence indicator~~
23 ~~adopted under Section 39.051 shall be determined, reported, and~~
24 ~~considered separately from the performance of students attending a~~
25 ~~school of the district in which the program or facility is~~
26 ~~physically located.~~

27 ~~[Sec. 39.0721. GOLD PERFORMANCE RATING PROGRAM. (a) In~~

1 ~~addition to district and campus performance ratings reported under~~
2 ~~Section 39.072, the commissioner shall develop a gold performance~~
3 ~~rating program based on enhanced performance. The agency shall~~
4 ~~administer the program.~~

5 ~~[(b) Under the gold performance rating program, a district~~
6 ~~or campus rated exemplary under Section 39.072 is eligible for an~~
7 ~~exemplary gold rating, a district or campus rated recognized is~~
8 ~~eligible for a recognized gold rating, and a district or campus~~
9 ~~rated academically acceptable is eligible for an academically~~
10 ~~acceptable gold rating.~~

11 ~~[(c) The performance standards on which a gold performance~~
12 ~~rating is based should include:~~

13 ~~[(1) student proficiency on:~~

14 ~~[(A) assessment instruments administered under~~
15 ~~Sections 39.023(a), (c), and (1), and~~

16 ~~[(B) other measures of proficiency determined by~~
17 ~~the commissioner,~~

18 ~~[(2) student performance on one or more nationally~~
19 ~~recognized norm-referenced assessment instruments,~~

20 ~~[(3) improvement in student performance,~~

21 ~~[(4) in the case of middle or junior high school~~
22 ~~campuses, student proficiency in mathematics, including algebra,~~
23 ~~and~~

24 ~~[(5) in the case of high school campuses:~~

25 ~~[(A) the extent to which graduating students are~~
26 ~~academically prepared to attend institutions of higher education,~~

27 ~~[(B) the percentage of students who take advanced~~

1 ~~placement tests and student performance on those tests; and~~

2 ~~[(C) the percentage of students who take and~~
3 ~~successfully complete advanced academic courses or college-level~~
4 ~~course work offered through dual credit programs provided under~~
5 ~~agreements between high schools and institutions of higher~~
6 ~~education.~~

7 ~~[(d) The commissioner may adopt rules as necessary to~~
8 ~~implement and administer this section.~~

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

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

22 (1) standards established for each indicator; and

23 (2) required improvement as defined under Section
24 39.053(d) [~~39.051(c)~~]; and

25 ~~[(3) comparable improvement as defined by Section~~
26 ~~39.051(c)].~~

27 ~~[(c) A district's accreditation rating may be raised or~~

1 ~~lowered based on the district's performance or may be lowered based~~
2 ~~on the unacceptable performance of one or more campuses in the~~
3 ~~district.~~

4 ~~[(d) The commissioner shall notify a district that is rated~~
5 ~~academically unacceptable that the performance of the district or a~~
6 ~~campus in the district is below each standard under Subsection (b)~~
7 ~~and shall require the district to notify property owners and~~
8 ~~parents in the district of the lowered accreditation rating and its~~
9 ~~implication.~~

10 ~~[(e) In determining a district's accreditation rating, the~~
11 ~~agency shall consider:~~

12 ~~[(1) the district's current special education~~
13 ~~compliance status with the agency, and~~

14 ~~[(2) the progress of students who have failed to~~
15 ~~perform satisfactorily in the preceding school year on an~~
16 ~~assessment instrument required under Section 39.023(a), (c), or~~
17 ~~(1).]~~

18 (f) In the computation of dropout rates under Section
19 39.053(c)(3) [~~39.051(b)(2)~~], a student who is released from a
20 juvenile pre-adjudication secure detention facility or juvenile
21 post-adjudication secure correctional facility and fails to enroll
22 in school or a student who leaves a residential treatment center
23 after receiving treatment for fewer than 85 days and fails to enroll
24 in school may not be considered to have dropped out from the [~~campus~~
25 ~~or~~] school district or campus serving the facility or center unless
26 that district or campus [~~or district~~] is the one to which the
27 student is regularly assigned.

1 Sec. 39.055. STUDENT CONFINED BY COURT ORDER NOT CONSIDERED
2 FOR ACCOUNTABILITY PURPOSES. Notwithstanding any other provision
3 of this code, for purposes of determining the performance of a
4 school district or campus under this chapter, including the
5 accreditation status of a district or campus, a student confined by
6 court order in a residential program or facility operated by or
7 under contract with the Texas Youth Commission, the Texas Juvenile
8 Probation Commission, a juvenile board, or any other governmental
9 entity is not considered to be a student of the school district in
10 which the program or facility is physically located. The
11 performance of such a student on an assessment instrument or other
12 student achievement indicator adopted under Section 39.053 or
13 reporting indicator adopted under Section 39.301 shall be
14 determined, reported, and considered separately from the
15 performance of students attending a school of the district in which
16 the program or facility is physically located.

17 Sec. 39.056 [39.074]. ON-SITE INVESTIGATIONS. (a) The
18 commissioner may:

19 (1) direct the agency to conduct on-site
20 investigations of a school district at any time to answer any
21 questions concerning a program, including special education,
22 required by federal law or for which the district receives federal
23 funds; and

24 (2) [~~raise or lower the performance rating~~] as a
25 result of the investigation, change the accreditation status of a
26 district, change the accountability rating of a district or campus,
27 or withdraw a distinction designation under Subchapter G.

1 (b) The commissioner shall determine the frequency of
2 on-site investigations by the agency according to annual
3 comprehensive analyses of student performance and equity in
4 relation to the student achievement [~~academic excellence~~]
5 indicators adopted under Section 39.053 [~~39.051~~].

6 (c) In making an on-site accreditation investigation, the
7 investigators shall obtain information from administrators,
8 teachers, and parents of students enrolled in the school district.
9 The investigation may not be closed until information is obtained
10 from each of those sources. The State Board of Education shall
11 adopt rules for:

12 (1) obtaining information from parents and using that
13 information in the investigator's report; and

14 (2) obtaining information from teachers in a manner
15 that prevents a [~~campus or~~] district or campus from screening the
16 information.

17 (d) The agency shall give written notice to the
18 superintendent and the board of trustees of a school district of any
19 impending investigation of the district's accreditation.

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

24 [~~(f)~~] The investigators shall report orally and in writing
25 to the board of trustees of the school district and, as appropriate,
26 to campus administrators and shall make recommendations concerning
27 any necessary improvements or sources of aid such as regional

1 education service centers.

2 Sec. 39.057 [~~39.075~~]. SPECIAL ACCREDITATION
3 INVESTIGATIONS. (a) The commissioner shall authorize special
4 accreditation investigations to be conducted:

5 (1) when excessive numbers of absences of students
6 eligible to be tested on state assessment instruments are
7 determined;

8 (2) when excessive numbers of allowable exemptions
9 from the required state assessment instruments are determined;

10 (3) in response to complaints submitted to the agency
11 with respect to alleged violations of civil rights or other
12 requirements imposed on the state by federal law or court order;

13 (4) in response to established compliance reviews of
14 the district's financial accounting practices and state and federal
15 program requirements;

16 (5) when extraordinary numbers of student placements
17 in disciplinary alternative education programs, other than
18 placements under Sections 37.006 and 37.007, are determined;

19 (6) in response to an allegation involving a conflict
20 between members of the board of trustees or between the board and
21 the district administration if it appears that the conflict
22 involves a violation of a role or duty of the board members or the
23 administration clearly defined by this code;

24 (7) when excessive numbers of students in special
25 education programs under Subchapter A, Chapter 29, are assessed
26 through assessment instruments developed or adopted under Section
27 39.023(b);

1 (8) in response to an allegation regarding or an
2 analysis using a statistical method result indicating a possible
3 violation of an assessment instrument security procedure
4 established under Section 39.0301, including for the purpose of
5 investigating or auditing a school district under that section;
6 ~~[or]~~

7 (9) when a significant pattern of increased student
8 dropout rates or decreased academic performance develops as the
9 result of the promotion of students who did not perform
10 satisfactorily on assessment instruments administered under
11 Section 39.023(a), (c), or (l);

12 (10) when excessive numbers of students graduate under
13 the minimum high school program; or

14 (11) as the commissioner otherwise determines
15 necessary.

16 (b) If the agency's findings in an investigation under
17 Subsection (a)(6) indicate that the board of trustees has observed
18 a lawfully adopted policy, the agency may not substitute its
19 judgment for that of the board.

20 (c) ~~[(b-1)]~~ The commissioner may authorize special
21 accreditation investigations to be conducted in response to
22 repeated complaints submitted to the agency concerning imposition
23 of excessive paperwork requirements on classroom teachers.

24 (d) ~~[(e)]~~ Based on the results of a special accreditation
25 investigation, the commissioner may:

26 (1) take appropriate action under Subchapter E [G];

27 (2) lower the school district's accreditation status

1 or a district's or campus's accountability rating; or

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

3 (e) [~~(c) Based on the results of a special accreditation~~
4 ~~investigation, the commissioner may lower the district's~~
5 ~~accreditation rating and may take appropriate action under~~
6 ~~Subchapter C.~~] Regardless of whether the commissioner lowers the
7 school district's accreditation status under Subsection (d)
8 ~~[rating]~~, the commissioner may take action under Sections
9 39.102(a)(1) through (8) or Section 39.103 [~~39.131(a)(1) through~~
10 ~~(8)~~] if the commissioner determines that the action is necessary to
11 improve any area of a district's or campus's performance, including
12 the district's financial accounting practices.

13 Sec. 39.058 [~~39.076~~]. CONDUCT OF INVESTIGATIONS. (a) The
14 agency shall adopt written procedures for conducting on-site
15 investigations under this subchapter. The agency shall make the
16 procedures available to the complainant, the alleged violator, and
17 the public. Agency staff must be trained in the procedures and must
18 follow the procedures in conducting the investigation.

19 (b) After completing an investigation, the agency shall
20 present preliminary findings to any person the agency finds has
21 violated a law, rule, or policy. Before issuing a report with its
22 final findings, the agency must provide a person the agency finds
23 has violated a law, rule, or policy an opportunity for an informal
24 review by the commissioner or a designated hearing examiner.

25 SUBCHAPTER D [~~F~~]. FINANCIAL ACCOUNTABILITY

26 Sec. 39.081 [~~39.201~~]. DEFINITIONS. In this subchapter:

27 (1) "Parent" includes a guardian or other person

1 having lawful control of a student.

2 (2) "System" means a [~~the~~] financial accountability
3 rating system developed under this subchapter.

4 Sec. 39.082 [~~39.202~~]. DEVELOPMENT AND IMPLEMENTATION. (a)
5 The commissioner shall, in consultation with the comptroller,
6 develop and implement separate [~~a~~] financial accountability rating
7 systems [~~system~~] for school districts and open-enrollment charter
8 schools in this state that:

9 (1) distinguish [~~distinguishes~~] among school
10 districts and distinguish among open-enrollment charter schools,
11 as applicable, based on levels of financial performance; and

12 (2) include [~~includes~~] procedures to:

13 (A) provide additional transparency to public
14 education finance; and

15 (B) enable the commissioner and school district
16 and open-enrollment charter school administrators to provide
17 meaningful financial oversight and improvement.

18 (b) The system must include uniform indicators adopted by
19 the commissioner by which to measure the [~~a district's~~] financial
20 management performance of a district or open-enrollment charter
21 school.

22 (c) The system may not include an indicator under Subsection
23 (b) or any other performance measure that:

24 (1) requires a school district to spend at least 65
25 percent or any other specified percentage of district operating
26 funds for instructional purposes; or

27 (2) lowers the financial management performance

1 rating of a school district for failure to spend at least 65 percent
2 or any other specified percentage of district operating funds for
3 instructional purposes.

4 Sec. 39.0821. COMPTROLLER REVIEW OF RESOURCE ALLOCATION
5 PRACTICES. The comptroller shall identify school districts and
6 campuses that use resource allocation practices that contribute to
7 high academic achievement and cost-effective operations. In
8 identifying districts and campuses under this section, the
9 comptroller shall:

10 (1) evaluate existing academic accountability and
11 financial data by integrating the data;

12 (2) rank the results of the evaluation under
13 Subdivision (1) to identify the relative performance of districts
14 and campuses; and

15 (3) identify potential areas for district and campus
16 improvement.

17 Sec. 39.0822. FINANCIAL SOLVENCY REVIEW REQUIRED. (a) The
18 agency shall develop a review process to anticipate the future
19 financial solvency of each school district. The review process
20 shall analyze:

21 (1) district revenues and expenditures for the
22 preceding school year; and

23 (2) projected district revenues and expenditures for
24 the current school year and the following five school years.

25 (b) In analyzing the information under Subsection (a), the
26 review process developed must consider, for the preceding school
27 year, the current school year, and the following five years, as

1 appropriate:

2 (1) student-to-staff ratios relative to expenditures,
3 including average staff salaries;

4 (2) the rate of depletion of the district general fund
5 balance;

6 (3) the number of students enrolled in the district;

7 (4) the adopted tax rate of the district;

8 (5) any independent audit report prepared for the
9 district; and

10 (6) actual financial data for the district for the
11 month of September.

12 (c) The agency shall consult school district and
13 open-enrollment charter school financial officers in developing
14 the review process under this section.

15 (d) The agency shall develop a computer software template
16 for school districts to use in submitting information to the agency
17 for purposes of this section. Each district shall update
18 information to the template within the period prescribed by the
19 commissioner. The commissioner shall adopt rules under this
20 subsection to allow a district to enter estimates of critical data
21 into the template before the district adopts its budget. The
22 template must:

23 (1) be capable of importing, to the extent
24 practicable, data a district has previously submitted to the
25 agency;

26 (2) include an entry space that allows a district to
27 enter information explaining any irregularity in data submitted;

1 and

2 (3) provide alerts for:

3 (A) a student-to-staff ratio that is
4 significantly outside the norm;

5 (B) a rapid depletion of the district general
6 fund balance; and

7 (C) a significant discrepancy between actual
8 budget figures and projected revenues and expenditures.

9 (e) An alert in the template developed under Subsection (d)
10 must be developed to notify the agency immediately on the
11 occurrence of a condition described by Subsection (d)(3). After
12 the agency is alerted, the agency shall immediately notify the
13 affected school district regarding the condition triggering the
14 alert.

15 Sec. 39.0823. PROJECTED DEFICIT. (a) If the review process
16 under Section 39.0822 indicates a projected deficit for a school
17 district general fund within the following five school years, the
18 district shall provide the agency interim financial reports,
19 supplemented by staff and student count data, as needed, to
20 evaluate the district's current budget status.

21 (b) If the interim financial data provided under Subsection
22 (a) substantiates the projected deficit, the school district shall
23 develop a financial plan and submit the plan to the agency for
24 approval. The agency may approve the plan only if the agency
25 determines the plan will permit the district to avoid the projected
26 insolvency.

27 (c) The commissioner shall assign a school district an

1 accredited-warned status if:

2 (1) the district fails to submit a plan as provided by
3 Subsection (b);

4 (2) the district fails to obtain approval from the
5 agency for a plan as provided by Subsection (b);

6 (3) the district fails to comply with a plan approved
7 by the agency under Subsection (b); or

8 (4) the agency determines in a subsequent school year,
9 based on financial data submitted by the district, that the
10 approved plan for the district is no longer sufficient or is not
11 appropriately implemented.

12 Sec. 39.083 [~~39.203~~]. REPORTING. (a) The commissioner
13 shall develop, as part of the system, a reporting procedure under
14 which:

15 (1) each school district is required to prepare and
16 distribute an annual financial management report; and

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

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

20 (1) a description of the district's financial
21 management performance based on a comparison, provided by the
22 agency, of the district's performance on the indicators adopted
23 under Section 39.082(b) [~~39.202(b)~~] to:

24 (A) state-established standards; and

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

27 (2) a description of the data submitted using the

1 computer software template developed under Section 39.0822; and

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

4 (c) The report may include:

5 (1) information concerning the district's:

6 (A) financial allocations;

7 (B) tax collections;

8 (C) financial strength;

9 (D) operating cost management;

10 (E) personnel management;

11 (F) debt management;

12 (G) facility acquisition and construction
13 management;

14 (H) cash management;

15 (I) budgetary planning;

16 (J) overall business management;

17 (K) compliance with rules; and

18 (L) data quality; and

19 (2) any other information the board of trustees
20 determines to be necessary or useful.

21 (d) The board of trustees of each school district shall hold
22 a public hearing on the report. The board shall give notice of the
23 hearing to owners of real property in the district and to parents of
24 district students. In addition to other notice required by law,
25 notice of the hearing must be provided:

26 (1) to a newspaper of general circulation in the
27 district; and

1 (2) through electronic mail to media serving the
2 district.

3 (e) After the hearing, the report shall be disseminated in
4 the district in the manner prescribed by the commissioner.

5 Sec. 39.084 [~~39.204~~]. RULES. The commissioner shall adopt
6 rules as necessary for the implementation and administration of
7 this subchapter.

8 SUBCHAPTER E [~~G~~]. ACCREDITATION INTERVENTIONS AND SANCTIONS

9 Sec. 39.101. ACCREDITED-WARNED AND ACCREDITED-PROBATION
10 STATUS FOR PURPOSES OF INTERVENTIONS AND SANCTIONS. For purposes
11 of this subchapter, a campus is considered to have:

12 (1) an accredited-warned status if the campus has been
13 assigned under this subchapter an accreditation status lower than
14 accredited for fewer than three school years; and

15 (2) an accredited-probation status if the campus has
16 been assigned under this subchapter an accreditation status lower
17 than accredited for three to five school years.

18 Sec. 39.102 [~~39.131~~]. INTERVENTIONS AND SANCTIONS FOR
19 DISTRICTS. (a) If a school district does not satisfy the
20 accreditation criteria under Section 39.052 [~~39.071~~], the academic
21 performance standards under Section 39.053 or 39.054 [~~39.072~~], or
22 any financial accountability standard as determined by
23 commissioner rule, the commissioner shall take any of the following
24 actions to the extent the commissioner determines necessary:

25 (1) issue public notice of the deficiency to the board
26 of trustees;

27 (2) order a hearing conducted by the board of trustees

1 of the district for the purpose of notifying the public of the
2 insufficient [~~unacceptable~~] performance, the improvements in
3 performance expected by the agency, and the sanctions that may be
4 imposed under this section if the performance does not improve;

5 (3) order the preparation of a student achievement
6 improvement plan that addresses each student achievement [~~academic~~
7 ~~excellence~~] indicator under Section 39.053(c) for which the
8 district's performance is insufficient [~~unacceptable~~], the
9 submission of the plan to the commissioner for approval, and
10 implementation of the plan;

11 (4) order a hearing to be held before the commissioner
12 or the commissioner's designee at which the president of the board
13 of trustees of the district and the superintendent shall appear and
14 explain the district's low performance, lack of improvement, and
15 plans for improvement;

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

17 (6) appoint an agency monitor to participate in and
18 report to the agency on the activities of the board of trustees or
19 the superintendent;

20 (7) appoint a conservator to oversee the operations of
21 the district;

22 (8) appoint a management team to direct the operations
23 of the district in areas of insufficient [~~unacceptable~~] performance
24 or require the district to obtain certain services under a contract
25 with another person;

26 (9) if a district has a current accreditation status
27 of accredited-warned or accredited-probation, fails to satisfy any

1 standard under Section 39.054(e) [~~is rated academically~~
2 ~~unacceptable~~], or fails to satisfy financial accountability
3 standards as determined by commissioner rule, appoint a board of
4 managers to exercise the powers and duties of the board of trustees;

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

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

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

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

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

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

1 Section 29.081;

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

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

7 (b) This subsection applies regardless of whether a
8 district has satisfied the accreditation criteria. If for two
9 consecutive school years, including the current school year, a
10 district has had a conservator or management team assigned, the
11 commissioner may appoint a board of managers, a majority of whom
12 must be residents of the district, to exercise the powers and duties
13 of the board of trustees.

14 Sec. 39.103 [~~39.132~~]. INTERVENTIONS AND SANCTIONS FOR
15 [ACADEMICALLY UNACCEPTABLE] CAMPUSES. (a) If a campus performance
16 is below any standard under Section 39.054(e) [~~39.073(b)~~], the
17 campus is considered an accredited-warned or accredited-probation
18 campus under Section 39.101 [~~academically unacceptable campus~~].
19 The commissioner [~~may permit the campus to participate in an~~
20 ~~innovative redesign of the campus to improve campus performance or~~]
21 shall take [~~any of the other following~~] actions, to the extent the
22 commissioner determines necessary, as provided by this subchapter.

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

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

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

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

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

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

13 ~~[(4) order the preparation of a report regarding the~~
14 ~~effectiveness of the district- and campus-level planning and~~
15 ~~decision-making committees established under Subchapter F, Chapter~~
16 ~~11, and a plan describing strategies for improving the~~
17 ~~effectiveness of those committees;~~

18 ~~[(5) order the preparation of a student improvement~~
19 ~~plan that addresses each academic excellence indicator for which~~
20 ~~the campus's performance is unacceptable, the submission of the~~
21 ~~plan to the commissioner for approval, and implementation of the~~
22 ~~plan;~~

23 ~~[(6)] order a hearing to be held before the~~
24 ~~commissioner or the commissioner's designee at which the president~~
25 ~~of the board of trustees, the superintendent, and the campus~~
26 ~~principal shall appear and explain the campus's low performance,~~
27 ~~lack of improvement, and plans for improvement[~~or~~~~

1 [~~7~~] ~~appoint a campus intervention team under Section~~
2 ~~39.1322~~].

3 (c) Notwithstanding the provisions of this subchapter, if
4 the commissioner determines that a campus subject to interventions
5 or sanctions under this subchapter has implemented substantially
6 similar intervention measures under federal accountability
7 requirements, the commissioner may accept the substantially
8 similar intervention measures as measures in compliance with this
9 subchapter.

10 Sec. 39.104 [~~39.1321~~]. INTERVENTIONS AND SANCTIONS FOR
11 CHARTER SCHOOLS. (a) Interventions and sanctions [~~Sanctions~~]
12 authorized under this chapter for a school district or campus apply
13 in the same manner to an open-enrollment charter school.

14 (b) The commissioner shall adopt rules to implement
15 procedures to impose any intervention or sanction provision under
16 this chapter as those provisions relate to open-enrollment charter
17 schools.

18 (c) In adopting rules under this section, the commissioner
19 shall require that the charter of an open-enrollment charter
20 school:

21 (1) be automatically revoked if the charter school is
22 ordered closed under this chapter; and

23 (2) be automatically modified to remove authorization
24 for an individual campus if the campus is ordered closed under this
25 chapter.

26 (d) If interventions or sanctions are imposed on an
27 open-enrollment charter school under the procedures provided by

1 this chapter, a charter school is not entitled to an additional
2 hearing relating to the modification, placement on probation,
3 revocation, or denial of renewal of a charter as provided by
4 Subchapter D, Chapter 12.

5 Sec. 39.105 [~~39.1322~~]. [~~TECHNICAL ASSISTANCE AND~~] CAMPUS
6 IMPROVEMENT PLAN [~~INTERVENTION TEAMS~~]. (a) This section applies
7 if [~~if~~] a campus performance satisfies performance standards under
8 Section 39.054(e) [~~is rated academically acceptable~~] for the
9 current school year but would not satisfy performance standards
10 under Section 39.054(e) [~~be rated as academically unacceptable~~] if
11 the [~~performance~~] standards to be used for the following school
12 year were applied to the current school year. On request of[~~r~~] the
13 commissioner, the campus-level committee established under Section
14 11.251 shall revise and submit to the commissioner in an electronic
15 format the portions of the campus improvement plan developed under
16 Section 11.253 that are relevant to those areas for which the campus
17 would not satisfy performance standards [~~select and assign a~~
18 technical assistance team to assist the campus in executing a
19 school improvement plan and any other school improvement strategies
20 the commissioner determines appropriate. The commissioner may
21 waive the requirement to assign a technical assistance team under
22 this subsection if the improvement in performance standards among
23 all student groups, including special populations, over the
24 preceding three years indicates that the campus is likely to be
25 rated academically acceptable in the following school year].

26 (b) If the [a] campus to which this section applies is an
27 open-enrollment charter school, the school shall establish a

1 campus-level planning and decision-making committee as provided
2 for through procedures as much as practicable the same as those
3 provided by Sections 11.251(b)-(e) and develop a campus improvement
4 plan as provided by Section 11.253. On request of the commissioner,
5 the school shall submit to the commissioner in an electronic format
6 the portions of the campus improvement plan that are relevant to
7 those areas for which the campus would not satisfy performance
8 standards [~~has been identified as academically unacceptable under~~
9 ~~Section 39.132, the commissioner shall appoint a campus~~
10 ~~intervention team.~~

11 [~~(c) To the extent practicable, the commissioner shall~~
12 ~~select and assign the technical assistance team under Subsection~~
13 ~~(a) or the campus intervention team under Subsection (b) before the~~
14 ~~first day of instruction for the school year.~~

15 [~~(d) The commissioner may determine when the services of a~~
16 ~~technical assistance team or campus intervention team are no longer~~
17 ~~needed at a campus under this section].~~

18 Sec. 39.106 [~~39.1323~~]. CAMPUS INTERVENTION TEAM
19 [~~PROCEDURES~~]. (a) If a campus performance is below any standard
20 under Section 39.054(e), the commissioner shall assign a campus
21 intervention team. A campus intervention team shall:

22 (1) conduct:

23 (A) a targeted [~~comprehensive~~] on-site needs
24 assessment relevant to an area of insufficient performance
25 [~~evaluation~~] of the campus as provided by Subsection (b) [~~to~~
26 ~~determine the cause for the campus's low performance and lack of~~
27 ~~progress~~]; or

1 (B) if the commissioner determines necessary, a
2 comprehensive on-site needs assessment, using the procedures
3 provided by Subsection (b);

4 (2) recommend appropriate actions as provided by
5 Subsection (c) [~~including reallocation of resources and technical~~
6 ~~assistance, changes in school procedures or operations, staff~~
7 ~~development for instructional and administrative staff,~~
8 ~~intervention for individual administrators or teachers, waivers~~
9 ~~from state statute or rule, or other actions the team considers~~
10 ~~appropriate];~~

11 (3) assist in the development of a targeted [~~school~~]
12 improvement plan [~~for student achievement~~]; [~~and~~]

13 (4) assist the campus in submitting the targeted
14 improvement plan to the board of trustees for approval and
15 presenting the plan in a public hearing as provided by Subsection
16 (e-1); and

17 (5) assist the commissioner in monitoring the progress
18 of the campus in implementing the targeted [~~school~~] improvement
19 plan [~~for improvement of student achievement~~].

20 (b) An [~~A campus intervention team assigned under Section~~
21 ~~39.1322 to a campus shall conduct a comprehensive~~] on-site needs
22 assessment of the campus under Subsection (a) must [~~to~~] determine
23 the contributing [~~causal~~] factors resulting in the campus's low
24 performance and lack of progress. The team shall use any of the
25 following guidelines and procedures relevant to any area of
26 insufficient performance in conducting a targeted on-site needs
27 assessment and shall use each of the following guidelines and

1 procedures in conducting a [~~the~~] comprehensive on-site needs
2 assessment [~~of the campus~~]:

3 (1) an assessment of the staff to determine the
4 percentage of certified teachers who are teaching in their field,
5 the number of teachers with less than three years of experience, and
6 teacher turnover rates;

7 (2) compliance with the appropriate class-size rules
8 and number of class-size waivers received;

9 (3) an assessment of the quality, quantity, and
10 appropriateness of instructional materials, including the
11 availability of technology-based instructional materials;

12 (4) a report on the parental involvement strategies
13 and the effectiveness of the strategies;

14 (5) an assessment of the extent and quality of the
15 mentoring program provided for new teachers on the campus;

16 (6) an assessment of the type and quality of the
17 professional development provided to the staff;

18 (7) a demographic analysis of the student population,
19 including student demographics, at-risk populations, and special
20 education percentages;

21 (8) a report of disciplinary incidents and school
22 safety information;

23 (9) financial and accounting practices;

24 (10) an assessment of the appropriateness of the
25 curriculum and teaching strategies; and

26 (11) any other research-based data or information
27 obtained from a data collection process that would assist the

1 campus intervention team in:

2 (A) recommending an action under Subsection (c);
3 and

4 (B) executing a targeted [~~school~~] improvement
5 plan under Subsection (d-1) [~~(d)~~].

6 (c) On completing the on-site needs assessment [~~evaluation~~]
7 under this section, the campus intervention team shall recommend
8 actions relating to any area of insufficient performance,
9 including:

10 (1) reallocation of resources;

11 (2) technical assistance;

12 (3) changes in school procedures or operations;

13 (4) staff development for instructional and
14 administrative staff;

15 (5) intervention for individual administrators or
16 teachers;

17 (6) waivers from state statutes or rules; or

18 (7) other actions the campus intervention team
19 considers appropriate.

20 (d) The campus intervention team shall assist the campus in
21 submitting the targeted improvement plan to the commissioner for
22 approval.

23 (d-1) In executing the targeted [~~a school~~] improvement plan
24 [~~developed under Subsection (a)(3)~~], the campus intervention team
25 shall, if appropriate:

26 (1) assist the campus in implementing research-based
27 practices for curriculum development and classroom instruction,

1 including bilingual education and special education programs[~~if~~
2 ~~appropriate,~~] and financial management; and

3 (2) provide research-based technical assistance,
4 including data analysis, academic deficiency identification,
5 intervention implementation, and budget analysis, to strengthen
6 and improve the instructional programs at the campus[~~and~~

7 [~~(3) submit the school improvement plan to the~~
8 ~~commissioner for approval~~].

9 (e) For each year a campus is assigned an accreditation
10 status below accredited, a [A] campus intervention team shall
11 [appointed under Section 39.1322(b)]:

12 (1) [~~shall~~] continue to work with a campus until:

13 (A) the campus satisfies all performance
14 standards under Section 39.054(e) [~~is rated academically~~
15 ~~acceptable~~] for a two-year period; or

16 (B) the campus satisfies all performance
17 standards under Section 39.054(e) [~~is rated academically~~
18 ~~acceptable~~] for a one-year period and the commissioner determines
19 that the campus is operating and will continue to operate in a
20 manner that improves student achievement; [~~and~~]

21 (2) assist in updating the targeted improvement plan
22 to identify and analyze areas of growth and areas that require
23 improvement; and

24 (3) submit each updated plan described by Subdivision
25 (2) to the board of trustees of the school district [~~may continually~~
26 ~~update the school improvement plan, with approval from the~~
27 ~~commissioner, to meet the needs of the campus~~].

1 (e-1) After a targeted improvement plan or updated plan is
2 submitted to the board of trustees of the school district, the
3 board:

4 (1) shall conduct a hearing for the purpose of:

5 (A) notifying the public of the insufficient
6 performance, the improvements in performance expected by the
7 agency, and the intervention measures or sanctions that may be
8 imposed under this subchapter if the performance does not improve
9 within a designated period; and

10 (B) soliciting public comment on the targeted
11 improvement plan or any updated plan;

12 (2) may conduct one hearing relating to one or more
13 campuses subject to a targeted improvement plan or an updated plan;
14 and

15 (3) shall submit the targeted improvement plan or any
16 updated plan to the commissioner for approval.

17 (f) Notwithstanding any other provision of this subchapter,
18 if the commissioner determines that a campus for which an
19 intervention is ordered under Subsection (a) [Section 39.1322(b)]
20 is not fully implementing the campus intervention team's
21 recommendations or targeted [school] improvement plan, the
22 commissioner may order the reconstitution of the campus as provided
23 by Section 39.107.

24 Sec. 39.107 [39.1324]. RECONSTITUTION, REPURPOSING,
25 ALTERNATIVE MANAGEMENT, AND CLOSURE [MANDATORY SANCTIONS]. (a)
26 Unless otherwise provided under the procedures for approval of an
27 updated targeted improvement plan under Section 39.106(e-1) or this

1 subsection, after [~~if~~] a campus has been identified as
2 accredited-warned under Section 39.101 [~~academically unacceptable~~]
3 for two consecutive school years, the campus is considered to have
4 an accredited-probation status under Section 39.101 and [~~including~~
5 ~~the current school year,~~] the commissioner shall order the
6 reconstitution of the campus [~~and assign a campus intervention~~
7 ~~team~~]. The commissioner may waive the requirement to order
8 reconstitution for not more than one school year if the
9 commissioner determines that, on the basis of significant
10 improvement in student performance over the preceding two school
11 years, the campus is likely to be assigned an accredited status for
12 the following school year.

13 (a-1) In reconstituting a [~~the~~] campus, a campus
14 intervention team shall assist the campus in:

15 (1) developing an updated targeted [~~a school~~]
16 improvement plan;

17 (2) submitting the updated targeted improvement plan
18 to the board of trustees of the school district for approval and
19 presenting the plan in a public hearing as provided by Section
20 39.106(e-1);

21 (3) [~~(2)~~] obtaining approval of the updated plan from
22 the commissioner; and

23 (4) [~~(3)~~] executing the plan on approval by the
24 commissioner.

25 (b) The campus intervention team shall decide which
26 educators may be retained at that campus. A principal who has been
27 employed by the campus in that capacity during the full [~~two-year~~]

1 period described by Subsection (a) may not be retained at that
2 campus unless the school district determines that retention is
3 appropriate under Section 39.236.

4 (b-1) A teacher of a subject assessed by an assessment
5 instrument under Section 39.023 may be retained only if the campus
6 intervention team determines that a pattern exists of significant
7 academic improvement by students taught by the teacher. If an
8 educator is not retained, the educator may be assigned to another
9 position in the district.

10 (b-2) For each year that a campus is considered to have an
11 accredited-probation status under Section 39.101, a campus
12 intervention team shall:

13 (1) assist in updating the targeted improvement plan
14 to identify and analyze areas of growth and areas that require
15 improvement;

16 (2) submit the updated plan to the board of trustees of
17 the school district; and

18 (3) assist in submitting the updated plan to the
19 commissioner for approval.

20 (c) A campus subject to Subsection (a) shall implement the
21 updated targeted [~~school~~] improvement plan as approved by the
22 commissioner. The commissioner may appoint a monitor, conservator,
23 management team, or [~~a~~] board of managers to the district to ensure
24 and oversee district-level support to low-performing campuses and
25 the implementation of the updated targeted [~~school~~] improvement
26 plan. In making appointments under this subsection, the
27 commissioner shall consider individuals who have demonstrated

1 success in managing campuses with student populations similar to
2 the campus at which the individual appointed will serve.

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

9 (1) repurposing of the campus under this section;

10 (2) [~~pursue~~] alternative management of the campus
11 under this section; [Section 39.1327] or

12 (3) [~~may order~~] closure of the campus.

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

18 [~~(f)~~] If a campus is considered to have
19 accredited-probation status under Section 39.101 [~~considered~~
20 ~~academically unacceptable~~] for three [~~two~~] consecutive school
21 years after the campus is reconstituted under Subsection (a), the
22 commissioner shall order:

23 (1) repurposing of the campus under this section;

24 (2) alternative management of the campus under this
25 section; or

26 (3) closure of the campus [~~or pursue alternative~~
27 ~~management under Section 39.1327~~].

1 (e-1) The commissioner may waive the requirement to enter an
2 order under Subsection (e) for not more than one school year if the
3 commissioner determines that, on the basis of significant
4 improvement in student performance over the preceding two school
5 years, the campus is likely to be assigned an accredited status for
6 the following school year.

7 (f) If the commissioner orders repurposing of a campus, the
8 school district shall develop a comprehensive plan for repurposing
9 the campus and submit the plan to the board of trustees for
10 approval, using the procedures described by Section 39.106(e-1),
11 and to the commissioner for approval. The plan must include a
12 description of a rigorous and relevant academic program for the
13 campus. The plan may include various instructional models. The
14 commissioner may not approve the repurposing of a campus unless:

15 (1) all students in the assigned attendance zone of
16 the campus in the school year immediately preceding the repurposing
17 of the campus are provided with the opportunity to enroll in and are
18 provided transportation on request to another campus, unless the
19 commissioner grants an exception because there is no other campus
20 in the district in which the students may enroll;

21 (2) the principal is not retained at the campus; and

22 (3) at least 75 percent of the teachers employed at the
23 campus in the school year immediately preceding the repurposing of
24 the campus are not retained at the campus, unless the commissioner
25 or the commissioner's designee grants an exception, at the request
26 of a school district, for:

27 (A) a teacher who provides instruction in a

1 subject other than a subject for which an assessment instrument is
2 administered under Section 39.023(a) or (c) who demonstrates to the
3 commissioner satisfactory performance; or

4 (B) a teacher who provides instruction in a
5 subject for which an assessment instrument is administered under
6 Section 39.023(a) or (c) if the district demonstrates that the
7 students of the teacher demonstrated satisfactory performance or
8 improved academic growth on that assessment instrument.

9 (g) If an educator is not retained under Subsection (f), the
10 educator may be assigned to another position in the district.

11 (h) [Sec. 39.1327. MANAGEMENT OF CERTAIN ACADEMICALLY
12 UNACCEPTABLE CAMPUSES. (a) A campus may be subject to this section
13 if the campus has been identified as academically unacceptable
14 under Section 39.132 and the commissioner orders alternative
15 management under Section 39.1324(d), (e), or (f).

16 [(b)] The commissioner shall solicit proposals from
17 qualified [nonprofit] entities to assume management of a campus
18 subject to this section or may appoint to assume management of a
19 campus subject to this section a school district other than the
20 district in which the campus is located that is located in the
21 boundaries of the same regional education service center as the
22 campus is located. A district appointed under this section shall
23 assume management of a campus subject to this section in the same
24 manner provided by this section for a qualified [nonprofit] entity
25 or in accordance with commissioner rule.

26 (i) [(e)] If the commissioner determines that the basis for
27 identifying a campus as accredited-probation [academically

1 ~~unacceptable~~] is limited to a specific condition that may be
2 remedied with targeted technical assistance, the commissioner may:

3 (1) provide the campus a one-year waiver under this
4 section; and

5 (2) require the district to contract for the
6 appropriate technical assistance.

7 (j) [~~(d)~~] The commissioner may annually solicit proposals
8 under this section for the management of a campus subject to this
9 section. The commissioner shall notify a qualified [~~nonprofit~~]
10 entity that has been approved as a provider under this section. The
11 district must execute a contract with an approved provider and
12 relinquish control of the campus before January 1 of the school
13 year.

14 (k) [~~(e)~~] To qualify for consideration as a managing entity
15 under this section, the entity must submit a proposal that provides
16 information relating to the entity's management and leadership team
17 that will participate in management of the campus under
18 consideration, including information relating to individuals that
19 have:

20 (1) documented success in whole school interventions
21 that increased the educational and performance levels of students
22 in [~~academically unacceptable~~] campuses considered to have an
23 accredited-warned or accredited-probation status under Section
24 39.101;

25 (2) a proven record of effectiveness with programs
26 assisting low-performing students;

27 (3) a proven ability to apply research-based school

1 intervention strategies;

2 (4) a proven record of financial ability to perform
3 under the management contract; and

4 (5) any other experience or qualifications the
5 commissioner determines necessary.

6 (1) [~~(f)~~] In selecting a managing entity under this
7 section, the commissioner shall give preference to a qualified
8 [~~nonprofit~~] entity that:

9 (1) meets any qualifications under this section; and

10 (2) has documented success in educating students from
11 similar demographic groups and with similar educational needs as
12 the students who attend the campus that is to be operated by a
13 managing entity under this section.

14 (m) [~~(g)~~] The school district may negotiate the term of a
15 management contract for not more than five years with an option to
16 renew the contract. The management contract must include a
17 provision describing the district's responsibilities in supporting
18 the operation of the campus. The commissioner shall approve the
19 contract before the contract is executed and, as appropriate, may
20 require the district, as a term of the contract, to support the
21 campus in the same manner as the district was required to support
22 the campus before the execution of the management contract.

23 (n) [~~(h)~~] A management contract under this section shall
24 include provisions approved by the commissioner that require the
25 managing entity to demonstrate improvement in campus performance,
26 including negotiated performance measures. The performance
27 measures must be consistent with the priorities of this chapter.

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

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

22 (p) [~~(j)~~] Each campus operated by a managing entity under
23 this section is subject to this chapter in the same manner as any
24 other campus in the district.

25 (q) [~~(k)~~] The commissioner may adopt rules necessary to
26 implement this section.

27 (r) [~~(l)~~] With respect to the management of a campus under

1 this section:

2 (1) a managing entity is considered to be a
3 governmental body for purposes of Chapters 551 and 552, Government
4 Code; and

5 (2) any requirement in Chapter 551 or 552, Government
6 Code, that applies to a school district or the board of trustees of
7 a school district applies to a managing entity.

8 Sec. 39.108 [~~39.133~~]. ANNUAL REVIEW. The commissioner
9 shall review annually the performance of a district or campus
10 subject to this subchapter to determine the appropriate actions to
11 be implemented under this subchapter. The commissioner must review
12 at least annually the performance of a district for which the
13 accreditation status under Subchapter C [~~rating~~] has been lowered
14 due to insufficient [~~unacceptable~~] student performance and may not
15 raise the accreditation status under Subchapter C [~~rating~~] until
16 the district has demonstrated improved student performance. If the
17 review reveals a lack of improvement, the commissioner shall
18 increase the level of state intervention and sanction unless the
19 commissioner finds good cause for maintaining the current status.

20 Sec. 39.109 [~~39.1331~~]. ACQUISITION OF PROFESSIONAL
21 SERVICES. In addition to other interventions and sanctions
22 authorized under this subchapter [~~Sections 39.131 and 39.132~~], the
23 commissioner may order a school district or campus to acquire
24 professional services at the expense of the district or campus to
25 address the applicable financial, assessment, data quality,
26 program, performance, or governance deficiency. The
27 commissioner's order may require the district or campus to:

1 (1) select or be assigned an external auditor, data
2 quality expert, professional authorized to monitor district
3 assessment instrument administration, or curriculum or program
4 expert; or

5 (2) provide for or participate in the appropriate
6 training of district staff or board of trustees members in the case
7 of a district, or campus staff, in the case of a campus.

8 Sec. 39.110 [~~39.134~~]. COSTS PAID BY DISTRICT. The costs of
9 providing a monitor, conservator, management team, campus
10 intervention team, technical assistance team, managing entity, or
11 service provider under this subchapter [~~Section 39.1327, or service~~
12 ~~provider under Section 39.1331~~] shall be paid by the district. If
13 the district fails or refuses to pay the costs in a timely manner,
14 the commissioner may:

15 (1) pay the costs using amounts withheld from any
16 funds to which the district is otherwise entitled; or

17 (2) recover the amount of the costs in the manner
18 provided for recovery of an overallocation of state funds under
19 Section 42.258.

20 Sec. 39.111 [~~39.135~~]. CONSERVATOR OR MANAGEMENT TEAM. (a)
21 The commissioner shall clearly define the powers and duties of a
22 conservator or management team appointed to oversee the operations
23 of the district.

24 (b) At least every 90 days, the commissioner shall review
25 the need for the conservator or management team and shall remove the
26 conservator or management team unless the commissioner determines
27 that continued appointment is necessary for effective governance of

1 the district or delivery of instructional services.

2 (c) A conservator or management team, if directed by the
3 commissioner, shall prepare a plan for the implementation of action
4 under Section 39.102(a)(9) [~~39.131(a)(9)~~] or (10). The conservator
5 or management team:

6 (1) may direct an action to be taken by the principal
7 of a campus, the superintendent of the district, or the board of
8 trustees of the district;

9 (2) may approve or disapprove any action of the
10 principal of a campus, the superintendent of the district, or the
11 board of trustees of the district;

12 (3) may not take any action concerning a district
13 election, including ordering or canceling an election or altering
14 the date of or the polling places for an election;

15 (4) may not change the number of or method of selecting
16 the board of trustees;

17 (5) may not set a tax rate for the district; and

18 (6) may not adopt a budget for the district that
19 provides for spending a different amount, exclusive of required
20 debt service, from that previously adopted by the board of
21 trustees.

22 Sec. 39.112 [~~39.136~~]. BOARD OF MANAGERS. (a) A board of
23 managers may exercise all of the powers and duties assigned to a
24 board of trustees of a school district by law, rule, or regulation.
25 This subchapter applies to a district governed by a board of
26 managers in the same manner that this subchapter applies to any
27 other district.

1 (b) If the commissioner appoints a board of managers to
2 govern a district, the powers of the board of trustees of the
3 district are suspended for the period of the appointment and the
4 commissioner shall appoint a district superintendent.
5 Notwithstanding any other provision of this code, the board of
6 managers may amend the budget of the district.

7 (c) If the commissioner appoints a board of managers to
8 govern a campus, the powers of the board of trustees of the district
9 in relation to the campus are suspended for the period of the
10 appointment and the commissioner shall appoint a campus principal.
11 Notwithstanding any other provision of this code, the board of
12 managers may submit to the commissioner for approval amendments to
13 the budget of the district for the benefit of the campus. If the
14 commissioner approves the amendments, the board of trustees of the
15 district shall adopt the amendments.

16 (d) A conservator or a member of a management team appointed
17 to serve on a board of managers may continue to be compensated as
18 determined by the commissioner.

19 (e) At the direction of the commissioner but not later than
20 the second anniversary of the date the board of managers of a
21 district was appointed, the board of managers shall order an
22 election of members of the district board of trustees. The election
23 must be held on a uniform election date on which an election of
24 district trustees may be held under Section 41.001, Election Code,
25 that is at least 180 days after the date the election was ordered.
26 On qualification of members for office, the board of trustees
27 assumes all of the powers and duties assigned to a board of trustees

1 by law, rule, or regulation.

2 Sec. 39.113 [~~39.137~~]. [SPECIAL] CAMPUS INTERVENTION TEAM.
3 A [~~special~~] campus intervention team appointed under this
4 subchapter may consist of teachers, principals, other educational
5 professionals, and superintendents recognized for excellence in
6 their roles and appointed by the commissioner to serve as members of
7 a team.

8 Sec. 39.114 [~~39.138~~]. IMMUNITY FROM CIVIL LIABILITY. An
9 employee, volunteer, or contractor acting on behalf of the
10 commissioner under this subchapter is immune from civil liability
11 to the same extent as a professional employee of a school district
12 under Section 22.051.

13 Sec. 39.115. CAMPUS NAME CHANGE PROHIBITED. In
14 reconstituting, repurposing, or imposing any other intervention or
15 sanction on a campus under this subchapter, other than closure, the
16 commissioner may not require that the name of the campus be changed.

17 Sec. 39.116. TRANSITIONAL INTERVENTIONS AND SANCTIONS. (a)
18 The commissioner by rule shall adopt transition procedures for
19 implementing interventions and sanctions as established under
20 __B. No. 3, Acts of the 81st Legislature, Regular Session, 2009,
21 including a provision providing for a school year in which school
22 districts and campuses are required only to report information as
23 required by this chapter.

24 (b) The commissioner must include a provision in the
25 procedures adopted under Subsection (a):

26 (1) except as provided by Subdivision (2), prohibiting
27 the implementation of interventions and sanctions based on district

1 and campus performance for the school year in which school
2 districts and campuses are required only to report information; and
3 (2) permitting an increase in intervention or sanction
4 measures on a district or campus based on district and campus
5 performance for the school year in which school districts and
6 campuses are required only to report information only if the
7 district or campus fails to make improvement in student
8 achievement.

9 (c) This subsection expires September 1, 2015.

10 SUBCHAPTER F [~~K~~]. PROCEDURES FOR CHALLENGE OF ACCREDITATION
11 STATUS, ACCOUNTABILITY DETERMINATION, INTERVENTION, [RATING] OR
12 SANCTION

13 Sec. 39.151 [~~39.301~~]. REVIEW BY COMMISSIONER:
14 ACCREDITATION STATUS OR ACCOUNTABILITY DETERMINATION [RATINGS].

15 (a) The commissioner by rule shall provide a process for a school
16 district or open-enrollment charter school to challenge an agency
17 decision made under this chapter relating to an academic or
18 financial accountability rating that affects the district or
19 school.

20 (b) The rules under Subsection (a) must provide for the
21 commissioner to appoint a committee to make recommendations to the
22 commissioner on a challenge made to an agency decision relating to
23 an academic performance rating or determination or financial
24 accountability rating. The commissioner may not appoint an agency
25 employee as a member of the committee.

26 (c) The commissioner may limit a challenge under this
27 section to a written submission of any issue identified by the

1 school district or open-enrollment charter school challenging the
2 agency decision.

3 (d) The commissioner shall make a final decision under this
4 section after considering the recommendation of the committee
5 described by Subsection (b). The commissioner's decision may not
6 be appealed under Section 7.057 or other law.

7 (e) A school district or open-enrollment charter school may
8 not challenge an agency decision relating to an academic or
9 financial accountability rating under this chapter in another
10 proceeding if the district or school has had an opportunity to
11 challenge the decision under this section.

12 Sec. 39.152 [~~39.302~~]. REVIEW BY STATE OFFICE OF
13 ADMINISTRATIVE HEARINGS: SANCTIONS. (a) A school district or
14 open-enrollment charter school that intends to challenge a decision
15 by the commissioner under this chapter to close the district or a
16 district campus or the charter school or to pursue alternative
17 management of a district campus or the charter school must appeal
18 the decision under the procedures provided for a contested case
19 under Chapter 2001, Government Code.

20 (b) A challenge to a decision under this section is under
21 the substantial evidence rule as provided by Subchapter G, Chapter
22 2001, Government Code.

23 (c) Notwithstanding other law:

24 (1) the State Office of Administrative Hearings shall
25 provide an expedited review of a challenge under this section;

26 (2) the administrative law judge shall issue a final
27 order not later than the 30th day after the date on which the

1 hearing is finally closed; and

2 (3) the decision of the administrative law judge is
3 final and may not be appealed.

4 SUBCHAPTER G. DISTINCTION DESIGNATIONS

5 Sec. 39.201. CAMPUS DISTINCTION DESIGNATIONS. (a) Not
6 later than August 8 of each year, the commissioner shall award
7 distinction designations under this subchapter. A campus may not
8 be awarded a distinction designation under this subchapter unless
9 the campus has acceptable performance under Section 39.054.

10 (b) The commissioner shall award a campus a distinction
11 designation if the campus is ranked in the top 25 percent of
12 campuses in the state in annual improvement in student achievement
13 as determined under Section 39.034.

14 (c) In addition to the distinction designation described by
15 Subsection (b), the commissioner shall award a campus a distinction
16 designation if the campus demonstrates an ability to significantly
17 diminish or eliminate performance differentials between student
18 subpopulations. The commissioner shall adopt rules related to the
19 distinction designation under this subsection to ensure that a
20 campus does not artificially diminish or eliminate performance
21 differentials through inhibiting the achievement of the highest
22 achieving student subpopulation.

23 (d) In addition to the distinction designations described
24 by Subsections (b) and (c), a campus that satisfies the criteria
25 developed under Section 39.202 shall be awarded a distinction
26 designation by the commissioner for the following programs or the
27 following specific categories of performance:

- 1 (1) academic achievement in English language arts,
2 mathematics, science, or social studies;
3 (2) fine arts;
4 (3) physical education;
5 (4) 21st Century Workforce Development program; and
6 (5) second language acquisition program.

7 Sec. 39.202. CAMPUS DISTINCTION DESIGNATION CRITERIA;

8 COMMITTEES. (a) The commissioner by rule shall establish:

- 9 (1) standards for considering campuses for
10 distinction designations under Section 39.201(d); and
11 (2) methods for awarding distinction designations to
12 campuses.

13 (b) In adopting rules under this section, the commissioner
14 shall establish a separate committee to develop criteria for each
15 distinction designation under Section 39.201(d).

16 (c) Each committee established under this section must
17 include:

18 (1) individuals who practice as professionals in the
19 content area relevant to the distinction designation, as
20 applicable;

21 (2) individuals with subject matter expertise in the
22 content area relevant to the distinction designation;

23 (3) educators with subject matter expertise in the
24 content area relevant to the distinction designation; and

25 (4) community leaders, including leaders from the
26 business community.

27 (d) For each committee, the governor, lieutenant governor,

1 and speaker of the house of representatives may each appoint a
2 person described by each subdivision of Subsection (c).

3 (e) In developing criteria for distinction designations
4 under this section, each committee shall:

5 (1) identify a variety of indicators for measuring
6 excellence; and

7 (2) consider categories for distinction designations,
8 with criteria relevant to each category, based on:

9 (A) the level of a program, whether elementary
10 school, middle or junior high school, or high school; and

11 (B) the student enrollment of a campus.

12 SUBCHAPTER H [~~F~~]. ADDITIONAL REWARDS

13 Sec. 39.231 [~~39.111~~]. RECOGNITION AND REWARDS. The
14 commissioner [~~State Board of Education~~] shall develop a plan for
15 recognizing and rewarding school [~~districts and~~] campuses that
16 receive a distinction designation under Subchapter G and develop
17 [~~are rated as exemplary or recognized and for developing~~] a network
18 for sharing proven successful practices statewide and regionally.
19 The reward may be used to provide educators with summer stipends to
20 develop curricula based on the cited successful strategies. The
21 educators may copyright the curricula they develop.

22 Sec. 39.232 [~~39.112~~]. DISTINCTION [~~EXCELLENCE~~] EXEMPTIONS.

23 (a) Except as provided by Subsection (b), a school campus [~~or~~
24 ~~district~~] that holds a distinction designation under Section
25 39.201(b) or (d)(1) [~~is rated exemplary~~] is exempt from
26 requirements and prohibitions imposed under this code including
27 rules adopted under this code.

1 (b) A school campus [~~or district~~] is not exempt under this
2 section from:

3 (1) a prohibition on conduct that constitutes a
4 criminal offense;

5 (2) requirements imposed by federal law or rule,
6 including requirements for special education or bilingual
7 education programs; or

8 (3) a requirement, restriction, or prohibition
9 relating to:

10 (A) curriculum essential knowledge and skills
11 under Section 28.002 or high school [~~minimum~~] graduation
12 requirements under Section 28.025;

13 (B) public school accountability as provided by
14 Subchapters B, C, D, E, and J [~~G~~];

15 (C) extracurricular activities under Section
16 33.081;

17 (D) health and safety under Chapter 38;

18 (E) purchasing [~~competitive bidding~~] under
19 Subchapter B, Chapter 44;

20 (F) elementary school class size limits, except
21 as provided by Subsection (d) or Section 25.112;

22 (G) removal of a disruptive student from the
23 classroom under Subchapter A, Chapter 37;

24 (H) at risk programs under Subchapter C, Chapter
25 29;

26 (I) prekindergarten programs under Subchapter E,
27 Chapter 29;

1 (J) rights and benefits of school employees;
2 (K) special education programs under Subchapter
3 A, Chapter 29; or
4 (L) bilingual education programs under
5 Subchapter B, Chapter 29.

6 (c) The agency shall monitor and evaluate deregulation of a
7 school campus [~~or district~~] under this section and Section 7.056.

8 (d) The commissioner may exempt a [~~an exemplary~~] school
9 campus that receives a distinction designation under Section
10 39.201(b) or (d)(1) from elementary class size limits under this
11 section if the school campus submits to the commissioner a written
12 plan showing steps that will be taken to ensure that the exemption
13 from the class size limits will not be harmful to the academic
14 achievement of the students on the school campus. The commissioner
15 shall review achievement levels annually. The exemption remains in
16 effect until the commissioner determines that achievement levels of
17 the campus have declined.

18 Sec. 39.233 [~~39.113~~]. RECOGNITION OF HIGH SCHOOL
19 COMPLETION AND SUCCESS AND COLLEGE READINESS PROGRAMS. (a) The
20 agency shall:

21 (1) develop standards for evaluating the success and
22 cost-effectiveness of high school completion and success and
23 college readiness programs implemented under Section 39.234
24 [~~39.114~~];

25 (2) provide guidance for school districts and campuses
26 in establishing and improving high school completion and success
27 and college readiness programs implemented under Section 39.234

1 ~~[39.114]~~; and

2 (3) develop standards for selecting and methods for
3 recognizing school districts and campuses that offer exceptional
4 high school completion and success and college readiness programs
5 under Section 39.234 ~~[39.114]~~.

6 (b) The commissioner may adopt rules for the administration
7 of this section.

8 Sec. 39.234 ~~[39.114]~~. HIGH SCHOOL ALLOTMENT. (a) Except
9 as provided by Subsection (b), a school district or campus must use
10 funds allocated under Section 42.2516(b)(3) to:

11 (1) implement or administer a college readiness
12 program that provides academic support and instruction to prepare
13 underachieving students for entrance into an institution of higher
14 education;

15 (2) implement or administer a program that encourages
16 students to pursue advanced academic opportunities, including
17 early college high school programs and dual credit, advanced
18 placement, and international baccalaureate courses;

19 (3) implement or administer a program that provides
20 opportunities for students to take academically rigorous course
21 work, including four years of mathematics and four years of science
22 at the high school level;

23 (4) implement or administer a program, including
24 online course support and professional development, that aligns the
25 curriculum for grades six through 12 with postsecondary curriculum
26 and expectations; or

27 (5) implement or administer other high school

1 completion and success initiatives in grades six through 12
2 approved by the commissioner.

3 (b) A school district may use funds allocated under Section
4 42.2516(b)(3) on any instructional program in grades six through 12
5 other than an athletic program if:

6 (1) the district's measure of progress toward college
7 readiness is determined exceptional by a standard set [~~district is~~
8 ~~recognized as exceptional~~] by the commissioner [~~under the academic~~
9 ~~accountability indicator adopted under Section 39.051(b)(13)~~]; and

10 (2) the district's completion rates for grades nine
11 through 12 [~~meet or~~] exceed completion rate standards required by
12 the commissioner to achieve a status of accredited under Section
13 39.051 [~~rating of exemplary under Section 39.072~~].

14 (b-1) Subsection (b) applies beginning with the 2008-2009
15 school year. This subsection expires September 1, 2009.

16 (c) An open-enrollment charter school is entitled to an
17 allotment under this section in the same manner as a school
18 district.

19 (d) The commissioner shall adopt rules to administer this
20 section, including rules related to the permissible use of funds
21 allocated under this section to an open-enrollment charter school.

22 Sec. 39.235 [~~39.115~~]. HIGH SCHOOL INNOVATION GRANT
23 INITIATIVE. (a) From funds appropriated for that purpose, the
24 commissioner may establish a grant program under which grants are
25 awarded to secondary campuses and school districts to support:

26 (1) the implementation of innovative high school
27 improvement programs that are based on the best available research

1 regarding high school reform, dropout prevention, and preparing
2 students for postsecondary coursework or employment;

3 (2) enhancing education practices that have been
4 demonstrated by significant evidence of effectiveness; and

5 (3) the alignment of grants and programs to the
6 strategic plan adopted under Section 39.407 [~~39.357~~].

7 (b) Before awarding a grant under this section, the
8 commissioner may require a campus or school district to:

9 (1) obtain local matching funds; or

10 (2) meet other conditions, including developing a
11 personal graduation plan under Section 28.0212 for each student
12 enrolled at the campus or in a district high school.

13 (c) The commissioner may:

14 (1) accept gifts, grants, or donations from a private
15 foundation to implement a grant program under this section; and

16 (2) coordinate gifts, grants, or donations with other
17 available funding to implement a grant program under this section.

18 (d) The commissioner may use funds appropriated under this
19 section to support technical assistance services for school
20 districts and open-enrollment charter schools to implement a high
21 school improvement program under this section.

22 Sec. 39.236 [~~39.116~~]. INITIATIVE FOR RETAINING QUALITY
23 EDUCATORS. Notwithstanding Section 39.107(b) [~~39.1324(b)~~], a
24 school district, to assist in preventing dropouts and disruptions
25 that may result from certain mandatory sanctions, may retain at a
26 campus a principal who has been employed at the campus as a
27 principal during the [~~two-year~~] period described by Section

1 39.107(a) [~~39.1324(a)~~] if the students enrolled at the campus have
2 demonstrated a pattern of significant academic improvement.

3 Sec. 39.237. GIFTED AND TALENTED STANDARDS. The
4 commissioner shall adopt standards to evaluate school district
5 programs for gifted and talented students to determine whether a
6 district operates a program for gifted and talented students in
7 accordance with:

8 (1) the Texas Performance Standards Project; or

9 (2) another program approved by the commissioner that
10 meets the requirements of the state plan for the education of gifted
11 and talented students under Section 29.123.

12 SUBCHAPTER I [E]. SUCCESSFUL SCHOOL AWARDS

13 Sec. 39.261 [~~39.091~~]. CREATION OF SYSTEM. The Texas
14 Successful Schools Awards System is created to recognize and reward
15 those schools and school districts that demonstrate progress or
16 success in achieving the education goals of the state.

17 Sec. 39.262 [~~39.092~~]. TYPES OF AWARDS. (a) The governor
18 may present a financial award to the schools or districts that the
19 commissioner determines have demonstrated the highest levels of
20 sustained success or the greatest improvement in achieving the
21 education goals. For each student in average daily attendance,
22 each of those schools or districts is entitled to an amount set for
23 the award for which the school or district is selected by the
24 commissioner, subject to any limitation set by the commissioner on
25 the total amount that may be awarded to a school or district.

26 (b) The governor may present proclamations or certificates
27 to additional schools and districts determined to have met or

1 exceeded the education goals.

2 (c) The commissioner may establish additional categories of
3 awards and award amounts for a school or district determined to be
4 successful under Subsection (a) or (b) that are contingent on the
5 school's or district's involvement with paired, lower-performing
6 schools.

7 Sec. 39.263 [~~39.093~~]. AWARDS. (a) The criteria that the
8 commissioner shall use to select successful schools and districts
9 must be related to the goals in Section 4.002 and must include:

10 (1) for districts and campuses, consideration of
11 performance on the student achievement [~~academic excellence~~]
12 indicators adopted under Section 39.053(c); and

13 (2) for campuses, consideration of the distinction
14 designation criteria prescribed by or developed under Subchapter G
15 [~~39.051~~].

16 (b) For purposes of selecting schools and districts under
17 Section 39.262(a) [~~39.092(a)~~], each school's performance shall be
18 compared to state standards and to its previous performance.

19 (c) [~~(b)~~] The commissioner shall select annually schools
20 and districts qualified to receive successful school awards for
21 their performance and report the selections to the governor and the
22 State Board of Education.

23 (d) [~~(c)~~] The agency shall notify each school district of
24 the manner in which the district or a school in the district may
25 qualify for a successful school award.

26 Sec. 39.264 [~~39.094~~]. USE OF AWARDS. (a) In determining
27 the use of a monetary award received under this subchapter, a school

1 or district shall give priority to academic enhancement purposes.
2 The award may not be used for any purpose related to athletics, and
3 it may not be used to substitute for or replace funds already in the
4 regular budget for a school or district.

5 (b) The campus-level committee established under Section
6 11.253 shall determine the use of the funds awarded to a school
7 under this subchapter. The professional staff of the district
8 shall determine the use of the funds awarded to the school district
9 under this subchapter.

10 Sec. 39.265 [~~39.095~~]. FUNDING. The award system may be
11 funded by donations, grants, or legislative appropriations. The
12 commissioner may solicit and receive grants and donations for the
13 purpose of making awards under this subchapter. A small portion of
14 the award funds may be used by the commissioner to pay for the costs
15 associated with sponsoring a ceremony to recognize or present
16 awards to schools or districts under this subchapter. The
17 donations, grants, or legislative appropriations shall be
18 accounted for and distributed by the agency. The awards are subject
19 to audit requirements established by the State Board of Education.

20 Sec. 39.266 [~~39.096~~]. CONFIDENTIALITY. All information
21 and reports received by the commissioner under this subchapter from
22 schools or school districts deemed confidential under Chapter 552,
23 Government Code, are confidential and may not be disclosed in any
24 public or private proceeding.

25 SUBCHAPTER J. PARENT AND EDUCATOR REPORTS

26 Sec. 39.301. ADDITIONAL PERFORMANCE INDICATORS: REPORTING.

27 (a) In addition to the indicators adopted under Section 39.053, the

1 commissioner shall adopt indicators of the quality of learning on a
2 campus for the purpose of preparing reports under this chapter. The
3 commissioner biennially shall review the indicators for the
4 consideration of appropriate revisions.

5 (b) Indicators for reporting purposes must include:

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

9 (2) the results of the Scholastic Assessment Test
10 (SAT), the American College Test (ACT), articulated postsecondary
11 degree programs described by Section 61.852, and certified
12 workforce training programs described by Chapter 311, Labor Code;

13 (3) for students who have failed to perform
14 satisfactorily, as determined under each performance standard
15 under Section 39.0241, on an assessment instrument required under
16 Section 39.023(a) or (c), the numerical progress of those students
17 grouped by percentage on subsequent assessment instruments
18 required under those sections, aggregated across grade levels by
19 subject area;

20 (4) the percentage of students, aggregated across
21 grade levels, provided accelerated instruction under Section
22 28.0211(c), the results of assessment instruments administered
23 under that section, the percentage of students promoted through the
24 grade placement committee process under Section 28.0211, the
25 subject of the assessment instrument on which each student failed
26 to perform satisfactorily, and the performance of those students in
27 the school year following that promotion on the assessment

1 instruments required under Section 39.023;
2 (5) the percentage of students of limited English
3 proficiency exempted from the administration of an assessment
4 instrument under Sections 39.027(a)(3), (4), and (5);
5 (6) the percentage of students in a special education
6 program under Subchapter A, Chapter 29, assessed through assessment
7 instruments developed or adopted under Section 39.023(b);
8 (7) the measure of progress toward college readiness;
9 (8) the measure of progress toward dual language
10 proficiency under Section 39.034(b), for students of limited
11 English proficiency, as defined by Section 29.052;
12 (9) the percentage of students who are not
13 educationally disadvantaged; and
14 (10) the percentage of students who enroll and begin
15 instruction at an institution of higher education in the school
16 year following graduation.
17 (c) Performance on the indicators described by Section
18 39.053(c) and Subsections (b)(3), (4), and (8) must be based on
19 longitudinal student data that is disaggregated by the bilingual
20 education or special language program, if any, in which students of
21 limited English proficiency, as defined by Section 29.052, are or
22 former students of limited English proficiency were enrolled. If a
23 student described by this subsection is not or was not enrolled in
24 specialized language instruction, the number and percentage of
25 those students shall be provided.
26 (d) Section 39.055 applies in evaluating indicators
27 described by Subsection (b).

1 Sec. 39.302. REPORT TO DISTRICT: COMPARISONS FOR ANNUAL
2 PERFORMANCE ASSESSMENT. (a) The agency shall report to each school
3 district the comparisons of student performance made under Section
4 39.034.

5 (b) To the extent practicable, the agency shall combine the
6 report of comparisons with the report of the student's performance
7 on assessment instruments under Section 39.023.

8 Sec. 39.303. REPORT TO PARENTS. (a) The school district a
9 student attends shall provide a record of the comparisons made
10 under Section 39.034 and provided to the district under Section
11 39.302 in a written notice to the student's parent or other person
12 standing in parental relationship.

13 (b) For a student who failed to perform satisfactorily as
14 determined under either performance standard under Section 39.0241
15 on an assessment instrument administered under Section 39.023(a),
16 (c), or (l), the school district shall include in the notice
17 specific information relating to access to online educational
18 resources at the appropriate assessment instrument content level,
19 including educational resources described by Section 32.252(b)(2)
20 and assessment instruments questions and answers released under
21 Section 39.023(e).

22 Sec. 39.304. TEACHER REPORT CARD. Each school district
23 shall prepare a report of the comparisons made under Section 39.034
24 and provided to the district under 39.302 and provide the report to
25 each teacher for all students who:

26 (1) were assessed on an assessment instrument under
27 Section 39.023; and

1 (2) were provided instruction by that teacher in the
2 subject for which the assessment instrument was administered under
3 Section 39.023.

4 Sec. 39.305 [~~39.052~~]. CAMPUS REPORT CARD. (a) The agency
5 shall report the performance of each campus in a school district on
6 the basis of the campus's performance on the indicators described
7 by Section 39.053(c).

8 (b) Each school year, the agency shall prepare and
9 distribute to each school district a report card for each campus.
10 The campus report cards must be based on the most current data
11 available disaggregated by student groups. Campus performance must
12 be compared to previous campus and district performance, current
13 district performance, and state established standards[~~, and~~
14 ~~comparable campus group performance~~].

15 (c) [~~(b)~~] The report card shall include the following
16 information:

17 (1) where applicable, the student achievement
18 indicators described by Section 39.053(c) and the reporting
19 indicators described by Sections 39.301(b)(1) through (4) and (10)
20 [~~academic excellence indicators adopted under Sections~~
21 ~~39.051(b)(1) through (10)~~];

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

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

25 (4) the district's instructional expenditures ratio
26 and instructional employees ratio computed under Section 44.0071,
27 and the statewide average of those ratios, as determined by the

1 commissioner.

2 (d) [~~(e)~~] The commissioner shall adopt rules requiring
3 dissemination of the information required under Subsection (c)(4)
4 [~~(b)(4)~~] and appropriate class size and student performance
5 portions of campus report cards annually to the parent, guardian,
6 conservator, or other person having lawful control of each student
7 at the campus. On written request, the school district shall
8 provide a copy of a campus report card to any other party.

9 Sec. 39.306 [~~39.053~~]. PERFORMANCE REPORT. (a) Each board
10 of trustees shall publish an annual report describing the
11 educational performance of the district and of each campus in the
12 district that includes uniform student performance and descriptive
13 information as determined under rules adopted by the commissioner.
14 The annual report must also include:

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

18 (2) information indicating the district's
19 accreditation status and identifying each district campus awarded a
20 distinction designation under Subchapter G or considered an
21 accredited-warned or accredited-probation campus under Subchapter
22 E [~~the performance rating for the district as provided under~~
23 ~~Section 39.072(a) and the performance rating of each campus in the~~
24 ~~district as provided under Section 39.072(c)];~~

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

27 (4) a statement of the number, rate, and type of

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

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

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

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

14 (b) Supplemental information to be included in the reports
15 shall be determined by the board of trustees. Performance
16 information in the annual reports on the indicators described by
17 Sections 39.053 and 39.301 ~~[established under Section 39.051]~~ and
18 descriptive information required by this section shall be provided
19 by the agency.

20 (c) The board of trustees shall hold a hearing for public
21 discussion of the report. The board of trustees shall give notice
22 of the hearing to property owners in the district and parents of and
23 other persons standing in parental relation to ~~[guardians,~~
24 ~~conservators, and other persons having lawful control of]~~ a
25 district student. The notification must include notice to a
26 newspaper of general circulation in the district and notice to
27 electronic media serving the district. After the hearing the

1 report shall be widely disseminated within the district in a manner
2 to be determined under rules adopted by the commissioner.

3 (d) The report must also include a comparison provided by
4 the agency of:

5 (1) the performance of each campus to its previous
6 performance and to state-established standards; and

7 (2) the performance of each district to its previous
8 performance and to state-established standards[~~, and~~

9 [~~(3) the performance of each campus or district to~~
10 ~~comparable improvement~~].

11 (e) The report may include the following information:

12 (1) student information, including total enrollment,
13 enrollment by ethnicity, socioeconomic status, and grade groupings
14 and retention rates;

15 (2) financial information, including revenues and
16 expenditures;

17 (3) staff information, including number and type of
18 staff by sex [~~gender~~], ethnicity, years of experience, and highest
19 degree held, teacher and administrator salaries, and teacher
20 turnover;

21 (4) program information, including student enrollment
22 by program, teachers by program, and instructional operating
23 expenditures by program; and

24 (5) the number of students placed in a disciplinary
25 alternative education program under Chapter 37.

26 (f) The commissioner [~~State Board of Education~~] by rule
27 shall authorize the combination of this report with other reports

1 and financial statements and shall restrict the number and length
2 of reports that school districts, school district employees, and
3 school campuses are required to prepare.

4 (g) The report must include a statement of the amount, if
5 any, of the school district's unencumbered surplus fund balance as
6 of the last day of the preceding fiscal year and the percentage of
7 the preceding year's budget that the surplus represents.

8 Sec. 39.307 [~~39.054~~]. USES OF PERFORMANCE REPORT. The
9 information required to be reported under Section 39.306 [~~39.053~~]
10 shall be:

11 (1) the subject of public hearings or meetings
12 required under Sections 11.252, 11.253, and 39.306 [~~39.053~~];

13 (2) a primary consideration in school district and
14 campus planning; and

15 (3) a primary consideration of:

16 (A) the State Board of Education in the
17 evaluation of the performance of the commissioner;

18 (B) the commissioner in the evaluation of the
19 performance of the directors of the regional education service
20 centers;

21 (C) the board of trustees of a school district in
22 the evaluation of the performance of the superintendent of the
23 district; and

24 (D) the superintendent in the evaluation of the
25 performance of the district's campus principals.

26 Sec. 39.308 [~~39.055~~]. ANNUAL AUDIT OF DROPOUT RECORDS;
27 REPORT. (a) The commissioner shall develop a process for auditing

1 school district dropout records electronically. The commissioner
2 shall also develop a system and standards for review of the audit or
3 use systems already available at the agency. The system must be
4 designed to identify districts that are at high risk of having
5 inaccurate dropout records and that, as a result, require on-site
6 monitoring of dropout records.

7 **(b)** If the electronic audit of a school district's dropout
8 records indicates that a district is not at high risk of having
9 inaccurate dropout records, the district may not be subject to
10 on-site monitoring under this subsection.

11 **(c)** If the risk-based system indicates that a school
12 district is at high risk of having inaccurate dropout records, the
13 district is entitled to an opportunity to respond to the
14 commissioner's determination before on-site monitoring may be
15 conducted. The district must respond not later than the 30th day
16 after the date the commissioner notifies the district of the
17 commissioner's determination. If the district's response does not
18 change the commissioner's determination that the district is at
19 high risk of having inaccurate dropout records or if the district
20 does not respond in a timely manner, the commissioner shall order
21 agency staff to conduct on-site monitoring of the district's
22 dropout records.

23 **(d)** [~~(e)~~] The commissioner shall notify the board of
24 trustees of a school district of any objection the commissioner has
25 to the district's dropout data, any violation of sound accounting
26 practices or of a law or rule revealed by the data, or any
27 recommendation by the commissioner concerning the data. If the data

1 reflect that a penal law has been violated, the commissioner shall
2 notify the county attorney, district attorney, or criminal district
3 attorney, as appropriate, and the attorney general.

4 (e) The commissioner is entitled to access to all district
5 records the commissioner considers necessary or appropriate for the
6 review, analysis, or approval of district dropout data.

7 SUBCHAPTER K [~~H~~]. REPORTS BY TEXAS EDUCATION AGENCY

8 Sec. 39.331 [~~39.181~~]. GENERAL REQUIREMENTS. (a) Each
9 report required by this subchapter must:

10 (1) unless otherwise specified, contain summary
11 information and analysis only, with an indication that the agency
12 will provide the data underlying the report on request;

13 (2) specify a person at the agency who may be contacted
14 for additional information regarding the report and provide the
15 person's telephone number; and

16 (3) identify other sources of related information,
17 indicating the level of detail and format of information that may be
18 obtained, including the availability of any information on the
19 Texas Education Network.

20 (b) Each component of a report required by this subchapter
21 must:

22 (1) identify the substantive goal underlying the
23 information required to be reported;

24 (2) analyze the progress made and longitudinal trends
25 in achieving the underlying substantive goal;

26 (3) offer recommendations for improved progress in
27 achieving the underlying substantive goal; and

1 (4) identify the relationship of the information
2 required to be reported to state education goals.

3 (c) Unless otherwise provided, each report required by this
4 subchapter is due not later than December 1 of each even-numbered
5 year.

6 (d) Subsections (a) and (b) apply to any report required by
7 statute that the agency or the State Board of Education must prepare
8 and deliver to the governor, lieutenant governor, speaker of the
9 house of representatives, or legislature.

10 (e) Unless otherwise provided by law, any report required by
11 statute that the agency or the State Board of Education must prepare
12 and deliver to the governor, lieutenant governor, speaker of the
13 house of representatives, or legislature may be combined, at the
14 discretion of the commissioner, with a report required by this
15 subchapter.

16 Sec. 39.332 [~~39.182~~]. COMPREHENSIVE ANNUAL REPORT. (a)
17 Not later than December 1 of each year, the agency shall prepare and
18 deliver to the governor, the lieutenant governor, the speaker of
19 the house of representatives, each member of the legislature, the
20 Legislative Budget Board, and the clerks of the standing committees
21 of the senate and house of representatives with primary
22 jurisdiction over the public school system a comprehensive report
23 covering the preceding school year and containing the information
24 described by Subsection (b).

25 (b) [+] (1) The report must contain an evaluation of the
26 achievements of the state educational program in relation to the
27 statutory goals for the public education system under Section

1 4.002.[+]

2 (2) The report must contain an evaluation of the
3 status of education in the state as reflected by:

4 (A) the student achievement [~~academic~~
5 ~~excellence~~] indicators described by [~~adopted under~~] Section 39.053
6 [~~39.051~~]; and

7 (B) the reporting indicators described by
8 Section 39.301.

9 (3) The report must contain a summary compilation of
10 overall student performance on academic skills assessment
11 instruments required by Section 39.023 with the number and
12 percentage of students exempted from the administration of those
13 instruments and the basis of the exemptions, aggregated by grade
14 level, subject area, campus, and district, with appropriate
15 interpretations and analysis, and disaggregated by race,
16 ethnicity, gender, and socioeconomic status.[+]

17 (4) The report must contain a summary compilation of
18 overall performance of students placed in a disciplinary
19 alternative education program established under Section 37.008 on
20 academic skills assessment instruments required by Section 39.023
21 with the number of those students exempted from the administration
22 of those instruments and the basis of the exemptions, aggregated by
23 district, grade level, and subject area, with appropriate
24 interpretations and analysis, and disaggregated by race,
25 ethnicity, gender, and socioeconomic status.[+]

26 (5) The report must contain a summary compilation of
27 overall performance of students at risk of dropping out of school,

1 as defined by Section 29.081(d), on academic skills assessment
2 instruments required by Section 39.023 with the number of those
3 students exempted from the administration of those instruments and
4 the basis of the exemptions, aggregated by district, grade level,
5 and subject area, with appropriate interpretations and analysis,
6 and disaggregated by race, ethnicity, gender, and socioeconomic
7 status. [+]

8 (6) The report must contain an evaluation of the
9 correlation between student grades and student performance on
10 academic skills assessment instruments required by Section
11 39.023. [+]

12 (7) The report must contain a statement of the dropout
13 rate of students in grade levels 7 through 12, expressed in the
14 aggregate and by grade level, and a statement of the completion
15 rates of students for grade levels 9 through 12. [+]

16 (8) The report must contain a statement of:

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

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

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

25 (D) the completion rate of students who enter
26 grade level 9 and receive a high school equivalency certificate,
27 including students who require more than four years to receive a

1 certificate; and

2 (E) the number and percentage of all students who
3 have not been accounted for under Paragraph (A), (B), (C), or
4 (D).[+]

5 (9) The report must contain a statement of the
6 projected cross-sectional and longitudinal dropout rates for grade
7 levels 9 through 12 for the next five years, assuming no state
8 action is taken to reduce the dropout rate.[+]

9 (10) The report must contain a description of a
10 systematic, measurable plan for reducing the projected
11 cross-sectional and longitudinal dropout rates to five percent or
12 less for the 2017-2018 [~~1997-1998~~] school year.[+]

13 (11) The report must contain a summary of the
14 information required by Section 29.083 regarding grade level
15 retention of students and information concerning:

16 (A) the number and percentage of students
17 retained; and

18 (B) the performance of retained students on
19 assessment instruments required under Section 39.023(a).[+]

20 (12) The report must contain information, aggregated
21 by district type and disaggregated by race, ethnicity, gender, and
22 socioeconomic status, on:

23 (A) the number of students placed in a
24 disciplinary alternative education program established under
25 Section 37.008;

26 (B) the average length of a student's placement
27 in a disciplinary alternative education program established under

1 Section 37.008;

2 (C) the academic performance of students on
3 assessment instruments required under Section 39.023(a) during the
4 year preceding and during the year following placement in a
5 disciplinary alternative education program; and

6 (D) the dropout rates of students who have been
7 placed in a disciplinary alternative education program established
8 under Section 37.008. [+]

9 (13) The report must contain a list of each school
10 district or campus that does not satisfy performance standards,
11 with an explanation of the actions taken by the commissioner to
12 improve student performance in the district or campus and an
13 evaluation of the results of those actions. [+]

14 (14) The report must contain an evaluation of the
15 status of the curriculum taught in public schools, with
16 recommendations for legislative changes necessary to improve or
17 modify the curriculum required by Section 28.002. [+]

18 (15) The report must contain a description of all
19 funds received by and each activity and expenditure of the
20 agency. [+]

21 (16) The report must contain a summary and analysis of
22 the instructional expenditures ratios and instructional employees
23 ratios of school districts computed under Section 44.0071. [+]

24 (17) The report must contain a summary of the effect of
25 deregulation, including exemptions and waivers granted under
26 Section 7.056 or 39.232. [~~39.112,~~]

27 (18) The report must contain a statement of the total

1 number and length of reports that school districts and school
2 district employees must submit to the agency, identifying which
3 reports are required by federal statute or rule, state statute, or
4 agency rule, and a summary of the agency's efforts to reduce overall
5 reporting requirements. [+]

6 (19) The report must contain a list of each school
7 district that is not in compliance with state special education
8 requirements, including:

9 (A) the period for which the district has not
10 been in compliance;

11 (B) the manner in which the agency considered the
12 district's failure to comply in determining the district's
13 accreditation status; and

14 (C) an explanation of the actions taken by the
15 commissioner to ensure compliance and an evaluation of the results
16 of those actions. [+]

17 (20) The report must contain a comparison of the
18 performance of open-enrollment charter schools and school
19 districts on the student achievement [~~academic excellence~~]
20 indicators described by Section 39.053(c), the reporting
21 indicators described by Section 39.301(b), [~~specified in Section~~
22 ~~39.051(b)~~] and the accountability measures adopted under Section
23 39.053(i) [~~39.051(g)~~], with a separately aggregated comparison of
24 the performance of open-enrollment charter schools predominantly
25 serving students at risk of dropping out of school, as described
26 [~~defined~~] by Section 29.081(d), with the performance of school
27 districts. [+]

1 (21) The report must contain a summary of the
2 information required by Section 38.0141 regarding student health
3 and physical activity from each school district. ~~[+]~~

4 (22) The report must contain a summary compilation of
5 overall student performance under the assessment system developed
6 to evaluate the longitudinal academic progress as required by
7 Section 39.027(e), disaggregated by bilingual education or special
8 language program instructional model, if any. ~~[+and]~~

9 (23) The report must contain any additional
10 information considered important by the commissioner or the State
11 Board of Education.

12 (c) ~~[(b)]~~ In reporting the information required by
13 Subsection (b)(3) or (4) ~~[(a)(3) or (4)]~~, the agency may separately
14 aggregate the performance data of students enrolled in a special
15 education program under Subchapter A, Chapter 29.

16 (d) ~~[(b-1)]~~ In reporting the information required by
17 Subsections (b)(3), (5), and (7) ~~[(a)(3), (5), and (7)]~~, the agency
18 shall separately aggregate the longitudinal performance data of all
19 students identified as students of limited English proficiency, as
20 defined by Section 29.052, or former students of limited English
21 proficiency, disaggregated by bilingual education or special
22 language program instructional model, if any, in which the students
23 are or were enrolled.

24 (e) ~~[(e)]~~ Each report must contain the most recent data
25 available.

26 Sec. 39.333 ~~[39.183]~~. REGIONAL AND DISTRICT LEVEL REPORT.
27 The agency shall prepare and deliver to the governor, the

1 lieutenant governor, the speaker of the house of representatives,
2 each member of the legislature, the Legislative Budget Board, and
3 the clerks of the standing committees of the senate and house of
4 representatives with primary jurisdiction over the public school
5 system a regional and district level report covering the preceding
6 two school years and containing:

7 (1) a summary of school district compliance with the
8 student/teacher ratios and class-size limitations prescribed by
9 Sections 25.111 and 25.112, including:

10 (A) the number of campuses and classes at each
11 campus granted an exception from Section 25.112; and

12 (B) for [~~the performance rating under Subchapter~~
13 ~~D of~~] each campus granted an exception from Section 25.112, a
14 statement of whether the campus has been awarded a distinction
15 designation under Subchapter G or has been identified as an
16 accredited-warned or accredited-probation campus under Subchapter
17 E;

18 (2) a summary of the exemptions and waivers granted to
19 campuses and school districts under Section 7.056 or 39.232
20 [~~39.112~~] and a review of the effectiveness of each campus or
21 district following deregulation;

22 (3) an evaluation of the performance of the system of
23 regional education service centers based on the indicators adopted
24 under Section 8.101 and client satisfaction with services provided
25 under Subchapter B, Chapter 8;

26 (4) an evaluation of accelerated instruction programs
27 offered under Section 28.006, including an assessment of the

1 quality of such programs and the performance of students enrolled
2 in such programs; and

3 (5) the number of classes at each campus that are
4 currently being taught by individuals who are not certified in the
5 content areas of their respective classes.

6 Sec. 39.334 [~~39.184~~]. TECHNOLOGY REPORT. The agency shall
7 prepare and deliver to the governor, the lieutenant governor, the
8 speaker of the house of representatives, each member of the
9 legislature, the Legislative Budget Board, and the clerks of the
10 standing committees of the senate and house of representatives with
11 primary jurisdiction over the public school system a technology
12 report covering the preceding two school years and containing
13 information on the status of the implementation of and revisions to
14 the long-range technology plan required by Section 32.001,
15 including the equity of the distribution and use of technology in
16 public schools.

17 Sec. 39.335 [~~39.185~~]. INTERIM REPORT. Not later than
18 December 1 of each odd-numbered year, the agency shall prepare and
19 deliver to the governor, the lieutenant governor, the speaker of
20 the house of representatives, each member of the legislature, the
21 Legislative Budget Board, and the clerks of the standing committees
22 of the senate and house of representatives with primary
23 jurisdiction over the public school system an interim report
24 containing, for the previous school year, the information required
25 by Section 39.333(2) [~~39.183(2)~~].

26 SUBCHAPTER L [~~J~~]. NOTICE OF PERFORMANCE

27 Sec. 39.361 [~~39.251~~]. NOTICE IN STUDENT GRADE REPORT. The

1 first written notice of a student's performance that a school
2 district gives during a school year as required by Section
3 28.022(a)(2) must include [~~the following information~~]:

4 (1) a statement of whether the campus at which the
5 student is enrolled has been awarded a distinction designation
6 under Subchapter G or has been identified as an accredited-warned
7 or accredited-probation campus under Subchapter E [~~the most recent~~
8 ~~performance rating of the campus at which the student is enrolled,~~
9 ~~as determined under Section 39.072~~]; and

10 (2) an explanation of the significance of the
11 information provided under Subdivision (1) [~~a definition and~~
12 ~~explanation of each performance rating described by Section~~
13 ~~39.072(a)~~].

14 Sec. 39.362 [~~39.252~~]. NOTICE ON DISTRICT WEBSITE. Not
15 later than the 10th day after the first day of instruction of each
16 school year, a school district that maintains an Internet website
17 shall make the following information available to the public on the
18 website:

19 (1) the information contained in the most recent
20 campus report card for each campus in the district [~~as determined~~]
21 under Section 39.305 [~~39.052~~];

22 (2) the information contained in the most recent
23 performance report for the district [~~as determined~~] under Section
24 39.306 [~~39.053~~];

25 (3) the most recent accreditation status [~~performance~~
26 ~~rating~~] of the district [~~as determined~~] under Section 39.052
27 [~~39.072~~]; and

1 (4) a definition and explanation of each accreditation
2 status under [~~performance rating described by~~] Section 39.051,
3 based on commissioner rule adopted under that section [~~39.072(a)~~].

4 SUBCHAPTER M [~~L~~]. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE

5 Sec. 39.401 [~~39.351~~]. DEFINITION. In this subchapter,
6 "council" means the High School Completion and Success Initiative
7 Council.

8 Sec. 39.402 [~~39.352~~]. HIGH SCHOOL COMPLETION AND SUCCESS
9 INITIATIVE COUNCIL. (a) The High School Completion and Success
10 Initiative Council is established to identify strategic priorities
11 for and make recommendations to improve the effectiveness,
12 coordination, and alignment of high school completion and college
13 and workforce readiness efforts.

14 (b) The council is composed of:

- 15 (1) the commissioner of education;
16 (2) the commissioner of higher education; and
17 (3) seven members appointed by the commissioner of
18 education.

19 (c) In making appointments required by Subsection (b)(3),
20 the commissioner of education shall appoint:

- 21 (1) three members from a list of nominations provided
22 by the governor;
23 (2) two members from a list of nominations provided by
24 the lieutenant governor; and
25 (3) two members from a list of nominations provided by
26 the speaker of the house of representatives.

27 (d) In making nominations under Subsection (c), the

1 governor, lieutenant governor, and speaker of the house of
2 representatives shall nominate persons who have distinguished
3 experience in:

4 (1) developing and implementing high school reform
5 strategies; and

6 (2) promoting college and workforce readiness.

7 Sec. 39.403 [~~39.353~~]. TERMS. Members of the council
8 appointed under Section 39.402(b)(3) [~~39.352(b)(3)~~] serve terms of
9 two years and may be reappointed for additional terms.

10 Sec. 39.404 [~~39.354~~]. PRESIDING OFFICER. The commissioner
11 of education serves as the presiding officer of the council.

12 Sec. 39.405 [~~39.355~~]. COMPENSATION AND REIMBURSEMENT. A
13 member of the council is not entitled to compensation for service on
14 the council but is entitled to reimbursement for actual and
15 necessary expenses incurred in performing council duties.

16 Sec. 39.406 [~~39.356~~]. COUNCIL STAFF AND FUNDING. (a)
17 Except as otherwise provided, staff members of the agency, with the
18 assistance of the Texas Higher Education Coordinating Board, shall
19 provide administrative support for the council.

20 (b) Funding for the administrative and operational expenses
21 of the council shall be provided by appropriation to the agency for
22 that purpose and by gifts, grants, and donations solicited and
23 accepted by the agency for that purpose.

24 Sec. 39.407 [~~39.357~~]. STRATEGIC PLAN. (a) The council
25 shall adopt a strategic plan under this subchapter to:

26 (1) specify strategies to identify, support, and
27 expand programs to improve high school completion rates and college

1 and workforce readiness;

2 (2) establish specific goals with which to measure the
3 success of the strategies identified under Subdivision (1) in
4 improving high school completion rates and college and workforce
5 readiness;

6 (3) identify strategies for alignment and
7 coordination of federal and other funding sources that may be
8 pursued for high school reform, dropout prevention, and preparation
9 of students for postsecondary coursework or employment; and

10 (4) identify key objectives for appropriate research
11 and program evaluation conducted as provided by this subchapter.

12 (b) The commissioner of education and the commissioner of
13 higher education shall adopt rules as necessary to administer the
14 strategic plan adopted by the council under this section.

15 (c) The commissioner of education or the commissioner of
16 higher education may not, in a manner inconsistent with the
17 strategic plan, spend money, award a grant, or enter into a contract
18 in connection with a program relating to high school success and
19 completion.

20 Sec. 39.408 [~~39.358~~]. ELIGIBILITY CRITERIA FOR CERTAIN
21 GRANT PROGRAMS. A school district or campus is eligible to
22 participate in programs under Sections 21.4541, 29.095, 29.096,
23 29.097, and 29.098 if the district or campus exhibited during each
24 of the three preceding school years characteristics that strongly
25 correlate with high dropout rates.

26 Sec. 39.409 [~~39.359~~]. PRIVATE FOUNDATION PARTNERSHIPS.

27 (a) The commissioner of education or the commissioner of higher

1 education, as appropriate, and the council may coordinate with
2 private foundations that have made a substantial investment in the
3 improvement of high schools in this state to maximize the impact of
4 public and private investments.

5 (b) A private foundation is not required to obtain the
6 approval of the appropriate commissioner or the council under
7 Subsection (a) before allocating resources to a school in this
8 state.

9 Sec. 39.410 [~~39.360~~]. GRANT PROGRAM EVALUATION. (a) The
10 commissioner of education shall annually set aside not more than
11 five percent of the funds appropriated for high school completion
12 and success to contract for the evaluation of programs supported by
13 grants approved under this subchapter. In awarding a contract
14 under this subsection, the commissioner shall consider centers for
15 education research established under Section 1.005.

16 (b) A person who receives a grant approved under this
17 subchapter must consent to an evaluation under this section as a
18 condition of receiving the grant.

19 (c) The commissioner shall ensure that an evaluation
20 conducted under this section includes an assessment of whether
21 student achievement has improved. Results of the evaluation shall
22 be provided through the online clearinghouse of information
23 relating to the best practices of campuses and school districts
24 established under Section 7.009.

25 Sec. 39.411 [~~39.361~~]. COUNCIL RECOMMENDATIONS. (a) Based
26 on the strategic plan adopted under this subchapter [~~section~~], the
27 council shall make recommendations to the commissioner of education

1 or the commissioner of higher education, as applicable, for the use
2 of federal and state funds appropriated or received for high school
3 reform, college readiness, and dropout prevention, including
4 grants awarded under Sections 21.4511, 21.4541, 29.095-29.098,
5 29.917, 29.919, and 39.235 [~~39.115~~].

6 (b) The council shall include recommendations under this
7 section for:

8 (1) key elements of program design;

9 (2) criteria for awarding grants and evaluating
10 programs;

11 (3) program funding priorities; and

12 (4) program evaluation as provided by this subchapter.

13 (c) The commissioner of education or the commissioner of
14 higher education, as applicable, shall consider the council's
15 recommendations and based on those recommendations may award grants
16 to school districts, open-enrollment charter schools, institutions
17 of higher education, regional education service centers, and
18 nonprofit organizations to meet the goals of the council's
19 strategic plan.

20 (d) The commissioner of education or the commissioner of
21 higher education, as applicable:

22 (1) is not required under this section to allocate
23 funds to a program or initiative recommended by the council; and

24 (2) may not initiate a program funded under this
25 section that does not conform to the recommended use of funds as
26 provided under Subsections (a) and (b).

27 Sec. 39.412 [~~39.362~~]. FUNDING PROVIDED TO SCHOOL

1 DISTRICTS. From funds appropriated, the commissioner of education
2 may provide funding to school districts to permit a school district
3 to obtain technical assistance in preparing a grant proposal for a
4 grant program administered under this subchapter.

5 Sec. 39.413 [~~39.363~~]. FUNDING FOR CERTAIN PROGRAMS. (a)
6 From funds appropriated, the Texas Higher Education Coordinating
7 Board shall allocate \$8.75 million each year to establish
8 mathematics, science, and technology teacher preparation academies
9 under Section 21.462 and implement and administer the program under
10 Section 29.098.

11 (b) The Texas Higher Education Coordinating Board shall
12 establish mathematics, science, and technology teacher preparation
13 academies under Section 21.462 and implement and administer the
14 program under Section 29.098 in a manner consistent with the goals
15 of this subchapter and the goals in "Closing the Gaps," the state's
16 master plan for higher education.

17 Sec. 39.414 [~~39.364~~]. PRIVATE FUNDING. The commissioner of
18 education or the commissioner of higher education, as appropriate,
19 may accept gifts, grants, or donations to fund a grant administered
20 under this subchapter.

21 Sec. 39.415 [~~39.365~~]. REPORTS. (a) Not later than
22 December 1 of each even-numbered year, the agency shall prepare and
23 deliver a report to the legislature that recommends any statutory
24 changes the council considers appropriate to promote high school
25 completion and college and workforce readiness.

26 (b) Not later than March 1 and September 1 of each year, the
27 commissioner of education shall prepare and deliver a progress

1 report to the presiding officers of the standing committees of each
2 house of the legislature with primary jurisdiction over public
3 education, the Legislative Budget Board, and the Governor's Office
4 of Policy and Planning on:

5 (1) the implementation of Sections 7.031, 21.4511,
6 21.4541, 21.462, 28.008(d-1), 28.0212(d), 29.095-29.098, 29.911,
7 29.917-29.919, and 39.235 [~~39.115~~] and this subchapter;

8 (2) the programs supported by grants approved under
9 this subchapter; and

10 (3) the alignment of grants and programs to the
11 strategic plan adopted under Section 39.407 [~~39.357~~].

12 Sec. 39.416 [~~39.366~~]. RULES. The commissioner of education
13 and the commissioner of higher education shall adopt rules as
14 necessary to administer this subchapter and any programs under the
15 authority of the commissioner of education or the commissioner of
16 higher education and the council under this subchapter.

17 SECTION 24. Section 51.3062, Education Code, is amended by
18 adding Subsection (q-1) to read as follows:

19 (q-1) A student who has completed a recommended or advanced
20 high school program as determined under Section 28.025 and
21 demonstrated the performance standard for college readiness as
22 provided by Section 39.024 on the Algebra II and English III
23 end-of-course assessment instruments is exempt from the
24 requirements of this section with respect to those content areas.
25 The commissioner of higher education by rule shall establish the
26 period for which an exemption under this subsection is valid.

27 SECTION 25. Section 51.807, Education Code, as amended by

1 Chapters 941 (H.B. 3826) and 1369 (H.B. 3851), Acts of the 80th
2 Legislature, Regular Session, 2007, is reenacted to read as
3 follows:

4 Sec. 51.807. RULEMAKING. (a) The Texas Higher Education
5 Coordinating Board may adopt rules relating to the operation of
6 admissions programs under this subchapter, including rules
7 relating to the identification of eligible students.

8 (b) The Texas Higher Education Coordinating Board, after
9 consulting with the Texas Education Agency, by rule shall establish
10 standards for determining for purposes of this subchapter:

11 (1) whether a private high school is accredited by a
12 generally recognized accrediting organization; and

13 (2) whether a person completed a high school
14 curriculum that is equivalent in content and rigor to the
15 curriculum requirements established under Section 28.025 for the
16 recommended or advanced high school program.

17 SECTION 26. Chapter 61, Education Code, is amended by
18 adding Subchapter T-1 to read as follows:

19 SUBCHAPTER T-1. CAREER AND TECHNICAL EDUCATION

20 Sec. 61.861. DEVELOPMENT OF MATHEMATICS AND SCIENCE COURSES
21 FOR HIGH-DEMAND OCCUPATIONS. (a) The commissioner of higher
22 education, in consultation with the comptroller and the Texas
23 Workforce Commission, may award a grant in an amount not to exceed
24 \$1 million to an institution of higher education to develop
25 advanced mathematics and science courses to prepare high school
26 students for employment in a high-demand occupation. The
27 commissioner of higher education, the comptroller, and the Texas

1 Workforce Commission shall jointly determine what is considered a
2 high-demand occupation for purposes of this subchapter.

3 (b) An institution of higher education shall work in
4 partnership with at least one independent school district and a
5 business entity in developing a course for purposes of this
6 section.

7 (c) A course developed for purposes of this section must:

8 (1) provide content that enables a student to develop
9 the relevant and critical skills needed to be prepared for
10 employment or additional training in a high-demand occupation;

11 (2) incorporate college and career readiness skills as
12 part of the curriculum;

13 (3) be offered for dual credit; and

14 (4) satisfy a mathematics or science requirement under
15 the recommended or advanced high school program as determined under
16 Section 28.025.

17 (d) An institution of higher education shall periodically
18 review and revise the curriculum for a course developed for
19 purposes of this section to accommodate changes in industry
20 standards for the high-demand occupation.

21 Sec. 61.862. GRANT APPLICATION CRITERIA. The commissioner
22 of higher education, in consultation with the comptroller and the
23 Texas Workforce Commission, shall establish application criteria
24 for a grant under this subchapter and in making an award, shall give
25 priority to courses that:

26 (1) will prepare students for high-demand, high-wage,
27 and high-skill occupations;

1 (2) may be transferred as college credit to multiple
2 institutions of higher education; and

3 (3) are developed as part of a sequence of courses that
4 includes statewide availability of the instructional materials and
5 training for the courses at a nominal cost to public educational
6 institutions in this state.

7 Sec. 61.863. USE OF FUNDS. An institution of higher
8 education may use funds awarded under this section to develop, in
9 connection with a course described by Section 61.861:

10 (1) curriculum;

11 (2) assessments; or

12 (3) instructional materials, including
13 technology-based supplemental materials.

14 Sec. 61.864. REVIEW OF COURSES. Courses developed for
15 which a grant is awarded under this subchapter shall be reviewed by
16 the commissioner of higher education, in consultation with the
17 comptroller and the Texas Workforce Commission, once every four
18 years to determine whether the course:

19 (1) is being used by public educational institutions
20 in this state; and

21 (2) prepares high school students with the skills
22 necessary for employment in the high-demand occupation.

23 Sec. 61.865. MATCHING CONTRIBUTION REQUIRED. An
24 institution of higher education awarded a grant under this
25 subchapter must obtain from one or more business entities in the
26 industry for which students taking courses developed under Section
27 61.861 are training, in a total amount equal to the amount of the

1 state grant:

2 (1) gifts, grants, or donations of funds; or

3 (2) contributions of property that may be used in
4 providing the courses.

5 Sec. 61.866. LIMITATION ON TOTAL AMOUNT OF GRANTS. In any
6 state fiscal biennium, the total amount of grants awarded under
7 this subchapter may not exceed \$10 million.

8 Sec. 61.867. FUNDING OF GRANTS. The commissioner of higher
9 education shall administer this section using available
10 appropriations and gifts, grants, and donations made for the
11 purposes of this subchapter.

12 SECTION 27. The following sections of the Education Code
13 are repealed:

14 (1) Section 39.0234;

15 (2) Section 39.025(b-1);

16 (3) Sections 39.032(a), (b), and (d); and

17 (4) Sections 39.034(e), (f), and (g).

18 SECTION 28. (a) Not later than January 1, 2010, the Texas
19 Education Agency shall prepare a transition plan containing a
20 detailed description of the process the commissioner of education
21 will use to implement this Act.

22 (b) In developing the transition plan, the Texas Education
23 Agency shall consult with stakeholders in public primary and
24 secondary education.

25 SECTION 29. To the extent of any conflict, the reenactment
26 by this Act of Section 51.807, Education Code, prevails over
27 another Act of the 81st Legislature, Regular Session, 2009,

1 relating to nonsubstantive additions to and corrections in enacted
2 codes.

3 SECTION 30. Section 11.203(d), Education Code, as amended
4 by this Act, applies only to a principal employed at a school that
5 is rated academically unacceptable during the 2008-2009 school
6 year.

7 SECTION 31. (a) Except as provided by this section, this
8 Act applies beginning with the 2009-2010 school year.

9 (b) Sections 39.023(e) and 39.053(g), Education Code, as
10 amended by this Act, apply immediately.

11 (c) Except as provided by Subsection (b) of this section,
12 Subchapter C, Chapter 39, Education Code, as amended by this Act,
13 applies beginning with the 2011-2012 school year.

14 (d) Except as provided by Subsection (e) of this section,
15 Subchapter E, Chapter 39, Education Code, as amended by this Act,
16 applies as provided by the transition plan adopted by the
17 commissioner of education under Section 39.116, Education Code, as
18 added by this Act.

19 (e) Notwithstanding any other provision of this Act, the
20 commissioner of education may immediately apply any exceptions to
21 interventions and sanctions under Subchapter E, Chapter 39,
22 Education Code, as amended by this Act, to interventions and
23 sanctions under Subchapter G, Chapter 39, Education Code, as that
24 law existed prior to amendment by this Act.

25 SECTION 32. This Act takes effect immediately if it
26 receives a vote of two-thirds of all the members elected to each
27 house, as provided by Section 39, Article III, Texas Constitution.

1 If this Act does not receive the vote necessary for immediate
2 effect, this Act takes effect September 1, 2009.

ADOPTED

APR 29 2009



ENGROSSED RIDER NO. 2

Robert Hanes
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 1

BY: [Signature]

1 Amend C.S.H.B. No. 3 as follows:

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

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

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

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

22 (a) Except as provided by Section 29.001(5), 29.010(a),
23 39.056 [~~39.074~~], or 39.057 [~~39.075~~], the agency may monitor
24 compliance with requirements applicable to a process or program
25 provided by a school district, campus, program, or school granted
26 charters under Chapter 12, including the process described by
27 Subchapter F, Chapter 11, or a program described by Subchapter B, C,
28 D, E, F, H, or I, Chapter 29, Subchapter A, Chapter 37, or Section
29 38.003, and the use of funds provided for such a program under

1 Subchapter C, Chapter 42, only as necessary to ensure:

2 (1) compliance with federal law and regulations;

3 (2) financial accountability, including compliance
4 with grant requirements; and

5 (3) data integrity for purposes of:

6 (A) the Public Education Information Management
7 System (PEIMS); and

8 (B) accountability under Chapter 39.

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

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

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

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

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

21 (3) other campuses.

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

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

27 (2) training and assistance in providing each program
28 that qualifies for a funding allotment under Section 42.151,
29 42.152, 42.153, or 42.156;

30 (3) assistance specifically designed for a school
31 district or campus assigned an [~~rated academically~~] unacceptable

1 performance rating under Section 39.054 [~~39.072(a) or a campus~~
2 ~~whose performance is considered unacceptable based on the~~
3 ~~indicators adopted under Section 39.051~~];

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

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

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

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

14 Sec. 11.001. ACCREDITATION. Each school district must be
15 accredited by the agency as provided by Subchapter C [~~D~~], Chapter
16 39.

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

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

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

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

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

30 (B) promote the efficient operation of the
31 district.

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

3 (b) The board shall:

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

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

10 (3) establish performance goals for the district
11 concerning:

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

15 (B) any performance indicators adopted by the
16 district;

17 (4) ensure that the superintendent:

18 (A) is accountable for achieving performance
19 results;

20 (B) recognizes performance accomplishments; and

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

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

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

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

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

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

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

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

8 (12) conduct elections as required by law;

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

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

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

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

21 (d) The duties of the superintendent include:

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

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

31 (3) overseeing compliance with the standards for

1 school facilities established by the commissioner under Section
2 46.008;

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

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

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

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

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

19 (9) providing leadership for the attainment and, if
20 necessary, improvement of student performance in the district based
21 on the indicators adopted under Sections 39.053 and 39.301 [~~Section~~
22 ~~39.051~~] and other indicators adopted by the commissioner [~~State~~
23 ~~Board of Education~~] or the district's board of trustees;

24 (10) organizing the district's central
25 administration;

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

28 (12) ensuring:

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

1 (B) adoption and enforcement of other student
2 disciplinary rules and procedures as necessary;

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

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

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

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

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

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

24 (1) a comprehensive needs assessment addressing
25 district student performance on the student achievement [~~academic
26 excellence~~] indicators, and other appropriate measures of
27 performance, that are disaggregated by all student groups served by
28 the district, including categories of ethnicity, socioeconomic
29 status, sex, and populations served by special programs, including
30 students in special education programs under Subchapter A, Chapter
31 29;

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

7 (3) strategies for improvement of student performance
8 that include:

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

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

14 (C) dropout reduction;

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

17 (E) discipline management;

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

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

23 (H) accelerated education;

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

27 (A) higher education admissions and financial
28 aid opportunities;

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

31 (C) the need for students to make informed

1 curriculum choices to be prepared for success beyond high school;
2 and

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

5 (5) resources needed to implement identified
6 strategies;

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

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

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

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

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

25 (d) Each campus improvement plan must:

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

29 (2) set the campus performance objectives based on the
30 student achievement [~~academic excellence~~] indicator system,
31 including objectives for special needs populations, including

1 students in special education programs under Subchapter A, Chapter
2 29;

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

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

7 (5) identify staff needed to implement the plan;

8 (6) set timelines for reaching the goals;

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

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

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

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

18 (a) Each district-level planning and decision-making
19 committee and each campus-level planning and decision-making
20 committee for a junior, middle, or high school campus shall analyze
21 information related to dropout prevention, including:

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

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

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

30 (A) do not complete the program;

31 (B) complete the program but do not take the high

1 school equivalency examination; or

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

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

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

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

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

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

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

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

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

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

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

28 (D) student admissions under Section 25.001;

29 (E) school attendance under Sections 25.085,
30 25.086, and 25.087;

31 (F) inter-district or inter-county transfers of

1 students under Subchapter B, Chapter 25;

2 (G) elementary class size limits under Section
3 25.112, in the case of any campus in the district that is below any
4 standard [~~considered academically unacceptable~~] under Section
5 39.054(e) [~~39.132~~];

6 (H) high school graduation under Section 28.025;

7 (I) special education programs under Subchapter
8 A, Chapter 29;

9 (J) bilingual education under Subchapter B,
10 Chapter 29;

11 (K) prekindergarten programs under Subchapter E,
12 Chapter 29;

13 (L) safety provisions relating to the
14 transportation of students under Sections 34.002, 34.003, 34.004,
15 and 34.008;

16 (M) computation and distribution of state aid
17 under Chapters 31, 42, and 43;

18 (N) extracurricular activities under Section
19 33.081;

20 (O) health and safety under Chapter 38;

21 (P) public school accountability under
22 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

23 (Q) equalized wealth under Chapter 41;

24 (R) a bond or other obligation or tax rate under
25 Chapters 42, 43, and 45; and

26 (S) purchasing under Chapter 44.

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

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

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

1 offense; and

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

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

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

10 (C) high school graduation under Section 28.025;

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

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

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

17 (G) extracurricular activities under Section
18 33.081;

19 (H) health and safety under Chapter 38; and

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

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

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

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

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

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

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

5 (E) recommending policies to be adopted by the
6 governing body of the school, developing appropriate procedures to
7 implement policies adopted by the governing body of the school, and
8 overseeing the implementation of adopted policies; and

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

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

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

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

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

29 (2) notwithstanding any provision of Section
30 12.1054(1), an employee of an open-enrollment charter school rated
31 [~~as academically~~] acceptable or higher under Section 39.054

1 [~~Chapter 39~~] for at least two of the preceding three school years
2 may serve as a member of the governing body of the charter holder of
3 the governing body of the school if the employees do not constitute
4 a quorum of the governing body or any committee of the governing
5 body; however, all members shall comply with the requirements of
6 Sections 171.003-171.007, Local Government Code.

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

9 (b) Notwithstanding Subsection (a), if an open-enrollment
10 charter school is rated [~~academically~~] acceptable or higher under
11 Section 39.054 [~~Chapter 39~~] for at least two of the preceding three
12 school years, then Chapter 573, Government Code, does not apply to
13 that school; however, a member of the governing body of a charter
14 holder or a member of the governing body or officer of an
15 open-enrollment charter school shall comply with the requirements
16 of Sections 171.003-171.007, Local Government Code, with respect to
17 a personnel matter concerning a person related to the member or
18 officer within the degree specified by Section 573.002, Government
19 Code, as if the personnel matter were a transaction with a business
20 entity subject to those sections, and persons defined under
21 Sections 573.021-573.025, Government Code, shall not constitute a
22 quorum of the governing body or any committee of the governing body.

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

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

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

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

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

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

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

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

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

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

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

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

3 (b) A school district or campus is eligible to participate
4 in the pilot program under this section if the district or campus
5 meets the eligibility criteria established as provided by Section
6 39.408 [~~39.358~~].

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

9 (c) The commissioner by rule shall require a teacher to
10 attend a reading academy if the teacher provides instruction in
11 reading, mathematics, science, or social studies to students at the
12 sixth, seventh, or eighth grade level at a campus that is below any
13 standard [~~is considered academically unacceptable~~] under Section
14 39.054(e) [~~39.132~~] on the basis of student performance on the
15 reading assessment instrument administered under Section 39.023(a)
16 to students in any grade level at the campus.

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

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

21 (1) is ranked by the agency in the top half of this
22 state's elementary school campuses, middle or junior high school
23 campuses, high school campuses, or campuses for students of all
24 grade levels, as applicable, in the percentage of educationally
25 disadvantaged students enrolled at the campus; and

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

31 (5) Add the following appropriately numbered SECTIONS to

1 the bill (page 5, between lines 11 and 12):

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

4 (j) No more than 15 percent of the funds certified by the
5 commissioner under Subsection (i) may be spent on indirect
6 costs. The commissioner shall evaluate the programs that fail to
7 meet the standard of performance under Section 39.301(b)(4)
8 [~~39.051(b)(8)~~] and may implement interventions or sanctions under
9 Subchapter E [~~G~~], Chapter 39. The commissioner may audit the
10 expenditures of funds appropriated for purposes of this
11 section. The use of the funds appropriated for purposes of this
12 section shall be verified as part of the district audit under
13 Section 44.008.

14 SECTION _____. Section 28.014(d), Education Code, is amended
15 to read as follows:

16 (d) The agency, in coordination with the Texas Higher
17 Education Coordinating Board, shall adopt a series of questions to
18 be included in an end-of-course assessment instrument administered
19 under Subsection (c) to be used for purposes of Section
20 51.3062. The questions must be developed in a manner consistent
21 with any college readiness standards adopted under Sections 39.233
22 [~~39.113~~] and 51.3062. A student's performance on a question
23 adopted under this subsection may not be used to determine the
24 student's performance on an end-of-course assessment instrument.

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

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

28 (k) The commissioner shall adopt rules as necessary to
29 implement this section, including rules concerning when school
30 districts shall administer assessment instruments required under
31 this section and which administration of the assessment instruments

1 will be used for purposes of Section 39.053 [~~39.051~~].

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

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

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

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

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

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

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

26 (c) The commissioner may award a grant in an amount not to
27 exceed \$5,000 in a school year to a school district on behalf of a
28 student club at a district high school campus that is eligible under
29 the criteria established under Section 39.408 [~~39.358~~]. To be
30 eligible for a grant, the student club and the club's sponsor must
31 be sanctioned by the campus and district. A grant awarded under this

1 program must be matched by other federal, state, or local funds,
2 including donations, in an amount equal to the amount of the grant.
3 A district shall seek donations or sponsorships from local
4 businesses or community organizations to raise the matching
5 funds. The commissioner may award a grant on behalf of more than
6 one student club at a campus in the same school year.

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

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

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

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

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

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

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

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

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

31 SECTION _____. Section 29.202(a), Education Code, is amended

1 to read as follows:

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

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

10 (2) that was, at any time in the preceding three years,
11 below any standard [~~considered academically unacceptable~~] under
12 Section 39.054(e) [~~39.132~~].

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

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

17 (e) The agency shall:

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

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

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

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

28 (3) include in the report required under Section
29 39.332 [~~39.182~~]:

30 (A) based on data reported by districts, the
31 impact of character education programs on student discipline and

1 academic achievement; and

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

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

6 (a) Notwithstanding Section 39.234 [~~39.114~~] or 42.152, a
7 school district or open-enrollment charter school with a high
8 dropout rate, as determined by the commissioner, must submit a plan
9 to the commissioner describing the manner in which the district or
10 charter school intends to use the compensatory education allotment
11 under Section 42.152 and the high school allotment under Section
12 42.2516(b)(3) for developing and implementing research-based
13 strategies for dropout prevention. The district or charter school
14 shall submit the plan not later than December 1 of each school year
15 preceding the school year in which the district or charter school
16 will receive the compensatory education allotment or high school
17 allotment to which the plan applies.

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

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

25 Sec. 30A.101. ELIGIBILITY TO ACT AS PROVIDER SCHOOL
26 DISTRICT OR SCHOOL. (a) A school district is eligible to act as a
27 provider school district under this chapter only if the district is
28 rated [~~academically~~] acceptable or higher under Section 39.054
29 [~~39.072~~].

30 (b) An open-enrollment charter school is eligible to act as
31 a provider school under this chapter only if the school is rated

1 acceptable [~~recognized~~] or higher under Section 39.054 [~~39.072~~],
2 and may serve as a provider school only:

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

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

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

10 (a) After the expiration of the pilot project, the agency
11 may review the pilot project based on the annual reports the agency
12 receives from the board of trustees of participating school
13 districts. The agency may include the review of the pilot project
14 in the comprehensive annual report required under Section 39.332
15 [~~39.182~~] that covers the 2010-2011 school year.

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

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

20 (b) The Foundation School Program consists of:

21 (1) two tiers that in combination provide for:

22 (A) sufficient financing for all school
23 districts to provide a basic program of education that is rated
24 [~~academically~~] acceptable or higher under Section 39.054 [~~39.072~~]
25 and meets other applicable legal standards; and

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

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

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

31 SECTION _____. Section 302.006(c), Labor Code, is amended to

1 read as follows:

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

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

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

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

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

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

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

20 (13) Renumber SECTIONS of the bill accordingly.



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

ENGROSSED RIDER NO. 3

FLOOR AMENDMENT NO. 2

BY: Guillen

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 4, line 26, strike "and (c-2)" and substitute "
3 (c-2), and (d)".

4 (2) On page 5, between lines 11 and 12, insert the
5 following:

6 (d) Each time the Texas Higher Education Coordinating Board
7 revises the Internet database of the coordinating board's official
8 statewide inventory of workforce education courses, the State Board
9 of Education shall by rule revise the essential knowledge and
10 skills of any corresponding career and technology education
11 curriculum as provided by Subsection (c).



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 4

BY: Patrick M Rose

1 Amend C.S.H.B. No. 3 (house committee report) on page 15,
 2 line 12, immediately following added Section 28.027(a), Education
 3 Code, by inserting the following:
 4 A career and technical course approved under this subsection must
 5 cover the essential knowledge and skills identified under Section
 6 28.002 for the subject for which the career and technical course is
 7 offered as an alternative. A student completing a career and
 8 technical course approved under this subsection must be
 9 administered any end-of-course assessment instrument required for
 10 the course for which the career and technical course is offered as
 11 an alternative.

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 5

BY: Guillen

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 16, between lines 20 and 21, insert the
3 following:

4 SECTION ____ . Section 29.182(b), Education Code, is amended
5 to read as follows:

6 (b) The state plan must include procedures designed to
7 ensure that:

8 (1) all secondary and postsecondary students have the
9 opportunity to participate in career and technology education
10 programs;

11 (2) the state complies with requirements for
12 supplemental federal career and technology education funding; and

13 (3) career and technology education is established as
14 a part of the total education system of this state and constitutes
15 an option for student learning that provides a rigorous course of
16 study consistent with the required curriculum under Section 28.002
17 and under which a student may receive specific education in a career
18 and technology program that:

19 (A) incorporates competencies leading to
20 academic and technical skill attainment;

21 (B) leads to:

22 (i) an industry-recognized license,
23 credential, or certificate; or

24 (ii) at the postsecondary level, an
25 associate or baccalaureate degree;

26 (C) includes opportunities for students to earn
27 college credit for coursework; and

28 (D) includes, as an integral part of the program,
29 participation by students and teachers in activities of career and

1 technical student organizations supported by the agency and the
2 State Board of Education.

3 (2) Appropriately number or renumber SECTIONS of the bill.



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 6

BY:

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 11, line 19, strike "and (b-5)" and substitute

3 "(b-5), and (b-6)".

4 (2) On page 14, between lines 20 and 21, insert the

5 following:

6 (b-6) The State Board of Education, in coordination with the

7 Texas Higher Education Coordinating Board, shall adopt rules to

8 ensure that a student may comply with the curriculum requirements

9 under the minimum, recommended, or advanced high school program for

10 each subject of the foundation curriculum under Section

11 28.002(a)(1) and for languages other than English under Section

12 28.002(a)(2)(A) by successfully completing appropriate courses in

13 the core curriculum of an institution of higher education under

14 Section 61.822.

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



811107

FLOOR AMENDMENT NO. 7

BY: Guillen/Dutton

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) Strike "minimum" each time it appears in the bill and
3 substitute "^{BASIC}~~standard~~" as follows:

4 (A) On page 5, line 3;

5 (B) On page 11, line 26;

6 (C) On page 13, line 9;

7 (D) On page 14, line 6;

8 (E) On page 15, line 11;

9 (F) On page 29, line 17;

10 (G) On page 29, line 25; and

11 (H) On page 57, line 13.

12 (2) Strike "minimum" each time it appears in the bill and
13 substitute "^{BASIC}~~standard~~ [minimum]" as follows:

14 (A) On page 11, line 21; and

15 (B) On page 12, line 11.



ADOPTED

APR 29 2009

Robert Hanes
Chief Clerk
House of Representatives

BY:

ENGROSSED RIDER NO. 8

FLOOR AMENDMENT NO. 9

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 20, strike line 13 and substitute the following:

3 SUBCHAPTER A. GENERAL PROVISIONS; STATE MASTER PLAN TO CLOSE

4 ACADEMIC ACHIEVEMENT GAPS IN PUBLIC EDUCATION

5 (2) On page 20, between lines 15 and 16, insert the
6 following:

7 Sec. 39.002. SELECT COMMITTEE ON CLOSING THE GAPS IN PUBLIC
8 EDUCATION. (a) The select committee on closing the gaps in public
9 education is established to:

10 (1) advise the governor, the legislature, the
11 commissioner of higher education, and the commissioner, and to
12 inform the public, regarding progress toward achieving the
13 educational objectives and goals of the state; and

14 (2) serve as a public forum for the discussion of ideas
15 regarding public education.

16 (b) The committee is composed of 19 members appointed as
17 follows:

18 (1) the presiding officers of the standing committees
19 of each house of the legislature with primary jurisdiction over
20 public education;

21 (2) two members of the senate, appointed by the
22 lieutenant governor;

23 (3) two members of the house of representatives,
24 appointed by the speaker of the house of representatives;

25 (4) the commissioner;

26 (5) the commissioner of higher education;

27 (6) one public school teacher, one primary school
28 principal, one secondary school principal, one open-enrollment
29 charter school representative, and one public school district

1 superintendent, each currently employed in this state and each
2 appointed jointly by the lieutenant governor and the speaker of the
3 house of representatives;

4 (7) one representative of the Texas Workforce
5 Commission, appointed by the governor;

6 (8) one representative of the State Board of
7 Education, appointed by the governor;

8 (9) one representative from the business community who
9 has at least one child who attends public school in this state,
10 appointed by the governor;

11 (10) one representative of the public who has at least
12 one child who attends public school in this state, appointed by the
13 governor;

14 (11) one representative from the college of education
15 at an institution of higher education, appointed by the governor;
16 and

17 (12) one student enrolled in a public school or
18 open-enrollment charter school, appointed by the governor.

19 (c) Appointed members of the committee serve two-year terms
20 that expire August 31 of each odd-numbered year. An appointed
21 member of the committee may be reappointed.

22 (d) The governor, lieutenant governor, and speaker of the
23 house of representatives shall make the first appointments required
24 by Subsection (b) in a timely fashion to permit the committee to
25 comply with Section 39.003(a). This subsection expires January 1,
26 2010.

27 Sec. 39.003. COMMITTEE MEETINGS. (a) Not later than
28 October 1, 2009, the committee shall hold an organizational
29 meeting.

30 (b) The presiding officers described by Section
31 39.002(b)(1) serve as co-chairs of the committee.

1 (c) Committee meetings shall be held at least quarterly at
2 the written call of the co-chairs.

3 Sec. 39.004. COMPENSATION AND REIMBURSEMENT. (a) A member
4 of the committee is entitled to reimbursement for actual and
5 necessary expenses incurred in performing committee duties.

6 (b) A legislative member of the committee is entitled to
7 reimbursement from the appropriate fund of the house of the
8 legislature in which the member serves.

9 (c) A member other than a legislative member is entitled to
10 reimbursement from funds appropriated to the Texas Legislative
11 Council for the committee's operations.

12 Sec. 39.005. COMMITTEE STAFF. (a) The co-chairs of the
13 committee may appoint a committee director and staff to support the
14 work of the committee.

15 (b) The director and staff members are employees of the
16 Texas Legislative Council and shall be paid from funds appropriated
17 to the council for the committee's operations.

18 Sec. 39.006. MASTER PLAN FOR PUBLIC EDUCATION. (a) The
19 committee shall develop, adopt, and periodically review and revise
20 a master plan for public education. In adopting and revising the
21 plan, the committee shall periodically conduct public hearings
22 throughout the state and solicit testimony from public school
23 students, parents of public school students, educators, employers,
24 and other interested persons.

25 (b) The plan adopted by the committee must identify specific
26 short-term goals that will assist the state in meeting the
27 objectives and goals for public education as described in Chapter
28 4. The plan must include:

29 (1) methods to:

30 (A) close achievement gaps between students in
31 this state and students in other states;

1 (B) reduce dropout rates;
2 (C) increase completion rates;
3 (D) define and measure readiness for college and
4 employment;
5 (E) strengthen partnerships between primary and
6 secondary education and higher education;
7 (F) implement revisions to the state public
8 education accountability system; and
9 (G) promote efficient and effective support
10 structures for public schools; and
11 (2) specific recommendations for passing standards
12 for students, schools, and school districts that will ensure that
13 the state will rank among the top 10 states by 2020 in terms of
14 students' readiness for college.
15 (c) Not later than January 1, 2011, and January 1 of each
16 following year, the committee shall adopt and publish a report that
17 describes the progress toward accomplishing the educational
18 objectives and goals of the state. The report must include specific
19 recommendations for:
20 (1) passing standards on state achievement tests;
21 (2) school accreditation for the next academic year;
22 and
23 (3) statutory changes as appropriate.
24 (d) The committee may commission external analyses and
25 reviews as appropriate to support the committee's work.
26 (e) Nothing in this section may be construed to infringe on
27 the responsibilities and duties of the governor, the legislature,
28 the commissioner of higher education, or the commissioner as
29 otherwise required by this code.
30 (f) The agency, the Texas Higher Education Coordinating
31 Board, the comptroller, the Legislative Budget Board, the Texas

1 Workforce Commission, and any other state agency shall assist the
2 committee, including by responding to requests for information and
3 participating in discussions regarding the future of public
4 education in this state.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 10

BY: Hoolberg

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 20, line 17, between "Subsections" and "(c-4)"
3 insert "(b),".

4 (2) On page 20, between lines 26 and 27, insert the
5 following:

6 (b) The agency shall develop or adopt appropriate
7 criterion-referenced alternative assessment instruments to be
8 administered to each student in a special education program under
9 Subchapter A, Chapter 29, [~~who receives modified instruction in the~~
10 ~~essential knowledge and skills identified under Section 28.002 for~~
11 ~~the assessed subject but~~] for whom an assessment instrument adopted
12 under Subsection (a), even with allowable accommodations
13 [~~modifications~~], would not provide an appropriate measure of
14 student achievement, as determined by the student's admission,
15 review, and dismissal committee. [~~The assessment instruments~~
16 ~~required under this subsection must assess essential knowledge and~~
17 ~~skills and growth in the subjects of reading, mathematics, and~~
18 ~~writing. A student's admission, review, and dismissal committee~~
19 ~~shall determine whether any allowable modification is necessary in~~
20 ~~administering to the student an assessment instrument required~~
21 ~~under this subsection. The assessment instruments required under~~
22 ~~this subsection shall be administered on the same schedule as the~~
23 ~~assessment instruments administered under Subsection (a).]~~



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

AS Amended

FLOOR AMENDMENT NO. 11

BY:

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 20, line 17, strike "Subsection (a-1)" and
3 substitute "Subsections (a-1) and (o)".

4 (2) On page 22, between lines 7 and 8, insert the following:

5 (o) Notwithstanding Subsection (c) or Section 39.025, a
6 student is exempt from the administration of an end-of-course
7 assessment instrument otherwise required under Subsection (c) or
8 Section 39.025 if the student receives college credit through a
9 program implemented under Section 28.009 for a course in the
10 subject area of the course for which the end-of-course assessment
11 instrument was adopted. This subsection does not prohibit a
12 student entitled to an exemption from electing to participate in
13 the administration of an assessment instrument, provided that the
14 student's performance on the assessment instrument in that
15 circumstance is considered in the same manner as performance is
16 considered for other students. The State Board of Education may
17 adopt rules necessary to implement this subsection.

18 (3) On page 135, between lines 10 and 11, insert the
19 following:

20 (c) Section 39.023(o), Education Code, as added by this Act,
21 applies beginning with a student who earns college credit during
22 the 2010-2011 school year.

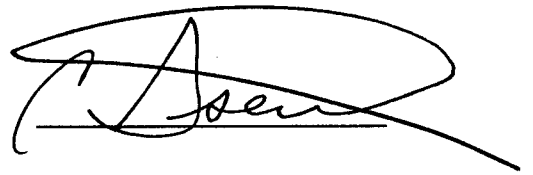
23 (4) On page 135, line 11, strike "(c)" and substitute "(d)".

24 (5) On page 135, line 14, strike "(d)" and substitute "(e)"
25 and strike "Subsection (e)" and substitute "Subsection (f)".

26 (6) On page 135, line 19, strike "(e)" and substitute "(f)".



FLOOR AMENDMENT NO. 12

BY: 

1 Amend the Isett amendment ⁴¹¹ to C.S.H.B. No. 3 on page 1, line
 2 16, of the amendment, between "Education" and "may" by inserting
 3 ", the commissioner, and the Texas Higher Education Coordinating
 4 Board".

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 13

BY: *Al Edwards*

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 4, line 26, strike "(c-1) and (c-2)" and
3 substitute "(c-1), (c-2), and (n-1)".

4 (2) On page 5, between lines 11 and 12, insert the
5 following:

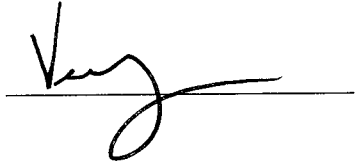
6 (n-1) The State Board of Education shall by rule ensure
7 that the career and technology education curriculum under
8 Subsection (a)(2)(F) offered at the high school level includes
9 essential knowledge and skills specifically designed to prepare
10 students to enter the workforce. The State Board of Education
11 shall identify essential knowledge and skills that address the
12 social and emotional aspects of entering the workforce, as well
13 as practical aspects such as interviewing skills, workforce
14 etiquette, and dress and grooming standards.

15 (3) On page 135, between lines 8 and 9, insert the
16 following:

17 (a-1) Section 28.002(n-1), Education Code, as added by
18 this Act, applies beginning with the 2010-2011 school year.



FLOOR AMENDMENT NO. 15

BY: 

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

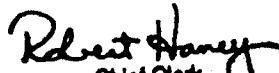
2 (1) On page 15, line 27, strike "Approval" and substitute
3 "Subject to Subsection (d-1), approval".

4 (2) On page 16, between lines 6 and 7, insert the
5 following:

6 (d-1) At any time after the date of approval of a course
7 obtained under this section and on the request of a member of
8 the legislature or a member of the board of trustees of a school
9 district, the board shall review its approval of a course
10 obtained under this section. The board may revoke its approval
11 of the course based on the review.

ADOPTED

APR 29 2009


Chief Clerk
House of Representatives

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 16

BY: *Halberg*

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 20, lines 17-18, strike "(c-4), (e), and (l)"
3 and substitute "(c), (c-4), (d), (e), (l), and (m)".

4 (2) On page 20, between lines 26 and 27, insert the
5 following:

6 (c) The agency shall also adopt end-of-course assessment
7 instruments for secondary-level courses in Algebra I, Algebra II,
8 geometry, biology, chemistry, physics, English I, English II,
9 English III, world geography, world history, and United States
10 history. The Algebra I, Algebra II, and geometry end-of-course
11 assessment instruments must be administered with the aid of
12 technology. A school district shall comply with State Board of
13 Education rules regarding administration of the assessment
14 instruments listed in this subsection and shall adopt a policy that
15 requires a student's performance on an end-of-course assessment
16 instrument for a course listed in this subsection in which the
17 student is enrolled to account for 15 percent of the student's final
18 grade for the course. If a student retakes an end-of-course
19 assessment instrument for a course listed in this subsection, as
20 provided by Section 39.025, a school district is not required to use
21 the student's performance on the subsequent administration or
22 administrations of the assessment instrument to determine the
23 student's final grade for the course. If a student is in a special
24 education program under Subchapter A, Chapter 29, the student's
25 admission, review, and dismissal committee shall determine whether
26 any allowable modification is necessary in administering to the
27 student an assessment instrument required under this subsection [~~or~~
28 ~~whether the student should be exempted under Section~~
29 ~~39.027(a)(2)~~]. The State Board of Education shall administer the

1 assessment instruments. The State Board of Education shall adopt a
2 schedule for the administration of end-of-course assessment
3 instruments that complies with the requirements of Subsection
4 (c-3).

5 (3) On page 21, between lines 7 and 8, insert the following:

6 (d) The commissioner may participate in multistate efforts
7 to develop voluntary standardized end-of-course assessment
8 instruments. The commissioner by rule may require a school
9 district to administer an end-of-course assessment instrument
10 developed through the multistate efforts. The admission, review,
11 and dismissal committee of a student in a special education program
12 under Subchapter A, Chapter 29, shall determine whether any
13 allowable modification is necessary in administering to the student
14 an end-of-course assessment instrument [~~or whether the student
15 should be exempted under Section 39.027(a)(2)~~].

16 (4) On page 21, line 26, strike "Section 39.027(a)(3) or
17 (4)" and substitute "Section 39.027(a)(1) or (2) [~~39.027(a)(3) or
18 (4)~~]".

19 (5) On page 22, between lines 7 and 8, insert the following:

20 (m) The commissioner by rule shall develop procedures under
21 which the language proficiency assessment committee established
22 under Section 29.063 shall determine which students are exempt from
23 the administration of the assessment instruments under Section
24 39.027(a)(1) or (2) [~~39.027(a)(3) and (4)~~]. The rules adopted
25 under this subsection shall ensure that the language proficiency
26 assessment committee provides that the exempted students are
27 administered the assessment instruments under Subsections (a) and
28 (c) at the earliest practical date.

29 (6) On page 25, strike lines 2-6, and substitute the
30 following:

31 Sec. 39.0241. SATISFACTORY PERFORMANCE. (a) The

1 commissioner [~~Except as otherwise provided by this subsection, the~~
2 ~~State Board of Education~~] shall determine the level of performance
3 considered to be satisfactory on the assessment instruments.

4 (7) On page 25, line 15, strike "(a-2)" and substitute
5 "(b)".

6 (8) On page 26, strike lines 16-20 and substitute the
7 following:

8 [~~The admission, review, and dismissal committee of a student~~
9 ~~being assessed under Section 39.023(b) shall determine the level of~~
10 ~~performance considered to be satisfactory on the assessment~~
11 ~~instruments administered to that student in accordance with~~
12 ~~criteria established by agency rule.~~]

13 (9) On page 26, line 21, strike "shall" and substitute "may
14 [~~shall~~]".

15 (10) On page 27, lines 18-19, strike "2011-2012 school year"
16 and substitute "2009-2010 and 2010-2011 school years".

17 (11) On page 27, strike lines 23-25, and substitute the
18 following:

19 (2) the administration to a sufficiently large sample
20 of students throughout the state of end-of-course assessment
21 instruments required under Section 39.023(c) for the purpose of
22 setting performance standards.

23 (12) On page 30, lines 23-24, strike "a Scholastic
24 Assessment Test (SAT)" and substitute "an SAT [~~a Scholastic~~
25 ~~Assessment Test (SAT)~~]".

26 (13) On page 34, line 5, strike "Subsection (a-1)" and
27 substitute "Subsections (a-1) and (a-2)".

28 (14) On page 34, strike lines 7-23, and substitute the
29 following:

30 (a) A student may be administered an accommodated or
31 alternative assessment instrument or may be granted an exemption

1 ~~[exempted]~~ from or a postponement of the administration of an
2 assessment instrument under:

3 (1) ~~[Section 39.023(a) or (b) if the student is~~
4 ~~eligible for a special education program under Section 29.003 and~~
5 ~~the student's individualized education program does not include~~
6 ~~instruction in the essential knowledge and skills under Section~~
7 ~~28.002 at any grade level;~~

8 ~~[(2) Section 39.023(c) or (d) if the student is~~
9 ~~eligible for a special education program under Section 29.003 and:~~

10 ~~[(A) the student's individualized education~~
11 ~~program does not include instruction in the essential knowledge and~~
12 ~~skills under Section 28.002 at any grade level; or~~

13 ~~[(B) the assessment instrument, even with~~
14 ~~allowable modifications, would not provide an appropriate measure~~
15 ~~of the student's achievement as determined by the student's~~
16 ~~admission, review, and dismissal committee;~~

17 ~~[(3)]~~ Section 39.023(a) or (1) for a period of up to
18 one

19 (15) On page 35, line 1, strike "(4)" and substitute "(2)
20 ~~[(4)]~~".

21 (16) On page 35, lines 2-3, strike "Subdivision (3)" each
22 place it appears and substitute "Subdivision (1) ~~[(3)]~~".

23 (17) On page 35, line 8, strike "(5)" and substitute "(3)".

24 (18) On page 35, line 10, strike "Subdivision (3)" and
25 substitute "Subdivision (1)".

26 (19) On page 35, between lines 11 and 12, insert the
27 following:

28 (a-1) The language proficiency assessment committee
29 established under Section 29.063 shall determine whether a student
30 meets the criteria under Subsection (a)(1), (2), or (3). The
31 commissioner by rule shall develop procedures under which the

1 language proficiency assessment committee makes a determination
2 under this subsection. In adopting rules under this subsection,
3 the commissioner shall:

4 (1) consider the end-of-course requirements for
5 graduation for students; and

6 (2) ensure that the language proficiency assessment
7 committee requires students to be administered assessment
8 instruments under this section at the earliest practicable date.

9 (20) On page 35, line 12, strike "(a-1)" and substitute
10 "(a-2)".

11 (21) On page 36, lines 7 and 12, strike "Subsection (a)(3)
12 or (4)" each place it appears and substitute "Subsection (a)(1) or
13 (2) [~~(a)(3) or (4)~~]".

14 (22) On page 36, lines 13-14, strike "Sections 39.053 and"
15 and substitute "Section".

16 (23) On page 38, line 23, between "STATUS" and the period,
17 insert "OR PERFORMANCE RATING".

18 (24) On page 39, line 24, strike "accreditation status" and
19 substitute "performance rating".

20 (25) On page 40, line 11, after "district", insert a period.

21 (26) On page 40, strike line 12.

22 (27) On page 46, line 1, strike "as necessary to reach the
23 goal" and substitute "for accreditation as necessary to reach the
24 goals".

25 (28) On page 46, line 2, strike the comma and substitute ":
26 (1)".

27 (29) On page 46, line 5, between "readiness" and the period,
28 insert the following:

29 ; and

30 (2) student performance, including the percentage of
31 students graduating under the recommended or advanced high school

1 program, with no significant achievement gaps by race, ethnicity,
2 and socioeconomic status

3 (30) On page 47, lines 14-15, between "or" and
4 "performance", insert ", for campuses,".

5 (31) On page 49, line 18, strike "identify satisfactory" and
6 substitute "define acceptable".

7 (32) Strike page 49, line 25, through page 50, line 12, and
8 substitute the following:

9 (d) In evaluating performance under Subsection (c), the
10 commissioner may assign an acceptable performance rating if:

11 (1) the campus or district:

12 (A) performs satisfactorily on 85 percent of the
13 measures the commissioner determines appropriate with respect to
14 the student achievement indicators adopted under Sections
15 39.053(c)(1) and (3); and

16 (B) does not fail to perform satisfactorily on
17 the same measure described by Paragraph (A) for two consecutive
18 school years; or

19 (2) the campus or district satisfies any additional
20 criteria established by the commissioner.

21 (d-1) The commissioner may consider alternative performance
22 criteria to Subsection (d)(1)(A) only in special circumstances,
23 including campus or district performance on the same measure for
24 student groups that are substantially similar in composition to all
25 students on the same campus or district.

26 (33) On page 54, lines 4-5, strike "including the
27 accreditation status of a district or campus,".

28 (34) On page 58, line 7, between "status" and "under",
29 insert "or a district's or campus's performance rating".

30 (35) On page 65, strike lines 9-17.

31 (36) On page 68, strike lines 16-19 and substitute "is below

1 any standard under Section 39.054(e), the commissioner [~~39.073(b)~~],
2 ~~the campus is considered an academically unacceptable campus. The~~
3 ~~commissioner may permit the campus to participate in an~~".

4 (37) On page 76, lines 9-10, strike "accreditation status
5 below accredited" and substitute "unacceptable performance
6 rating".

7 (38) On page 78, strike lines 2-4, and substitute
8 "~~academically~~ unacceptable for two consecutive school years,
9 [~~including~~".

10 (39) On page 78, line 11, strike "accredited status" and
11 substitute "acceptable performance rating".

12 (40) On page 79, line 11, strike "accredited-probation
13 status under Section 39.101" and substitute "unacceptable
14 performance rating".

15 (41) On page 80, line 19, strike "accredited-probation
16 status under Section 39.101" and substitute "an unacceptable
17 performance rating".

18 (42) On page 81, line 5, strike "accredited status" and
19 substitute "acceptable performance rating".

20 (43) On page 82, line 27, through page 83, line 1, strike
21 "accredited-probation [~~academically unacceptable~~]" and substitute
22 "~~academically~~ unacceptable".

23 (44) On page 83, lines 23 and 24, strike "accredited-warned
24 or accredited-probation status under Section 39.101" and
25 substitute "unacceptable performance rating".

26 (45) Strike page 90, line 17, through page 91, line 9, and
27 substitute the following:

28 Sec. 39.116. TRANSITIONAL INTERVENTIONS AND SANCTIONS. (a)
29 During the period of transition to the accreditation system
30 established under __.B. No. 3, Acts of the 81st Legislature,
31 Regular Session, 2009, to be implemented in August 2013, the

1 commissioner may suspend assignment of accreditation statuses and
2 performance ratings for the 2011-2012 school year.

3 (b) During the 2011-2012 school year, the commissioner
4 shall continue to implement interventions and sanctions for
5 districts and campuses identified as having unacceptable
6 performance in the 2010-2011 school year in accordance with the
7 performance standards applicable during the 2010-2011 school year
8 and may increase or decrease the level of interventions and
9 sanctions based on an evaluation of the district's or campus's
10 performance.

11 (c) For purposes of determining multiple years of
12 unacceptable performance and required district and campus
13 interventions and sanctions under this subchapter, the performance
14 ratings and accreditation statuses issued in the 2010-2011 and
15 2012-2013 school years shall be considered consecutive.

16 (d) This section expires September 1, 2014.

17 (46) On page 91, line 14, strike "ACCREDITATION STATUS OR".

18 (47) On page 93, line 22, between "subpopulation" and the
19 period, insert "or other means".

20 (48) On page 101, strike lines 1-2 and substitute the
21 following:

22 39.107(a) [39.1324(a)] if the campus intervention team
23 determines that retention of the principal would be more beneficial
24 to student achievement and campus stability than removal [students
25 enrolled at the campus have demonstrated a pattern of significant
26 academic improvement].

27 (49) On page 104, lines 9-10, strike "Scholastic Assessment
28 Test (SAT), the American College Test (ACT)" and substitute "SAT,
29 ACT".

30 (50) On page 105, line 4, strike "Sections 39.027(a)(3),
31 (4), and (5)" and substitute "Sections 39.027(a)(1), (2), and (3)".

1 (51) On page 108, line 21, strike "accredited-warned or
2 accredited-probation" and substitute "unacceptable".

3 (52) On page 121, line 16, strike "accredited-warned or
4 accredited-probation" and substitute "unacceptable".

5 (53) On page 123, lines 6-7, strike "accredited-warned or
6 accredited-probation" and substitute "unacceptable".

7 (54) On page 134, between lines 24 and 25, insert the
8 following:

9 (c) In conjunction with the transition plan prepared under
10 this section, the commissioner of education shall provide for an
11 equivalence of a performance rating, accreditation status,
12 distinction designation, or performance indicator, as applicable,
13 for each statutory reference to a performance rating or performance
14 indicator that is superseded by this Act.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 17

BY: Anchia

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 22, lines 14 and 15, strike "39.0241 and
3 39.0242" and substitute "39.0237, 39.0241, and 39.0242".

4 (2) On page 22, between lines 15 and 16, insert the
5 following:

6 Sec. 39.0237. ALTERNATIVE ASSESSMENT METHODS PILOT
7 PROJECT. (a) In this section, "alternative assessment" means a
8 method of assessment in which a student is required to solve a
9 problem or demonstrate a skill but is not required to answer
10 questions from a list of possible answers. The term includes
11 assessment through short-answer questions, an essay, a
12 performance, an oral presentation, a demonstration, an experiment,
13 or an exhibition.

14 (b) The agency shall establish a pilot project to use
15 alternative assessment as provided by this section in assessing the
16 performance of students.

17 (c) The agency shall select six public schools to
18 participate in the pilot project. The selected schools must
19 include two schools located in urban areas, two schools located in
20 suburban areas, and two schools located in rural areas. The agency
21 may not select to participate in the pilot project a school that has
22 been rated as academically unacceptable during any of the five
23 years preceding the initial year of the pilot project.
24 Notwithstanding any other provision of this chapter:

25 (1) the academic performance of students in the sixth,
26 seventh, and eighth grade levels in the schools selected to
27 participate in the pilot project shall be assessed in mathematics,
28 science, reading, writing, and social studies using an alternative
29 assessment method rather than any assessment instrument that would

1 otherwise be required under Section 39.023; and

2 (2) the performance of each school selected to
3 participate in the pilot project shall be measured based on student
4 performance using an alternative assessment method rather than any
5 assessment instrument that would otherwise be required under
6 Section 39.023.

7 (d) Each alternative assessment shall be administered under
8 this section to students near the end of each school year.

9 (e) The agency shall adopt rules as necessary to administer
10 this section, including, notwithstanding any other provision of
11 this chapter, rules for determining the level of performance
12 considered to be satisfactory on the alternative assessments.

13 (f) The agency shall implement the pilot project beginning
14 with the 2010-2011 school year. The agency may consult with an
15 institution of higher education in implementing, administering, or
16 evaluating the pilot project.

17 (g) Not later than December 1, 2012, the agency shall report
18 to the governor, lieutenant governor, speaker of the house of
19 representatives, and presiding officer of the standing committee of
20 each house of the legislature with primary jurisdiction over public
21 education concerning:

22 (1) based in part on assessment instrument results and
23 other performance of fifth grade students before participating in
24 the pilot project and of ninth grade students after participating
25 in the project, any impact of alternative assessment under this
26 section on:

27 (A) student academic performance;

28 (B) student performance on assessments;

29 (C) school attendance by or retention of
30 students;

31 (D) curriculum enhancement; and

1 (E) teacher professional satisfaction; and
2 (2) any recommendation concerning retaining,
3 modifying, or expanding the alternative assessment project under
4 this section.
5 (h) This section expires September 1, 2013.



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ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 19

BY: _____

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 23, line 3, between "agency" and "shall", insert
3 "and the Texas Higher Education Coordinating Board".

4 (2) On page 23, line 8, between "agency" and "shall", insert
5 ", in collaboration with the Texas Higher Education Coordinating
6 Board,".

7 (3) On page 23, lines 16 and 17, strike ", in conjunction
8 with the commissioner of higher education," and substitute "and the
9 commissioner of higher education".

10 (4) On page 23, line 21, strike "To the extent practicable,
11 the agency shall" and substitute "The agency, in collaboration with
12 the Texas Higher Education Coordinating Board, shall".

13 (5) On page 23, line 25, between "agency" and "shall",
14 insert "and the Texas Higher Education Coordinating Board".

15 (6) On page 24, line 2, between "education" and "a", insert
16 "and higher education".

17 (7) On page 24, line 10, between "agency" and "shall",
18 insert ", in collaboration with the Texas Higher Education
19 Coordinating Board,".

20 (8) On page 24, line 13, between "agency" and "shall",
21 insert "and the Texas Higher Education Coordinating Board".

22 (9) On page 24, line 17, between "agency" and "shall",
23 insert "and the Texas Higher Education Coordinating Board".

24 (10) On page 24, line 21, between "education" and "a",
25 insert "and higher education".

26 (11) On page 24, line 25, strike "determines" and substitute
27 "and the Texas Higher Education Coordinating Board determine".

28 (12) On page 24, line 27, between "agency" and "shall",
29 insert "and the Texas Higher Education Coordinating Board".



FLOOR AMENDMENT NO. 21

BY: *Harber*

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 34, line 27, strike "[~~or~~]" and substitute "or".

3 (2) On page 35, line 5, strike "or" and substitute "[~~or~~]".

4 (3) On page 35, between lines 7 and 8, insert the following:

5 (C) as a result of significant gaps in formal
6 schooling, lacks the necessary foundation in the essential
7 knowledge and skills of the curriculum prescribed under Section
8 28.002, as determined by the language proficiency assessment
9 committee established under Section 29.063.

10 (4) On page 35, strike lines 8-11.

11 (5) On page 46, between lines 24 and 25, insert the
12 following new subsection, reletter the subsequent subsections of
13 Section 39.053, Education Code, accordingly, and correct any
14 cross-references to the relettered subsections:

15 (h) In calculating the academic performance of a campus or
16 school district, the commissioner may exclude assessment
17 instruments results for a student eligible under Section
18 39.027(a)(4)(C) for exemption from the administration of an
19 assessment instrument regardless of whether the student was
20 tested.

ADOPTED

APR 29 2009

Robert Hancy
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 22

BY: J. CASTRO

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 39, line 21, strike "and" and substitute
3 "[~~and~~]".

4 (2) On page 39, line 23, between "program" and the period
5 insert the following:

6 ; and

7 (D) the effectiveness of the district in
8 promoting college aspirations for each student, including the
9 ~~school's~~ ^{district's} plans for assisting students to achieve postsecondary
10 success

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

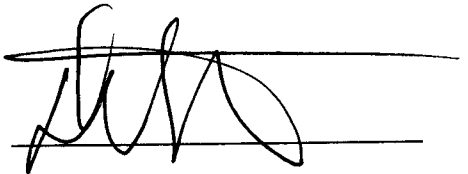


ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 24

BY: 

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 46, line 23, between the semicolon and "or",
3 insert the following:

4 (2) are incarcerated in a correctional facility
5 operated by or under contract with the Texas Department of Criminal
6 Justice;

7 (2) On page 46, line 24, strike "(2)" and substitute "(3)".

ADOPTED



APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 25

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 20, line 17, strike "Subsection (a-1)" and
3 substitute "Subsections (a-1), (o), and (p)".

4 (2) On page 22, between lines 7 and 8, insert the
5 following:

6 (o) On or before September 1 of each year, the commissioner
7 shall make the following information available on the agency's
8 Internet website for each assessment instrument administered
9 under Section 39.023(a), (c), or (l):

10 (1) the number of questions on the assessment
11 instrument;

12 (2) the number of questions that must be answered
13 correctly to achieve satisfactory performance as determined by
14 the commissioner under Section 39.0241(a);

15 (3) the number of questions that must be answered
16 correctly to achieve satisfactory performance under the college
17 readiness performance standard as provided by Section 39.0241;
18 and

19 (4) the corresponding scale scores.

20 (p) If the agency, a school district, or a campus releases
21 the results of an assessment instrument, the agency, district,
22 or campus must include the agency Internet website address that
23 provides the information required under Subsection (o).



ADOPTED

ENGROSSED RIDER NO. 21

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 29

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 20, between lines 10 and 11, add the following
3 appropriately numbered SECTION to the bill:

4 SECTION ____ . Section 33.006, Education Code, is amended by
5 adding Subsections (d) and (e) to read as follows:

6 (d) In accordance with rules adopted by the commissioner,
7 the board of trustees of each school district shall adopt a
8 policy that requires a school counselor to spend not more than
9 10 percent of the counselor's total work time on administering
10 assessment instruments or providing other assistance in
11 connection with assessment instruments. Each school in the
12 district shall implement the policy. A copy of the policy shall
13 be maintained in the office of each school in the district and
14 made available on request during regular school hours to
15 district employees, parents of district students, and the
16 public.

17 ~~(e) A school district may not include a provision in an~~
18 ~~employment contract with a school counselor under Chapter 21~~
19 ~~that conflicts with the policy required by Subsection (d).~~

20 (2) On page 56, between lines 1 and 2, insert the
21 following:

22 (f) Before an investigation, the commissioner shall
23 request that the district scheduled for the investigation assess
24 the district's compliance with the policy adopted under Section
25 33.006(d) and provide a written copy of the assessment to the
26 investigators on or before the date specified by the
27 commissioner. As part of each investigation, the investigators
28 shall interview a percentage of district school counselors
29 determined by the commissioner to assess the district's

1 compliance with the policy adopted under Section 33.006(d). The
2 commissioner shall adopt rules to implement this subsection.

3 (4) On page 135, between lines 6 and 7, add the following
4 appropriately numbered SECTION to the bill:

5 SECTION _____. (a) Each school district shall implement a
6 policy adopted under Section 33.006(d), Education Code, as added
7 by this Act, beginning with the 2009-2010 school year.

8 (b) Section 33.006(e), Education Code, as added by this
9 Act, applies only to a contract executed on or after the
10 effective date of this Act. A contract executed before the
11 effective date of this Act is governed by the law in effect on
12 the date the contract was executed, and the former law is
13 continued in effect for that purpose.

14 (c) Section 39.056(f), Education Code, as added by this
15 Act, applies beginning with the 2009-2010 school year.

16 (5) Renumber subsequent SECTIONS of the bill accordingly.



FLOOR AMENDMENT NO. 31

BY: Mark Biddings

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 5, line 19, strike "and (d-3)" and substitute
3 "(d-3), and (n)".

4 (2) On page 11, between lines 16 and 17, insert the
5 following:

6 (n) A student who is promoted by a grade placement
7 committee under this section must be assigned in all foundation
8 curriculum subjects to a teacher who meets all state and federal
9 qualifications to teach that subject and grade.

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 33

BY: Patrick

1 Amend C.S.H.B. No. 3, on page 25 of the bill, between lines
2 1 and 2, by inserting the following:

3 (i) A student who successfully completes a dual credit
4 course offered by an institution described by Subsection (a) is
5 considered to have met the college readiness standard for the
6 subject in that same content area assessed under Section
7 39.023(c).

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 35

BY: Woolberg

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 34, strike lines 4-6 and substitute the
3 following:

4 SECTION 19. Sections 39.027(a) and (e), Education Code, are
5 amended to read as follows:

6 (2) Strike page 35, line 12, through page 36, line 1.

7 (3) On page 105, line 4, strike "39.027(a)(3), (4), and
8 (5)" and substitute "39.027(a)(3) or (4)".

ADOPTED
APR 29 2009
Robert Honey
Chief Clerk
House of Representatives

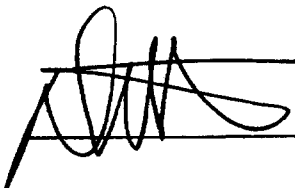
ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 36

BY: 

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 46, line 23, strike "or".

3 (2) On page 46, line 24, between "dropouts" and the period,
4 insert the following:

5 ; or

6 (3) are not subject to compulsory school attendance
7 under Section 25.085



FLOOR AMENDMENT NO. 37

BY: Patrick

1 Amend C.S.H.B. No. 3, by inserting between page 53, line
2 27, and page 54, line 1, the following:

3 (g) Notwithstanding any other provision of this chapter,
4 the commissioner may not consider performance on a student
5 achievement indicator under Section 39.053(c) for purposes of
6 determining the accreditation status of a district or the
7 performance rating of a district, campus, or open-enrollment
8 charter school until the data for that indicator has been
9 available to all districts, campuses, and open-enrollment
10 charter schools for at least two consecutive school years.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 38

BY: *McRupold*

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 54, line 1, strike "STUDENT CONFINED BY COURT
3 ORDER" and substitute "STUDENTS ORDERED BY JUVENILE COURT TO
4 CERTAIN RESIDENTIAL PROGRAMS OR FACILITIES".

5 (2) On page 54, lines 5 and 6, strike "confined by court
6 order in" and substitute "ordered by a juvenile court to".

ADOPTED

APR 29 2009

Robert Hancey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 39

BY: [Signature]

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 54, line 1, between "ORDER" and "NOT" insert
3 "OR IN A STATE SCHOOL".

4 (2) On page 54, line 10, between "located." and "The",
5 insert the following:

6 Additionally, a student resident of a state school is not
7 considered to be a student of the district regardless of whether
8 the student is court ordered to the state school.

ADOPTED

APR 29 2009

Robert Hany
Chief Clerk
House of Representatives



ENGROSSED RIDER NO. 29

FLOOR AMENDMENT NO. 40

BY: Alma A. Allen

Amend C.S.H.B. No. 3 as follows:

(1) In SECTION 23 of the bill, at the end of proposed Section 39.055, Education Code (page 54, line 16), after the period add

"This section shall also apply to the performance and accreditation status of an open-enrollment charter school established by Chapter 12, Subchapter D, Education Code that provides educational services only to students confined by a court order to a juvenile correctional facility or facility operated by a county juvenile board."

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

AS Amended

Wesley Hardin

FLOOR AMENDMENT NO. 42

BY: _____

1 Amend C.S.H.B. No. 3 (house committee printing) as follows:

2 (1) On page 65, between lines 4 and 5, insert the following:

3 Sec. 39.084. POSTING OF DISTRICT GENERAL LEDGER. (a) A
4 school district shall post on the district's Internet website the
5 district's general ledger statement containing all asset,
6 liability, capital, income, and expense accounts.

7 (b) The district shall:

8 (1) post an updated general ledger statement at least
9 once each calendar quarter; and

10 (2) maintain each general ledger quarterly statement
11 until the third anniversary of the date of that statement.

12 (c) The general ledger must be prepared according to
13 generally accepted accounting principles.

14 Sec. 39.085. POSTING OF ADOPTED BUDGET. (a) On final
15 approval of the budget by the board of trustees, the school district
16 shall post on the district's Internet website a copy of the budget
17 adopted by the board of trustees. The district's Internet website
18 must prominently display the electronic link to the adopted budget.

19 (b) The district shall maintain the adopted budget on the
20 district's Internet website until the third anniversary of the date
21 the budget was adopted.

22 (2) On page 65, line 5, strike "39.084" and substitute
23 "39.086".



FLOOR AMENDMENT NO. 92

BY: Chris Tran

42

1 Amend the Hartnett amendment⁴² to C.S.H.B. No. 3 as follows:

2 (1) On page 1, line 9, of the amendment strike "calendar
3 quarter" and substitute "fiscal year".

4 (2) On page 1, line 10, of the amendment strike
5 "quarterly".

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

ADOPTED

APR 29 2009

Robert Hancey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 44

BY: Donna Howard

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 68, line 25, strike "[+]" and substitute ":".

3 (2) On page 68, line 26, strike "[~~(1)~~ issue" and substitute
4 "(1) [issue".

5 (3) On page 69, line 27, strike "[~~or~~" and substitute "
6 or".

7 (4) Between page 69, line 27, and page 70, line 1, add the
8 following:

9 (2) establish a school community partnership team
10 composed of members of the campus-level planning and
11 decision-making committee established under Section 11.251 and
12 additional representatives as determined appropriate by the
13 commissioner, such as members of the board of trustees of the
14 district, administrators, educators, parents of district students,
15 representatives of municipal and county governments in which the
16 district is located, and community and business representatives,
17 including representatives of nonprofit entities

18 (5) On page 72, line 22, between "conduct" and the colon,
19 insert "with the involvement and advice of the school community
20 partnership team, if applicable".

21 (6) On page 73, line 23, between "contributing" and
22 "[causal]", insert "education-related and other".

23 (7) On page 75, line 7, between "team" and "shall", insert
24 "with the involvement and advice of the school community
25 partnership team, if applicable,".

26 (8) On page 75, line 23, between "(d-1)" and "In", insert
27 the following:

28 The commissioner may authorize a school community partnership team
29 established under this subchapter to supersede the authority of and

1 satisfy the requirements of establishing and maintaining a
2 campus-level planning and decision-making committee under
3 Subchapter F, Chapter 11.

4 (d-2) The commissioner may authorize a targeted improvement
5 plan or updated plan developed under this subchapter to supersede
6 the provisions of and satisfy the requirements of developing,
7 reviewing, and revising a campus improvement plan under Subchapter
8 F, Chapter 11.

9 (d-3)

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 45

BY: *y Davis*

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 11, line 19, strike "and (b-5)" and substitute
3 "(b-5), and (b-6)".

4 (2) On page 12, line 10, between "agree" and "that", insert
5 "in writing signed by each party".

6 (3) On page 14, between lines 20 and 21, insert the
7 following:

8 (b-6) For each campus in the district, a school district
9 shall provide the number of students, disaggregated by major
10 student subpopulations, agreeing under Subsection (b) to take
11 courses under the minimum high school program to the agency for the
12 development of:

13 (1) campus report cards under Section 39.305; and

14 (2) performance reports for the district under Section
15 39.306.

16 (4) On page 107, line 24, strike "and" and substitute
17 "[~~and~~]".

18 (5) On page 108, line 1, strike the period and substitute "i
19 and".

20 (6) On page 108, between lines 1 and 2, insert the
21 following:

22 (5) the number of students taking courses under the
23 minimum high school program.

24 (7) On page 109, line 10, strike "and" and substitute
25 "[~~and~~]".

26 (8) On page 109, line 13, strike the period and substitute
27 "i; and".

28 (9) On page 109, between lines 13 and 14, insert the
29 following:

1 (8) the number of students taking courses under the
2 minimum high school program.

ADOPTED

ENGROSSED RIDER NO. 34

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 46

BY: Villarreal

Amend C.S.H.B. No. 3, Section regarding Campus Intervention Teams, by replacing the Section with the following language:

Sec. 39.106 [~~39.1323~~]. CAMPUS INTERVENTION TEAM [~~PROCEDURES~~].

(a) If a campus performance is below any standard under Section 39.054(e), the commissioner shall assign a campus intervention team. A campus intervention team shall:

(1) conduct:

(A) a targeted [comprehensive] on-site needs assessment relevant to an area of insufficient performance [evaluation] of the campus as provided by Subsection (b) [to determine the cause for the campus's low performance and lack of progress]; or

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

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

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

(4) assist the campus in submitting the targeted improvement plan to the board of trustees for approval and presenting the plan in a public hearing as provided by Subsection

(e-1); and

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

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

(1) an assessment of the staff to determine the percentage of certified teachers who are teaching in their field, the percentage of teachers who are fully certified, the number of teachers with ~~less~~ more than three years of experience, and teacher ~~turnover~~ retention rates;

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

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

(4) a report on the parental involvement strategies and the effectiveness of the strategies;

(5) an assessment of the extent and quality of the

mentoring program provided for new teachers on the campus;

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

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

(8) a report of disciplinary incidents and school safety information;

(9) financial and accounting practices;

(10) an assessment of the appropriateness of the curriculum and teaching strategies; and

(11) compare the findings from (1) through (10) to other campuses serving the same grade levels within the district or to other campuses within the campus' comparison group if there are no other campuses within the district serving the same grade levels as the campus; and

~~(11)~~ (12) any other research-based data or information obtained from a data collection process that would assist the campus intervention team in:

(A) recommending an action under Subsection (c);
and

(B) executing a targeted ~~[school]~~ improvement plan under Subsection (d-1) ~~[(d)]~~.

(c) On completing the on-site needs assessment ~~[evaluation]~~ under this section, the campus intervention team shall recommend actions relating to any area of insufficient performance, including:

(1) reallocation of resources;

(2) technical assistance;

- (3) changes in school procedures or operations;
- (4) staff development for instructional and administrative staff;
- (5) intervention for individual administrators or teachers;
- (6) waivers from state statutes or rules; or
- (7) teacher recruitment and/or retention strategies and incentives provided by the district to attract and retain teachers with the characteristics included in Sec. 39.106 (b) (1); or
- ~~(7)~~(8) other actions the campus intervention team considers appropriate.

(d) The campus intervention team shall assist the campus in submitting the targeted improvement plan to the commissioner for approval.

(d-1) In executing the targeted [~~a school~~] improvement plan [~~developed under Subsection (a)(3)~~], the campus intervention team shall, if appropriate:

(1) assist the campus in implementing research-based practices for curriculum development and classroom instruction, including bilingual education and special education programs [~~, if appropriate,~~] and financial management; and

(2) provide research-based technical assistance, including data analysis, academic deficiency identification, intervention implementation, and budget analysis, to strengthen and improve the instructional programs at the campus [~~and; and,~~

(3) require the district to develop a teacher recruitment and retention plan to address the qualifications and retention of the teachers at the campus.

~~(3) submit the school improvement plan to the~~

~~commissioner for approval].~~

(e) For each year a campus is assigned an accreditation status below accredited, a [A] campus intervention team shall [appointed under Section 39.1322(b)]:

(1) ~~[shall]~~ continue to work with a campus until:

(A) the campus satisfies all performance standards under Section 39.054(e) [is rated academically acceptable] for a two-year period; or

(B) the campus satisfies all performance standards under Section 39.054(e) [is rated academically acceptable] for a one-year period and the commissioner determines that the campus is operating and will continue to operate in a manner that improves student achievement; ~~[and]~~

(2) assist in updating the targeted improvement plan to identify and analyze areas of growth and areas that require improvement; and

(3) submit each updated plan described by Subdivision (2) to the board of trustees of the school district [may continually update the school improvement plan, with approval from the commissioner, to meet the needs of the campus].

(e-1) After a targeted improvement plan or updated plan is submitted to the board of trustees of the school district, the board:

(1) shall conduct a hearing for the purpose of:

(A) notifying the public of the insufficient performance, the improvements in performance expected by the agency, and the intervention measures or sanctions that may be imposed under this subchapter if the performance does not improve within a designated period; and

(B) soliciting public comment on the targeted improvement plan or any updated plan;

(2) may conduct one hearing relating to one or more campuses subject to a targeted improvement plan or an updated plan;
and

(3) shall submit the targeted improvement plan or any updated plan to the commissioner for approval.

(f) Notwithstanding any other provision of this subchapter, if the commissioner determines that a campus for which an intervention is ordered under Subsection (a) [~~Section 39.1322(b)~~] is not fully implementing the campus intervention team's recommendations or targeted [~~school~~] improvement plan, the commissioner may order the reconstitution of the campus as provided by Section 39.107.



ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 47

BY: *Joe Farias*

1 Amend C.S.H.B. No. 3 on page 74, line 15, between "campus" and
2 the semicolon, by inserting "and provided for experienced teachers
3 on the campus who have less than two years of teaching experience in
4 the subject or grade level to which the teacher is assigned".

ADOPTED

APR 29 2009



Robert Haney
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 48

BY: *Joe Farias*

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 77, line 12, between "(2)" and "may", insert the
3 following:

4 shall provide a copy of the proposed targeted improvement plan or
5 any proposed updated plan to each person who attends a hearing under
6 this subsection;

7 (3) must post the targeted improvement plan on the
8 district's Internet website before the hearing;

9 (4)

10 (2) On page 77, line 15, strike "(3)" and substitute "(5)".

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 49

BY: *Joe Farias*

1 Amend C.S.H.B. No. 3, on page 79, by striking lines 16-19 and
2 substituting the following:

- 3 (2) submit the updated plan to:
- 4 (A) the board of trustees of the school district;
- 5 and
- 6 (B) the parents of campus students; and
- 7 (3) assist in submitting the updated plan to the
- 8 commissioner for approval.

9 (b-3) A district that operates a campus subject to
 10 Subsection (a) shall, in accordance with requirements of the
 11 commissioner, provide an e-mail address or telephone number that
 12 may be used by parents to provide comments to the school district
 13 about the targeted improvement plan. The school district shall
 14 publish comments provided by parents as required by the
 15 commissioner.



FLOOR AMENDMENT NO. 51

BY: *James F. Coleman*
O. L. Wells

Amend CSHB 3 on page 82 as follows;

[(b)] The commissioner shall solicit proposals from qualified [~~nonprofit~~] entities to assume management of a campus subject to this section or may appoint to assume management of a campus subject to this section a school district other than the district in which the campus is located that is located in the boundaries of the same regional education service center as the campus is located. A district appointed under this section shall assume management of a campus subject to this section in the same manner provided by this section for a qualified [~~nonprofit~~] entity or in accordance with commissioner rule. A for-profit entity may not operate as a qualified entity under this section.

ADOPTED
APR 29 2009
Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 52

BY: Joe Paris

1 Amend C.S.H.B. No. 3, on page 84, between lines 5 and 6, by
2 inserting the following:

3 (k-1) For purposes of Subsection (k)(1), in demonstrating
4 documented success, a managing entity must submit to the
5 commissioner a side-by-side analysis of before and after conditions
6 of campuses managed by individuals constituting the entity's
7 management and leadership team that will participate in the
8 management of the campus under consideration. The analysis must
9 specify:

10 (1) the status of each campus before management of the
11 campus began and at the time the management of the campus ended; and

12 (2) the demographic characteristics of each campus.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 53

BY: José Menéndez

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 22, line 17, between "preparation" and "a",
3 insert ", as established by scientifically validated research
4 studies based on empirical evidence,".

5 (2) On page 23, line 8, strike "research studies" and
6 substitute "scientifically validated research studies based on
7 empirical evidence".

8 (3) On page 23, line 11, after the period, insert "The
9 research studies conducted under this section must be publically
10 available on the agency's Internet website."

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

ENGROSSED RIDER NO. 41



FLOOR AMENDMENT NO. 54

BY: 

- 1 Amend C.S.H.B. No. 3 on page 90, line 15, by striking ~~"~~
- 2 "other than closure,".

ADOPTED

APR 29 2003

Robert Haney
Chief Clerk
House of Representatives



811058

FLOOR AMENDMENT NO. 56

BY: JOAQUIN CASTRO

1 Amend C.S.H.B. No. 3 (House Committee Report) as follows:

2 (1) On page 94, line 5, after the underlined semicolon,
3 strike "and".

4 (2) On page 94, line 6, strike the underlined period and
5 substitute the following:

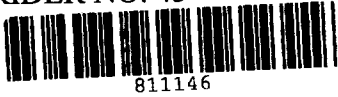
6 ; and

7 (6) recognized achievement in placing high school
8 graduates in institutions of higher education.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



A.P. Wolfe

[Signature]

FLOOR AMENDMENT NO. 58

Al Edwards

BY: *S. Turner*

Alma A. Allen

1 Amend C.S.H.B. No. 3 (house committee report) on page 111,
2 between lines 7 and 8, by inserting the following:

3 (h) The report must include an additional evaluation of a
4 campus that has significantly declined in enrollment due to
5 voluntary transfers of students to other campuses in the
6 district. The board of trustees shall develop a plan to attract
7 students who reside in the campus attendance zone through the
8 establishment of innovative programs, magnet programs, or other
9 programs. If the campus has been assigned an accreditation
10 status below accredited, the board shall hold a hearing on the
11 plan at the campus to discuss district support for the plan and
12 resource allocation to support implementation of the plan. A
13 campus intervention ~~can~~^{term} shall incorporate a plan under this
14 subsection into a targeted improvement plan required under
15 Section 39.106.

ADOPTED

APR 29 2009

Robert Hanes
Chief Clerk
House of Representatives



APR 29 2009

Robert Honey
Chief Clerk
House of Representatives

59

BY: David Duffinford

1 Amend C.S.H.B. No. 3 on page 134, between lines 11 and 12,
2 by inserting the following appropriately numbered SECTION and
3 renumbering the subsequent SECTIONS of the bill accordingly:

4 SECTION _____. Subtitle G, Title 3, Education Code, is
5 amended by adding Chapter 134 to read as follows:

6 CHAPTER 134. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM

7 Sec. 134.001. DEFINITIONS. In this chapter:

8 (1) "Nonprofit organization" means an organization
9 exempt from federal income taxation under Section 501(a),
10 Internal Revenue Code of 1986, as an organization described by
11 Section 501(c)(3) of that code.

12 (2) "Public junior college" and "public technical
13 institute" have the meanings assigned by Section 61.003.

14 Sec. 134.002. JOBS AND EDUCATION FOR TEXANS (JET) FUND.

15 (a) The comptroller shall establish and administer the Jobs and
16 Education for Texans (JET) fund as a dedicated account in the
17 general revenue fund.

18 (b) The following amounts shall be deposited in the fund:

19 (1) any amounts appropriated by the legislature for
20 the fund for purposes of this chapter;

21 (2) interest earned on the investment of money in the
22 fund; and

23 (3) gifts, grants, and other donations received for
24 the fund.

25 Sec. 134.003. ADVISORY BOARD. (a) An advisory board of
26 education and workforce stakeholders is created to assist the
27 comptroller in administering this chapter.

28 (b) The advisory board is composed of seven members who
29 serve two-year terms and are appointed as follows:

30 (1) one member appointed by the governor;

- 1 (2) one member appointed by the lieutenant governor;
2 (3) one member appointed by the speaker of the house
3 of representatives;
4 (4) one member appointed by the Texas Higher
5 Education Coordinating Board;
6 (5) one member appointed by the Texas Workforce
7 Commission;
8 (6) one member of the public appointed by the
9 comptroller; and
10 (7) the comptroller, who serves as the presiding
11 officer.

12 (c) The advisory board shall meet at least once each
13 quarter to review received applications and recommend awarding
14 grants under this chapter.

15 Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT
16 PROGRAM. The comptroller shall establish and administer the
17 Jobs and Education for Texans (JET) Grant Program to provide
18 grants to public junior colleges, public technical institutes,
19 and eligible nonprofit organizations that apply to the advisory
20 board in the manner prescribed by the advisory board. The
21 comptroller shall award the grants on the advice and
22 recommendations of the advisory board. Grants may be awarded
23 under this chapter from the Jobs and Education for Texans (JET)
24 fund for the following purposes:

25 (1) to develop, support, or expand programs of
26 nonprofit organizations that meet the requirements of Section
27 134.005 and that prepare low-income students for careers in
28 high-demand occupations;

29 (2) to defray the start-up costs associated with the
30 development of new career and technical education programs at
31 public junior colleges and public technical institutes that meet
32 the requirements of Section 134.006; and

1 (3) to provide scholarships for students in career
2 and technical education programs who meet the requirements of
3 Section 134.007.

4 Sec. 134.005. GRANTS TO NONPROFIT ORGANIZATIONS FOR
5 INNOVATIVE AND SUCCESSFUL PROGRAMS. (a) The comptroller may
6 award a grant to a nonprofit organization eligible under
7 Subsection (b) for the development, support, or expansion of
8 programs to prepare low-income students for careers in high-
9 demand occupations.

10 (b) To be eligible to receive a grant under this section,
11 a nonprofit organization must:

12 (1) provide a program to offer assistance to low-
13 income high school students in preparing for, applying to, and
14 enrolling in a public junior college or public technical
15 institute;

16 (2) be governed by a board or other governing
17 structure that includes recognized leaders of broad-based
18 community organizations and members of the local business
19 community;

20 (3) demonstrate to the satisfaction of the advisory
21 board that the organization's program has achieved or will
22 achieve the following measures of success among program
23 participants, to the extent applicable to the type of program
24 the organization provides:

25 (A) above average completion of developmental
26 education among participating public junior college or public
27 technical institute students;

28 (B) above average persistence rates among
29 participating public junior college or public technical
30 institute students;

31 (C) above average certificate or degree
32 completion rates by participating students within a three-year

1 period compared to demographically comparable public junior
2 college and public technical institute students; and

3 (D) employment of participating students at an
4 average full-time starting wage that is equal to or greater than
5 the prevailing wage for the occupation entered; and

6 (4) provide matching funds in accordance with rules
7 adopted under Section 134.008.

8 (c) The matching funds required under Subsection (b)(4)
9 may be obtained from any source available to the nonprofit
10 organization, including in-kind contributions, community or
11 foundation grants, individual contributions, and local
12 governmental agency operating funds.

13 (d) Grants awarded under this section must be awarded in a
14 manner that takes a balanced geographical distribution into
15 consideration.

16 Sec. 134.006. GRANTS TO EDUCATIONAL INSTITUTIONS FOR
17 CAREER AND TECHNICAL EDUCATION PROGRAMS. (a) The comptroller
18 may award a grant for the development of new career and
19 technical education courses or programs at public junior
20 colleges and public technical institutes.

21 (b) A grant received under this section may be used only:

22 (1) to support courses or programs that prepare
23 students for career employment in occupations that are
24 identified by local businesses as being in high demand,
25 including courses offered for dual credit;

26 (2) to finance initial costs of career and technical
27 education course or program development, including the costs of
28 constructing or renovating facilities, purchasing equipment, and
29 other expenses associated with the development of a new course;
30 and

1 (3) to finance a career and technical education
2 course or program that leads to a license, certificate, or
3 postsecondary degree.

4 (c) In awarding a grant under this section, the
5 comptroller shall primarily consider the potential economic
6 returns to the state from the development of the career and
7 technical education course or program. The comptroller may also
8 consider whether the course or program:

9 (1) is part of a new, emerging industry or high-
10 demand occupation;

11 (2) offers new or expanded dual credit career and
12 technical educational opportunities in public high schools; or

13 (3) is provided in cooperation with other public
14 junior colleges or public technical institutes across existing
15 service areas.

16 (d) To be eligible to receive a grant under this section,
17 a public junior college or public technical institute must
18 provide matching funds in accordance with rules adopted under
19 Section 134.008. The matching funds may be obtained from any
20 source available to the junior college or technical institute,
21 including in-kind contributions, industry consortia, community
22 or foundation grants, individual contributions, and local
23 governmental agency operating funds.

24 Sec. 134.007. SCHOLARSHIPS. (a) The comptroller may
25 award a scholarship to a public junior college or public
26 technical institute student.

27 (b) To be eligible to receive a scholarship under this
28 section, a student must:

29 (1) demonstrate financial need; and

30 (2) be enrolled in a training program for a high-
31 demand occupation, as determined by the comptroller on the
32 recommendation of the advisory board.

1 Sec. 134.008. RULES. The comptroller shall adopt rules as
2 necessary for the administration of this chapter.

ADOPTED



APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

[Handwritten Signature]

FLOOR AMENDMENT NO. 44

BY:

1 Amend C.S.H.B. No. 3 by adding the following appropriately
2 numbered SECTION and renumbering subsequent SECTIONS of the bill
3 accordingly:

4 SECTION _____. Subchapter D, Chapter 11, Education Code, is
5 amended by adding Section 11.163 to read as follows:

6 Sec. 11.163. CAMPUS CLOSURES. (a) If the board of
7 trustees of a school district proposes to close a campus, the
8 board must:

9 (1) at least 10 days before the date of the first
10 public meeting required under Subdivision (4), send written
11 notice of the proposed closure, including a translation of the
12 text of the notice into Spanish, by regular mail to:

13 (A) the parent of each child who would otherwise
14 attend the campus during the first school year that the campus
15 is proposed to be closed; and

16 (B) each elected official who represents
17 territory included in the boundaries of the school district;

18 (2) provide a period of at least 90 days after the
19 date notice is sent under Subdivision (1) for soliciting and
20 considering public comment regarding the proposed closure;

21 (3) promptly make district documents associated with
22 the proposed closure, other than documents that are confidential
23 under law, available to the public through the Internet and by
24 other means for persons without Internet access; and

25 (4) hold at least two public meetings during the
26 period described by Subdivision (2) at which the district
27 superintendent and board members are available to answer
28 questions and receive comments, including questions and comments
29 relating to the documents made available under Subdivision (3).

1 (b) If, after conclusion of the period described by
2 Subsection (a)(2) and consideration of public comments, the
3 board of trustees continues to conclude that the campus should
4 be closed, the district must develop a written closure plan
5 that:

6 (1) describes the ways in which each affected child's
7 education will be altered as a result of the closure;

8 (2) identifies each educational program available at
9 the campus being closed that will not be available at each
10 campus to which students will be transferred as a result of the
11 closure;

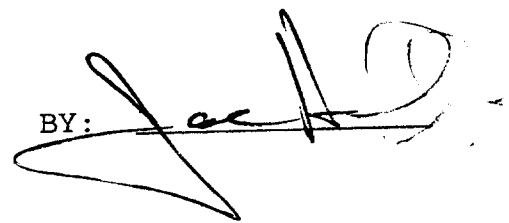
12 (3) describes the effect of the closure on student
13 safety, including such elements as the number of registered sex
14 offenders residing in the vicinity of each campus to which
15 students will be transferred as a result of the closure; and

16 (4) addresses questions and comments raised by the
17 public during the period described by Subsection (a)(2).

18 (c) The district must make the closure plan required by
19 Subsection (b) available to the public through the Internet and
20 by other appropriate means for persons without Internet access.



FLOOR AMENDMENT NO. 63

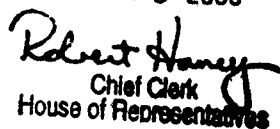
BY: 

amend HB 3 as follows

- 1 Section 21.054(b), Education Code, is repealed.
- 2 SECTION 2. This repeal applies beginning with the 2009-
- 3 2010 school year.

ADOPTED

APR 29 2009


Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. Ce4

BY: DUNNAN

1 Amend C.S.H.B. No. 3 (house committee report) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION ____ . Subchapter D, Chapter 11, Education Code, is
5 amended by adding Section 11.172 to read as follows:

6 Sec. 11.172. SCHOOL DISTRICT GROOMING POLICY. (a) This
7 section may be cited as "Mason's Measure".

8 (b) The board of trustees of a school district may not
9 adopt a policy that restricts the length of a student's hair.

10 (c) This section applies only to students who:

11 (1) have performed satisfactorily on assessment
12 instruments administered under Section 39.023 in the preceding
13 school year; and

14 (2) for the most recent grading period:

15 (A) have not been subject to disciplinary action
16 under Chapter 37;

17 (B) meet the grade criteria established by the
18 school district for inclusion on the district's honor roll; and

19 (C) have no unexcused absences.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

ADOPTED

APR 29 2009

Robert Hany
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 65

BY:

1 Amend C.S.H.B. No. 3 (House Committee Report) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION _____. Section 12.013, Education Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) Notwithstanding Subsection (b)(3)(P), a home-rule
7 school district is not subject to provisions of this title relating
8 to public school accountability under Subchapters B, C, D, and G,
9 Chapter 39, or to rules adopted under those provisions if:

10 (1) the district submits to the commissioner an
11 alternative accountability plan developed by the district that:

12 (A) includes use of assessment instruments
13 developed or adopted by the district to measure individual student
14 progress; and

15 (B) provides for accountability indicators that
16 are consistent with the goals identified in the district's charter;
17 and

18 (2) the alternative accountability plan is approved by
19 the commissioner.

20 SECTION _____. Section 12.016, Education Code, is amended to
21 read as follows:

22 Sec. 12.016. CONTENT. Each home-rule school district
23 charter must:

24 (1) describe the educational program to be offered;

25 (2) provide that continuation of the home-rule school
26 district charter is contingent on:

27 (A) acceptable student performance on assessment
28 instruments adopted under Subchapter B, Chapter 39, or alternative
29 assessment instruments approved for that purpose under Section

1 12.013(c); and

2 (B) compliance with other applicable
3 accountability provisions under Chapter 39 or an alternative
4 accountability plan approved under Section 12.013(c);

5 (3) specify any basis, in addition to a basis
6 specified by this subchapter, on which the charter may be placed on
7 probation or revoked;

8 (4) describe the governing structure of the district
9 and campuses;

10 (5) specify any procedure or requirement, in addition
11 to those under Chapter 38, that the district will follow to ensure
12 the health and safety of students and employees;

13 (6) describe the process by which the district will
14 adopt an annual budget, including a description of the use of
15 program-weight funds;

16 (7) describe the manner in which an annual audit of
17 financial and programmatic operations of the district is to be
18 conducted, including the manner in which the district will provide
19 information necessary for the district to participate in the Public
20 Education Information Management System (PEIMS) to the extent
21 required by this subchapter; and

22 (8) include any other provision the charter commission
23 considers necessary.

24 SECTION _____. Section 12.056, Education Code, is amended by
25 adding Subsection (c) to read as follows:

26 (c) Notwithstanding Subsection (b)(2)(I), a campus or
27 program for which a charter is granted under this subchapter is not
28 subject to provisions of this title relating to public school
29 accountability under Subchapters B, C, D, and G, Chapter 39, or to
30 rules adopted under those provisions if:

31 (1) the campus or program submits to the commissioner

1 an alternative accountability plan developed by the campus or
2 program that:

3 (A) includes use of assessment instruments
4 developed or adopted by the campus or program to measure individual
5 student progress; and

6 (B) provides for accountability indicators that
7 are consistent with the goals identified in the charter of the
8 campus or program; and

9 (2) the alternative accountability plan is approved by
10 the commissioner.

11 SECTION _____. Section 12.059, Education Code, is amended to
12 read as follows:

13 Sec. 12.059. CONTENT. Each charter granted under this
14 subchapter must:

15 (1) describe the educational program to be offered,
16 which may be a general or specialized program;

17 (2) provide that continuation of the charter is
18 contingent on satisfactory student performance under Subchapter B,
19 Chapter 39, or under an alternative accountability plan approved
20 under Section 12.056(c) and on compliance with other applicable
21 accountability provisions under Chapter 39 or the alternative
22 accountability plan;

23 (3) specify any basis, in addition to a basis
24 specified by this subchapter, on which the charter may be placed on
25 probation or revoked;

26 (4) prohibit discrimination in admission on the basis
27 of national origin, ethnicity, race, religion, or disability;

28 (5) describe the governing structure of the campus or
29 program;

30 (6) specify any procedure or requirement, in addition
31 to those under Chapter 38, that the campus or program will follow to

1 ensure the health and safety of students and employees; and

2 (7) describe the manner in which an annual audit of
3 financial and programmatic operations of the campus or program is
4 to be conducted, including the manner in which the campus or program
5 will provide information necessary for the school district in which
6 it is located to participate, as required by this code or by State
7 Board of Education rule, in the Public Education Information
8 Management System (PEIMS).



FLOOR AMENDMENT NO. 66

BY: *Devin*

1 Amend C.S.H.B. 3 as follows:
2 (1) On page 4, lines 26, strike "(c-1) and (c-2)" and
3 substitute "(c-1), (c-2), and (q)".
4 (2) On page 5, between lines 11 and 12, insert the
5 following:
6 (q) Notwithstanding any other provision of this title, a
7 school district may not vary the curriculum for a course in the
8 required curriculum under Subsection (a) based on whether a
9 student is enrolled in the minimum, recognized, or advanced high
10 school program.

ADOPTED
APR 29 2009
Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 67

BY: Oliver

- 1 Amend C.S.H.B. No. 3 (house committee report) as follows:
- 2 (1) On page 5, line 1, strike "the foundation curriculum
- 3 or".
- 4 (2) On page 5, line 3, between "credit" and "for", insert
- 5 "in the enrichment curriculum or in the enrichment curriculum and
- 6 the foundation curriculum".

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



ADOPTED

APR 29 2009

FLOOR AMENDMENT NO. 70

Robert Hanes
Chief Clerk
House of Representatives

BY: *Y. Davis*

1 Amend C.S.H.B. No. 3 (house committee printing) by adding
2 the following appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS accordingly:

4 SECTION _____. (a) The State Board of Education shall
5 establish the Dallas Independent School District Education
6 Improvement Commission to examine the following issues:

7 (1) the potential efficiencies realized in the
8 administrative operations of a small or medium size school
9 district compared to a large size school district;

10 (2) the potential improvements in the systematic
11 management of a small or medium size school district compared to
12 large size school district;

13 (3) the financial stability of operating a small or
14 medium size school district in Dallas County, including bond
15 structure, tax revenue, and state assistance;

16 (4) the ability of the Dallas County School District
17 to provide for the overall transportation or other general needs
18 of multiple school districts located in Dallas County;

19 (5) any increase in parent accessibility to school
20 district administration in a small or medium size district;

21 (6) the effects of a small or medium size district on
22 enhancing feeder pattern continuity; and

23 (7) the effect of a projected student's enrollment on
24 the ability of the current school district to meet the
25 educational needs of the student.

26 (b) The commission is composed of:

27 (1) one person appointed by the board of trustees of
28 the Dallas Independent School District;

29 (2) one person appointed by the Greater Dallas
30 Chamber of Commerce;

- 1 (3) one person appointed by the Dallas Black Chamber
2 of Commerce;
- 3 (4) one person appointed by the Greater Dallas Asian
4 Chamber of Commerce;
- 5 (5) one person appointed by the Greater Dallas
6 Hispanic Chamber of Commerce;
- 7 (6) one person appointed by the mayor of the City of
8 Dallas;
- 9 (7) one person appointed by the mayor of the City of
10 Seagoville;
- 11 (8) one person who lives in the district of a state
12 representative whose territory includes territory located in
13 Dallas Independent School District, appointed by the governor;
- 14 (9) one person who lives in the district of a state
15 senator whose territory includes territory located in the Dallas
16 Independent School District, appointed by the governor;
- 17 (10) one representative from the Dallas Council of
18 the Parent-Teacher Association.
- 19 (11) one person appointed by Dallas County
20 Commissioners Court;
- 21 (12) one representative appointed by the Dallas
22 County Tax Appraisal District;
- 23 (13) a dean or representative from the college of
24 education - University of North Texas-Dallas;
- 25 (14) a dean or representative of the college of
26 education - Southern Methodist University;
- 27 (15) a dean or representative of the college of
28 education - Paul Quinn College;
- 29 (16) a dean or representative of the college of
30 education - Dallas Baptist University;
- 31 (17) one person appointed by the Region 10 Education
32 Service Center;

1 (18) one person appointed by the Dallas Achieve
2 Commission;

3 (19) the State Board of Education member that
4 represents District 13;

5 (20) one member appointed by the Texas Education
6 Agency; and

7 (21) the comptroller.

8 (c) The State Board of Education member serves as the
9 chair of the commission.

10 (d) The Texas Education Agency shall provide all necessary
11 administrative and research support.

12 (e) The commission may seek research support from the
13 Council of Greater Cities School and the North Texas Central
14 Council of Governments or any other entity.

15 (f) Not later than September 1, 2010, the commission shall
16 submit a preliminary report regarding the commission's findings
17 to the governor, lieutenant governor, speaker of the house of
18 representatives, the presiding officer of each legislative
19 standing committee with primary jurisdiction over primary and
20 secondary education, Dallas Independent School District, Dallas
21 County, the City of Seagoville, and the City of Dallas. Not
22 later than December 31, 2010, a final report must be submitted
23 to the entities listed above.



ADOPTED

ENGROSSED RIDER NO. 52

APR 29 2008

Patricia M. Rose / Bowen

FLOOR AMENDMENT NO. 72

Robert Honey
BY: _____
Chief Clerk
House of Representatives

1 Amend C.S.H.B. No. 3 (house committee printing) on page 95,
2 between lines 11 and 12, by inserting the following:

3 Sec. 39.203. STUDY REGARDING ADDITIONAL CATEGORIES FOR
4 DISTINCTION DESIGNATION. (a) The agency shall conduct a study
5 on the feasibility and appropriateness of including additional
6 categories of performance for a distinction designation under
7 Section 39.201(d), including library services and the campus
8 learning environment.

9 (b) The study must include an analysis of the following
10 campus learning environment indicators:

11 (1) the percentage of teachers assigned out of field;

12 (2) the percentage of teachers with less than three
13 years' experience;

14 (3) teacher turnover rates;

15 (4) the number of class size waivers by grade level;

16 and

17 (5) the results of an organizational health survey
18 that includes questions relating to:

19 (A) the quality of professional development
20 activities offered or for which attendance is supported;

21 (B) administrative support of teacher
22 disciplinary actions and needs;

23 (C) consideration of teacher perspective in
24 policy development and implementation;

25 (D) the extent to which noninstructional duties
26 are minimized; and

27 (E) the extent to which collaborative and
28 planning activities are supported and worthwhile.

29 (c) The agency shall adopt rules to include additional
30 performance categories for a distinction designation under

1 Section 39.201(d) if the agency determines that it is an
2 appropriate category based on the results of the study.

3

ADOPTED

ENGROSSED RIDER NO. 53



APR 29 2009

Robert Haney
Chief Clerk
House of Representatives
BY: *Villarica*

FLOOR AMENDMENT NO. **73**

1 Amend C.S.H.B. No. 3 by adding the following appropriately
2 numbered SECTION to the bill and renumbering subsequent SECTIONS
3 of the bill accordingly:

4 SECTION _____. Subchapter B, Chapter 28, Education Code,
5 is amended by adding Section 28.0253 to read as follows:

6 Sec. 28.0253. PILOT PROGRAM: HIGH SCHOOL DIPLOMAS FOR
7 STUDENTS WHO DEMONSTRATE EARLY READINESS FOR COLLEGE. (a) In
8 this section:

9 (1) "Institution of higher education" has the meaning
10 assigned by Section 61.003.

11 (2) "Research university" means an institution of
12 higher education that is designated as a research university
13 under the coordinating board's accountability system.

14 (b) A research university that chooses to participate in
15 the pilot program shall:

16 (1) not later than September 1 of each year, make
17 available on the university's Internet website detailed
18 standards for use in the program regarding:

19 (A) the specific competencies that demonstrate a
20 student's mastery of each subject area for which the
21 coordinating board and the commissioner have adopted college
22 readiness standards;

23 (B) the specific competencies that demonstrate a
24 student's mastery of a language other than English; and

25 (C) acceptable assessments or other means by
26 which a student may demonstrate the student's early readiness
27 for college with respect to each subject area and the language
28 described by this subdivision, subject to Subsection (c);

29 (2) partner with at least 10 school districts that
30 reflect the geographic diversity of this state and the student

1 compositions of which reflect the socioeconomic diversity of
2 this state; and

3 (3) assist school administrators, school counselors,
4 and other educators in each of those school districts in
5 designing the specific requirements of and implementing the
6 program in the district.

7 (c) The assessments or other means filed by a research
8 university under Subsection (b)(1)(C) must be equivalent to the
9 assessments or other means the university uses to place students
10 at the university in courses that may be credited toward a
11 degree requirement.

12 (d) A research university that partners with a school
13 district under this section shall enter into an agreement with
14 the district under which the university and district agree that
15 the district will assess a student's mastery of the subject
16 areas described by Subsection (b)(1) and a language other than
17 English in accordance with the standards the university filed
18 under Subsection (b)(1). The district may issue a high school
19 diploma to a student under the program only if, using the
20 standards, the student demonstrates mastery of and early
21 readiness for college in each of those subject areas and in a
22 language other than English.

23 (e) A student who receives a high school diploma through
24 the pilot program is considered to have completed the
25 recommended high school program adopted under Section 28.025(a).
26 The student is not guaranteed admission to any institution of
27 higher education or to any academic program at an institution of
28 higher education solely on the basis of having received the
29 diploma through the program.

30 (f) A research university that participates in the pilot
31 program shall enter into an agreement with an education research
32 center established under Section 1.005 to conduct an evaluation

1 of the program with respect to that university and the school
2 districts with which the university partners. Not later than
3 January 1, 2013, the education research center shall provide a
4 written report of the evaluation to the commissioner and the
5 commissioner of higher education and make the report available
6 on the center's Internet website. The report may include an
7 analysis of the effects of the program on the university's
8 admissions review process.

ADOPTED

ENGROSSED RIDER NO. 54

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 75

BY: Villarreal

1 Amend C.S.H.B. No. 3 on page 34, between lines 3 and 4, by
2 inserting the following new SECTION, appropriately numbered, and
3 renumbering the subsequent SECTIONS accordingly:

4 SECTION ____ . Section 39.0262(a), Education Code, is amended
5 to read as follows:

6 (a) In a subject area for which assessment instruments are
7 administered under Section 39.023, a school district may not
8 administer to any student on more than eight instructional days
9 in any school year locally-required [~~district required~~]
10 assessment instruments designed to prepare students for state-
11 administered assessment instruments [~~to any student on more than~~
12 ~~10 percent of the instructional days in any school year~~].



ADOPTED

APR 29 2009

FLOOR AMENDMENT NO. 27

BY:

Robert Haney
Chief Clerk
House of Representatives

Marguly

1 Amend C.S.H.B. No. 3, on page 20, between lines 15 and 16,
2 by inserting the following:

3 Sec. 39.002. STUDY OF ACCOUNTABILITY SYSTEM AND RELATED
4 EDUCATIONAL ELEMENTS. (a) The commissioner shall contract with
5 a qualified, experienced research entity to conduct a study of
6 the changes made by H.B. No. 3, Acts of the 81st Legislature,
7 Regular Session, 2009, to the public school accountability
8 system this chapter, curriculum under Section 28.002, and high
9 school graduation requirements under Section 28.025.

10 (b) The study must:

11 (1) include an analysis of the effect of those changes
12 on student academic performance, dropout rates, and high school
13 graduation rates; and

14 (2) disaggregate student data by sex, socioeconomic
15 status, ethnicity, and race.

16 (c) Not later than December 1, 2012, the research entity
17 shall report the results of the study to the commissioner, the
18 governor, the lieutenant governor, the speaker of the house of
19 representatives, and the chairs of the standing committees of
20 the senate and house of representatives with primary
21 jurisdiction over the public education system.

22 (d) This section expires January 15, 2013.



78

FLOOR AMENDMENT NO.

BY:

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 5, line 19, between "Subsections" and "(d-1)",
3 insert "(c-1),".

4 (2) On page 8, between lines 4 and 5, insert the
5 following:

6 (c-1) A school district shall implement an accelerated
7 instruction program required under Subsection (c) immediately
8 following the student's failure to perform satisfactorily on an
9 assessment instrument specified under Subsection (b).

10 (3) On page 9, line 7, between the period and "The",
11 insert the following:

12 If the student participates in a district's special
13 education program under Subchapter A, Chapter 29, or bilingual
14 education or special language program under Subchapter B,
15 Chapter 29, the student's special education or bilingual
16 education or special language program teacher must be included
17 on the grade placement committee.

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 79

BY: *[Signature]*

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) On page 11, line 19, strike "and (b-5)" and substitute
3 "(b-5), and (b-6)".

4 (2) On page 14, between lines 20 and 21, insert the
5 following:

6 (b-6) A student agreeing to take courses under the minimum
7 high school program as provided by Subsection (b) may, upon
8 request, resume taking courses under the recommended high school
9 program.

ADOPTED
APR 29 2009
Robert Henry
Chief Clerk
House of Representatives



80

FLOOR AMENDMENT NO.

BY: 

1 Amend C.S.H.B. No. 3 by striking page 49, line 25, through
2 page 50, line 12, and substituting the following:

3 (d) The commissioner by rule may adopt a method of
4 evaluation by which a district or campus is not assigned an
5 unacceptable performance rating solely because the district or
6 campus fails to satisfy the minimum performance standards on 15
7 percent or fewer of the measures of evaluation the commissioner
8 determines appropriate with respect to the student achievement
9 indicators adopted under Section 39.053(c). Under the method of
10 evaluation adopted by the commissioner under this subsection,
11 the commissioner:

12 (1) may grant an exception under this subsection to a
13 district or campus only if the performance of the district or
14 campus is within a certain percentage, as determined by the
15 commissioner, of the minimum performance standard established by
16 the commissioner for the measure of evaluation;

17 (2) may not grant an exception under this subsection
18 if a district or campus fails to satisfy the minimum performance
19 standard on the same measure of evaluation for two consecutive
20 school years; and

21 (3) may establish other performance criteria for a
22 district or campus to obtain an exception under this subsection.

23

ADOPTED
APR 29 2009
Robert Honey
Chief Clerk
House of Representatives
9.119.24 pam

ADOPTED

APR 29 2009

Robert Hancey
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 81

BY: Patrick

1 Amend C.S.H.B. No. 3 (house committee report) as follows:

2 (1) Add the following appropriately numbered SECTIONS to
3 the bill:

4 SECTION ____ Section 29.917, Education Code, is amended by
5 amending Subsection (a) and adding Subsection (d) to read as
6 follows:

7 (a) From funds appropriated for the purpose, the
8 commissioner may award grants to organizations that provide
9 volunteers to teach classroom or after-school programs to students
10 enrolled in a school district or open-enrollment charter school to
11 enhance:

- 12 (1) college readiness;
- 13 (2) workforce readiness;
- 14 (3) dropout prevention; or
- 15 (4) personal financial literacy.

16 (d) This section does not authorize the commissioner to
17 award a grant to an organization to provide a comprehensive
18 educational program to students that serves as a substitute for a
19 regular educational program provided by a school district or
20 open-enrollment charter school. This section authorizes the
21 commissioner to award a grant to an organization only for the
22 provision of supplemental programs described by Subsection (a).

23 SECTION ____ It is the intent of the legislature that the
24 grants that may not be awarded to an organization or nonprofit
25 organization under Sections 29.917(d) and 39.417, Education Code,
26 as added by this Act, include dropout recovery grants, such as the
27 grants awarded in 2008 in response to the Texas Education Agency's
28 Request for Applications (RFA) 701-08-116.

29 (2) On page 128, line 13, strike "The" and substitute "To

1 meet the goals of the council's strategic plan, the [The]".

2 (3) On page 128, lines 15 and 16, between "grants" and "to
3 school", insert "listed in Subsection (a)".

4 (4) On page 128, lines 18 and 19, strike "to meet the goals
5 of the council's strategic plan" and substitute "that provide
6 technical assistance, professional development, case-managed
7 student services, and programs for the benefit of students enrolled
8 in school districts or open-enrollment charter schools~~[to meet the~~
9 ~~goals of the council's strategic plan]~~".

10 (5) On page 130, between lines 16 and 17, insert the
11 following:

12 Sec. 39.417. CERTAIN GRANTS TO NONPROFIT ORGANIZATIONS NOT
13 AUTHORIZED. This subchapter does not authorize the commissioner to
14 award a grant to a nonprofit organization for services provided as a
15 private school or to a private school.

16 (6) Renumber subsequent SECTIONS of the bill accordingly.



FLOOR AMENDMENT NO. 82

BY: "MANDO" MARTINEZ

1 Amend C.S.H.B. No. 3 (house committee report) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION _____. Section 39.0301(a), Education Code, is amended
5 to read as follows:

6 (a) The commissioner:

7 (1) shall establish procedures for the administration
8 of assessment instruments adopted or developed under Section
9 39.023, including procedures designed to ensure:

10 (A) the security of the assessment instruments;
11 and

12 (B) to ensure the appropriate local
13 implementation of those procedures, including instructions for
14 classroom monitoring during testing; and

15 (2) may establish record retention requirements for
16 school district records related to the security of assessment
17 instruments.

ADOPTED

APR 29 2009

Robert Honey
Chief Clerk
House of Representatives



ADOPTED

APR 29 2009

Robert Hanes
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 83

BY: SOLOMONS

1 Amend C.S.H.B. No. 3 (house committee printing) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering the remaining SECTIONS of the bill accordingly:

4 SECTION ____ . Section 28.0021, Education Code, is amended by
5 amending Subsections (b) and (c) and adding Subsection (d) to read
6 as follows:

7 (b) School districts and open-enrollment charter schools
8 shall incorporate instruction in personal financial literacy into
9 any course meeting a requirement for an economics credit under
10 Section 28.025, using materials approved by the board. The
11 materials must include instruction on:

12 (1) the types of bank accounts available to consumers
13 and the benefits of maintaining a bank account;

14 (2) balancing a checkbook;

15 (3) determining credit scores and the manner in which
16 credit scores are used;

17 (4) issues associated with the use of debit and credit
18 cards, including avoiding and eliminating credit card debt;

19 (5) understanding the rights and responsibilities of
20 renting or buying a home;

21 (6) managing money to make the transition from renting
22 a home to home ownership;

23 (7) starting a small business;

24 (8) being a prudent investor in the stock market and
25 using other investment options;

26 (9) beginning a savings program;

27 (10) bankruptcy; and

28 (11) the types of loans available to consumers,
29 including mortgage loans and motor vehicle loans, and becoming a

1 low-risk borrower.

2 (c) The State Board of Education shall ensure that the
3 essential knowledge and skills for social studies address personal
4 financial literacy, including the topics listed in Subsection (b),
5 in kindergarten and in each grade level from first through eighth
6 grade, as appropriate.

7 (d) [~~School districts and open-enrollment charter schools~~
8 ~~shall comply with Subsection (b) beginning with the 2006-2007~~
9 ~~school year.~~] The board shall adopt essential knowledge and skills
10 that include [~~for a course including~~] the requirements of
11 Subsection (b) [~~(a)~~] not later than the 2010-2011 [~~2008-2009~~]
12 school year. This subsection expires September 1, 2011 [~~and~~
13 ~~Subsection (b) expire September 1, 2009~~].



FLOOR AMENDMENT NO. 84

BY: Dukes
Rodriguez
Strama

1 Amend C.S.H.B. No. 3, by striking page 81, line 22 through
2 page 82, line 8, and substituting the following:

3 (3) the principal assigned to the campus has reviewed the
4 performance of all teachers employed at the campus in the school
5 year immediately preceding the repurposing of the campus and
6 determined, after consulting with the community and the campus
7 intervention team assigned to the campus, which teachers may be
8 retained at the campus, giving preference to teachers certified
9 in the subject matter taught by those teachers.

ADOPTED

APR 29 2009

Robert Hanes
Chief Clerk
House of Representatives

ADOPTED

ENGROSSED RIDER NO. 63

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 85

BY: *Alan Redding*

1 Amend C.S.H.B. No. 3 by adding the following appropriately
2 numbered SECTION to the bill and renumbering subsequent SECTIONS
3 of the bill accordingly:

4 SECTION __. Section 44.008, Education Code, is amended by
5 adding Subsection (d-1) to read as follows:

6 (d-1) If a school district has not filed a copy of the
7 school district's annual audit report in compliance with
8 Subsection (d) by the 180th day after the date specified by that
9 subsection:

10 (1) the agency shall promptly report the school
11 district's failure to comply to each member of the legislature
12 whose district contains any portion of the territory included in
13 the school district;

14 (2) the agency shall provide a written notification
15 to the district that specifies the date on which the audit
16 report was required by this section to be filed with the agency;
17 and

18 (3) the district shall:

19 (A) if the district has an Internet website:

20 (i) post a statement on the website
21 informing interested persons that the district is more than six
22 months late in filing the district's audit report as required by
23 this section; and

24 (ii) maintain the statement described by
25 Subparagraph (i) on the website until the district files the
26 district's audit report in compliance with this section; and

27 (B) conduct a public meeting specifically for
28 the purpose of:

1 (i) publicizing, by reading into the record
2 of the meeting, the notification received by the district from
3 the agency under Subdivision (1); and

4 (ii) discussing the date on which the
5 district anticipates the audit report will be filed, as well as
6 the reasons for the district's failure to comply with the filing
7 requirement in a timely manner.

ENGROSSED RIDER NO. 64



Floor Amendment number 86 By Guillen

Amend CSHB3 as follows:

1. On page 4, line 26, strike "and (c-2)" and substitute "(c-2) and (q)"
2. On page 5, between lines 11 and 12, insert the following:

(q) The State Board of Education shall ensure that all career and technology courses adopted under this section that are part of a coherent sequence of courses allow a student to obtain industry certification or licensure in a career and technology profession or college credit for coursework. Career and technology courses that are not part of a coherent sequence of courses are not required to comply with this section.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

ADOPTED

APR 29 2011



Robert Honey
Chief Clerk
House of Representatives

FLOOR AMENDMENT NO. 87

BY: Phillips

1 Amend C.S.H.B. No. 3 by adding the following appropriately
2 numbered SECTION to the bill and renumbering appropriately
3 numbered SECTIONS of the bill accordingly:

4 SECTION __. Subchapter B, Chapter 39, Education Code, is
5 amended by adding Section 39.0221 to read as follows:

6 Sec. 39.0221. REQUIREMENTS FOR CERTAIN CONTRACTS FOR
7 ASSESSMENT INSTRUMENTS. If the agency issues a request for
8 proposal for a contract relating to services regarding
9 assessment instruments under this chapter or accountability
10 reporting and the request for proposal results in only one
11 qualified proposal, the agency may not enter into the contract
12 without the approval of the Legislative Budget Board.

ADOPTED

APR 29 2009

Robert Hanes
Chief Clerk
House of Representatives



FLOOR AMENDMENT NO. 88

BY: SOLOMONS

1 Amend C.S.H.B. No. 3 (house committee printing) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering the remaining SECTIONS of the bill accordingly:

4 SECTION ____ . Section 28.0021, Education Code, is amended by
5 amending Subsections (b) and (c) and adding Subsection (d) to read
6 as follows:

7 (b) School districts and open-enrollment charter schools
8 shall incorporate instruction in personal financial literacy into
9 any course meeting a requirement for an economics credit under
10 Section 28.025, using materials approved by the board. The
11 materials must include instruction on:

12 (1) the types of bank accounts available to consumers
13 and the benefits of maintaining a bank account;

14 (2) balancing a checkbook;

15 (3) determining credit scores and the manner in which
16 credit scores are used;

17 (4) issues associated with the use of debit and credit
18 cards, including avoiding and eliminating credit card debt;

19 (5) understanding the rights and responsibilities of
20 renting or buying a home;

21 (6) managing money to make the transition from renting
22 a home to home ownership;

23 (7) starting a small business;

24 (8) being a prudent investor in the stock market and
25 using other investment options;

26 (9) beginning a savings program;

27 (10) bankruptcy; and

28 (11) the types of loans available to consumers,
29 including mortgage loans and motor vehicle loans, and becoming a

1 low-risk borrower.

2 (c) The State Board of Education shall ensure that the
3 essential knowledge and skills for social studies address personal
4 financial literacy, including the topics listed in Subsection (b),
5 in kindergarten and in each grade level from first through eighth
6 grade, as appropriate.

7 (d) [~~School districts and open-enrollment charter schools~~
8 ~~shall comply with Subsection (b) beginning with the 2006-2007~~
9 ~~school year.~~] The board shall adopt essential knowledge and skills
10 that include [~~for a course including~~] the requirements of
11 Subsection (b) [~~(a)~~] not later than the 2010-2011 [~~2008-2009~~]
12 school year. ~~This subsection expires September 1, 2011 [and~~
13 ~~Subsection (b) expire September 1, 2009].~~



ADOPTED AS Amended

FLOOR AMENDMENT NO.

90

APR 29 2009 BY:

Patrick M. Rose

Robert Hancey
Chief Clerk
House of Representatives

1 Amend C.S.H.B. No. 3 as follows:

2 (1) On page 15, strike lines 22-26 and substitute the
3 following:

4 (c) The board shall evaluate each application and
5 associated information and give consideration to the
6 recommendation under Subsection (e) regarding the application
7 made by the task force established under Subsection (d). The
8 board must take action approving or denying an application on or
9 before the 180th day after the date the district submitted the
10 application and all associated information. The board may begin
11 evaluation of an application or take any associated
12 administrative action, including posting an agenda item for a
13 public meeting, before the board receives the task force's
14 recommendation.

15 (d) The commissioner, in consultation with the
16 commissioner of higher education, shall establish a Career and
17 Technical Education Course Review Task Force to make
18 recommendations to the board regarding approval or disapproval
19 of courses submitted under this section. The task force must
20 consist of five members as follows:

21 (1) one representative of business and industry;

22 (2) one secondary educator and one postsecondary
23 educator who provide instruction in career and technical
24 education; and

25 (3) one secondary educator and one postsecondary
26 educator who provide instruction in an academic discipline.

27 (e) The task force established under Subsection (d) must
28 make its recommendation to the board regarding approval or
29 disapproval of a course not later than the 90th day after the

1 date the district submitted the application and all associated
2 information.

3 (2) On page 15, line 27, strike "(d)" and substitute
4 "(f)".

5 (3) On page 16, line 7, strike "(e)" and substitute "(g)".

6 (4) On page 16, line 9, strike "(f)" and substitute "(h)".



FLOOR AMENDMENT NO. 91

BY: *[Signature]*

1 Amend the Rose amendment ⁹⁰ to C.S.H.B. No. 3 on page 1 of the
2 amendment, between lines 14 and 15, by inserting the following:

3 (c-1) A course developed for purposes of this section must:

4 (1) cover the essential knowledge and skills
5 identified under Section 28.002 for the subject for which the
6 career and technical course is offered as an alternative;

7 (2) provide content that enables a student to develop
8 the relevant and critical skills needed to be prepared for
9 employment or additional training in a high-demand occupation;

10 (3) incorporate college and career readiness skills as
11 part of the curriculum;

12 (4) satisfy a mathematics or science requirement under
13 the minimum, recommended, or advanced high school program as
14 provided by Section 28.025; and

15 (5) be taught by a teacher who holds a valid teaching
16 certificate.

ADOPTED

APR 29 2009

Robert Haney
Chief Clerk
House of Representatives

ADOPTED

MAY 13 2009

Atty. Gen.
Secretary of the Senate

By: Eissler / Shapiro

H.B. No. 3

Substitute the following for H.B. No. 3:

By: Arvonne Brazier

C.S. H.B. No. 3

A BILL TO BE ENTITLED

AN ACT

1

2 relating to public school accountability, curriculum, and
3 promotion requirements.

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

5 SECTION 1. Subsection (a), Section 7.028, Education Code,
6 is amended to read as follows:

7 (a) Except as provided by Section 29.001(5), 29.010(a),
8 39.056 [~~39.074~~], or 39.057 [~~39.075~~], the agency may monitor
9 compliance with requirements applicable to a process or program
10 provided by a school district, campus, program, or school granted
11 charters under Chapter 12, including the process described by
12 Subchapter F, Chapter 11, or a program described by Subchapter B, C,
13 D, E, F, H, or I, Chapter 29, Subchapter A, Chapter 37, or Section
14 38.003, and the use of funds provided for such a program under
15 Subchapter C, Chapter 42, only as necessary to ensure:

16 (1) compliance with federal law and regulations;
17 (2) financial accountability, including compliance
18 with grant requirements; and

19 (3) data integrity for purposes of:
20 (A) the Public Education Information Management
21 System (PEIMS); and
22 (B) accountability under Chapter 39.

23 SECTION 2. Subsections (e) and (f), Section 7.056,
24 Education Code, are amended to read as follows:

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

4 (1) a prohibition on conduct that constitutes a
5 criminal offense;

6 (2) a requirement imposed by federal law or rule,
7 including a requirement for special education or bilingual
8 education programs; or

9 (3) a requirement, restriction, or prohibition
10 relating to:

11 (A) essential knowledge or skills under Section
12 28.002 or high school [~~minimum~~] graduation requirements under
13 Section 28.025;

14 (B) public school accountability as provided by
15 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

16 (C) extracurricular activities under Section
17 33.081 or participation in a University Interscholastic League
18 area, regional, or state competition under Section 33.0812;

19 (D) health and safety under Chapter 38;

20 (E) purchasing under Subchapter B, Chapter 44;

21 (F) elementary school class size limits, except
22 as provided by Section 25.112;

23 (G) removal of a disruptive student from the
24 classroom under Subchapter A, Chapter 37;

25 (H) at-risk programs under Subchapter C, Chapter
26 29;

27 (I) prekindergarten programs under Subchapter E,

1 Chapter 29;

2 (J) educator rights and benefits under
3 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
4 A, Chapter 22;

5 (K) special education programs under Subchapter
6 A, Chapter 29;

7 (L) bilingual education programs under
8 Subchapter B, Chapter 29; or

9 (M) the requirements for the first day of
10 instruction under Section 25.0811.

11 (f) A school district or campus that is required to develop
12 and implement a student achievement improvement plan under Section
13 39.101 [~~39.131~~] or 39.102 [~~39.132~~] may receive an exemption or
14 waiver under this section from any law or rule other than:

15 (1) a prohibition on conduct that constitutes a
16 criminal offense;

17 (2) a requirement imposed by federal law or rule;

18 (3) a requirement, restriction, or prohibition
19 imposed by state law or rule relating to:

20 (A) public school accountability as provided by
21 Subchapters B, C, D, E, and J [~~G~~], Chapter 39; or

22 (B) educator rights and benefits under
23 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter
24 A, Chapter 22; or

25 (4) textbook selection under Chapter 31.

26 SECTION 3. Subsections (b) and (d), Section 8.051,
27 Education Code, are amended to read as follows:

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

5 (1) campuses that fail to satisfy any standard
6 ~~[identified as academically unacceptable based on the indicators~~
7 ~~adopted]~~ under Section 39.054(d) ~~[39.051]~~;

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

9 (3) other campuses.

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

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

15 (2) training and assistance in providing each program
16 that qualifies for a funding allotment under Section 42.151,
17 42.152, 42.153, or 42.156;

18 (3) assistance specifically designed for a school
19 district rated accredited-warned or accredited-probation
20 ~~[academically unacceptable]~~ under Section 39.052 ~~[39.072(a)]~~ or a
21 campus that fails to satisfy any standard ~~[whose performance is~~
22 ~~considered unacceptable based on the indicators adopted]~~ under
23 Section 39.054(d) ~~[39.051]~~;

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

27 (5) assistance specifically designed for a school

1 district that is considered out of compliance with state or federal
2 special education requirements, based on the agency's most recent
3 compliance review of the district's special education programs; and

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

5 SECTION 4. Section 11.001, Education Code, is amended to
6 read as follows:

7 Sec. 11.001. ACCREDITATION. Each school district must be
8 accredited by the agency as provided by Subchapter C [~~D~~], Chapter
9 39.

10 SECTION 5. Subsection (d), Section 11.003, Education Code,
11 is amended to read as follows:

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

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

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

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

23 (B) promote the efficient operation of the
24 district.

25 SECTION 6. Subsection (b), Section 11.1511, Education Code,
26 is amended to read as follows:

27 (b) The board shall:

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

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

7 (3) establish performance goals for the district
8 concerning:

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

12 (B) any performance indicators adopted by the
13 district;

14 (4) ensure that the superintendent:

15 (A) is accountable for achieving performance
16 results;

17 (B) recognizes performance accomplishments; and

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

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

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

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

27 (8) adopt a tax rate each fiscal year as required under

1 Section 26.05, Tax Code;

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

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

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

9 (12) conduct elections as required by law;

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

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

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

20 SECTION 7. Subsection (d), Section 11.201, Education Code,
21 is amended to read as follows:

22 (d) The duties of the superintendent include:

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

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

5 (3) overseeing compliance with the standards for
6 school facilities established by the commissioner under Section
7 46.008;

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

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

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

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

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

24 (9) providing leadership for the attainment and, if
25 necessary, improvement of student performance in the district based
26 on the indicators adopted under Sections 39.053 and 39.301 [~~Section~~
27 ~~39.051~~] and other indicators adopted by the commissioner [~~State~~

1 ~~Board of Education]~~ or the district's board of trustees;
2 (10) organizing the district's central
3 administration;
4 (11) consulting with the district-level committee as
5 required under Section 11.252(f);
6 (12) ensuring:
7 (A) adoption of a student code of conduct as
8 required under Section 37.001 and enforcement of that code of
9 conduct; and
10 (B) adoption and enforcement of other student
11 disciplinary rules and procedures as necessary;
12 (13) submitting reports as required by state or
13 federal law, rule, or regulation;
14 (14) providing joint leadership with the board of
15 trustees to ensure that the responsibilities of the board and
16 superintendent team are carried out; and
17 (15) performing any other duties assigned by action of
18 the board of trustees.

19 SECTION 8. Subsection (d), Section 11.203, Education Code,
20 is amended to read as follows:

21 (d) A principal who was employed as principal at [ef] a
22 campus that failed to satisfy any standard under Section 39.054(d)
23 during the preceding school year [rated academically unacceptable,
24 ~~as well as any person employed to replace that principal,~~] shall
25 participate in the program and complete the program requirements
26 not later than a date determined by the commissioner.

27 SECTION 9. Subsection (a), Section 11.252, Education Code,

1 is amended to read as follows:

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

12 (1) a comprehensive needs assessment addressing
13 district student performance on the student achievement [~~academic~~
14 ~~excellence~~] indicators, and other appropriate measures of
15 performance, that are disaggregated by all student groups served by
16 the district, including categories of ethnicity, socioeconomic
17 status, sex, and populations served by special programs, including
18 students in special education programs under Subchapter A, Chapter
19 29;

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

26 (3) strategies for improvement of student performance
27 that include:

1 (A) instructional methods for addressing the
2 needs of student groups not achieving their full potential;
3 (B) methods for addressing the needs of students
4 for special programs, such as suicide prevention, conflict
5 resolution, violence prevention, or dyslexia treatment programs;
6 (C) dropout reduction;
7 (D) integration of technology in instructional
8 and administrative programs;
9 (E) discipline management;
10 (F) staff development for professional staff of
11 the district;
12 (G) career education to assist students in
13 developing the knowledge, skills, and competencies necessary for a
14 broad range of career opportunities; and
15 (H) accelerated education;
16 (4) strategies for providing to middle school, junior
17 high school, and high school students, those students' teachers and
18 counselors, and those students' parents information about:
19 (A) higher education admissions and financial
20 aid opportunities;
21 (B) the TEXAS grant program and the Teach for
22 Texas grant program established under Chapter 56;
23 (C) the need for students to make informed
24 curriculum choices to be prepared for success beyond high school;
25 and
26 (D) sources of information on higher education
27 admissions and financial aid;

- 1 (5) resources needed to implement identified
2 strategies;
- 3 (6) staff responsible for ensuring the accomplishment
4 of each strategy;
- 5 (7) timelines for ongoing monitoring of the
6 implementation of each improvement strategy; and
- 7 (8) formative evaluation criteria for determining
8 periodically whether strategies are resulting in intended
9 improvement of student performance.

10 SECTION 10. Subsections (c) and (d), Section 11.253,
11 Education Code, are amended to read as follows:

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

21 (d) Each campus improvement plan must:

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

25 (2) set the campus performance objectives based on the
26 student achievement [~~academic excellence~~] indicator system,
27 including objectives for special needs populations, including

1 students in special education programs under Subchapter A, Chapter
2 29;

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

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

7 (5) identify staff needed to implement the plan;

8 (6) set timelines for reaching the goals;

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

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

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

16 SECTION 11. Subsection (a), Section 11.255, Education Code,
17 is amended to read as follows:

18 (a) Each district-level planning and decision-making
19 committee and each campus-level planning and decision-making
20 committee for a junior, middle, or high school campus shall analyze
21 information related to dropout prevention, including:

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

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

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

3 (A) do not complete the program;

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

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

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

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

15 SECTION 12. Subsection (b), Section 12.013, Education Code,
16 is amended to read as follows:

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

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

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

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

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

- 1 (B) educator certification under Chapter 21 and
2 educator rights under Sections 21.407, 21.408, and 22.001;
- 3 (C) criminal history records under Subchapter C,
4 Chapter 22;
- 5 (D) student admissions under Section 25.001;
- 6 (E) school attendance under Sections 25.085,
7 25.086, and 25.087;
- 8 (F) inter-district or inter-county transfers of
9 students under Subchapter B, Chapter 25;
- 10 (G) elementary class size limits under Section
11 25.112, in the case of any campus in the district that fails to
12 satisfy any standard [~~is considered academically unacceptable~~]
13 under Section 39.054(d) [~~39.132~~];
- 14 (H) high school graduation under Section 28.025;
- 15 (I) special education programs under Subchapter
16 A, Chapter 29;
- 17 (J) bilingual education under Subchapter B,
18 Chapter 29;
- 19 (K) prekindergarten programs under Subchapter E,
20 Chapter 29;
- 21 (L) safety provisions relating to the
22 transportation of students under Sections 34.002, 34.003, 34.004,
23 and 34.008;
- 24 (M) computation and distribution of state aid
25 under Chapters 31, 42, and 43;
- 26 (N) extracurricular activities under Section
27 33.081;

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

8 SECTION 13. Subsection (b), Section 12.056, Education Code,
9 is amended to read as follows:

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

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

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

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

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

22 (C) high school graduation under Section 28.025;

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

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

27 (F) prekindergarten programs under Subchapter E,

1 Chapter 29;

2 (G) extracurricular activities under Section
3 33.081;

4 (H) health and safety under Chapter 38; and

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

7 SECTION 14. Subdivision (5), Section 12.1012, Education
8 Code, is amended to read as follows:

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

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

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

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

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

21 (E) recommending policies to be adopted by the
22 governing body of the school, developing appropriate procedures to
23 implement policies adopted by the governing body of the school, and
24 overseeing the implementation of adopted policies; and

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

1 governing body of the school.

2 SECTION 15. Subsection (b), Section 12.104, Education Code,
3 is amended to read as follows:

4 (b) An open-enrollment charter school is subject to:

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

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

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

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

15 (C) reading instruments and accelerated reading
16 instruction programs under Section 28.006;

17 (D) ~~[satisfactory performance on assessment~~
18 ~~instruments and to]~~ accelerated instruction under Section 28.0211;

19 (E) high school graduation requirements under
20 Section 28.025;

21 (F) special education programs under Subchapter
22 A, Chapter 29;

23 (G) bilingual education under Subchapter B,
24 Chapter 29;

25 (H) prekindergarten programs under Subchapter E,
26 Chapter 29;

27 (I) extracurricular activities under Section

1 33.081;

2 (J) discipline management practices or behavior
3 management techniques under Section 37.0021;

4 (K) health and safety under Chapter 38;

5 (L) public school accountability under
6 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

7 (M) the requirement under Section 21.006 to
8 report an educator's misconduct; and

9 (N) intensive programs of instruction under
10 Section 28.0213.

11 SECTION 16. Subsection (a), Section 12.1054, Education
12 Code, is amended to read as follows:

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

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

25 (2) notwithstanding any provision of Subdivision (1)
26 [~~Section 12.1054(1)~~], an employee of an open-enrollment charter
27 school that satisfies all performance standards [~~rated as~~

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

8 SECTION 17. Subsection (b), Section 12.1055, Education
9 Code, is amended to read as follows:

10 (b) Notwithstanding Subsection (a), if an open-enrollment
11 charter school satisfies all performance standards ~~[is rated~~
12 ~~academically acceptable or higher]~~ under Section 39.054(d)
13 ~~[Chapter 39]~~ for at least two of the preceding three school years,
14 then Chapter 573, Government Code, does not apply to that school;
15 however, a member of the governing body of a charter holder or a
16 member of the governing body or officer of an open-enrollment
17 charter school shall comply with the requirements of Sections
18 171.003-171.007, Local Government Code, with respect to a personnel
19 matter concerning a person related to the member or officer within
20 the degree specified by Section 573.002, Government Code, as if the
21 personnel matter were a transaction with a business entity subject
22 to those sections, and persons defined under Sections
23 573.021-573.025, Government Code, shall not constitute a quorum of
24 the governing body or any committee of the governing body.

25 SECTION 18. Subsection (a), Section 12.1162, Education
26 Code, is amended to read as follows:

27 (a) The commissioner shall take any of the actions described

1 by Subsection (b) or by Section 39.101(a) [~~39.131(a)~~], to the
2 extent the commissioner determines necessary, if an
3 open-enrollment charter school, as determined by a report issued
4 under Section 39.058(b) [~~39.076(b)~~]:

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

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

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

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

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

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

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

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

1 (c) A performance incentive awarded to a principal under
2 this section must be distributed to the principal's school and used
3 in the manner determined by the campus-level committee established
4 under Section 11.253 in accordance with the requirements of Section
5 39.264(a) [~~39.094(a)~~].

6 SECTION 22. Subsection (b), Section 21.4541, Education
7 Code, is amended to read as follows:

8 (b) A school district or campus is eligible to participate
9 in the pilot program under this section if the district or campus
10 meets the eligibility criteria established as provided by Section
11 39.408 [~~39.358~~].

12 SECTION 23. Subsection (c), Section 21.4551, Education
13 Code, is amended to read as follows:

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

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

25 (c-1) The State Board of Education may adopt rules to allow
26 courses offered in the foundation curriculum or the enrichment
27 curriculum to simultaneously satisfy, to the extent practicable,

1 more than one required credit for the minimum, recommended, or
2 advanced high school program in which the student is participating.

3 (c-2) The State Board of Education shall adopt rules to
4 authorize each school district to implement a program under which
5 students in middle or junior high school may earn credits toward
6 high school graduation in middle or junior high school for any
7 course determined by board rule to qualify as a high school
8 equivalent course.

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

13 SECTION 25. Subsection (j), Section 28.006, Education Code,
14 is amended to read as follows:

15 (j) No more than 15 percent of the funds certified by the
16 commissioner under Subsection (i) may be spent on indirect
17 costs. The commissioner shall evaluate the programs that fail to
18 meet the standard of performance under Section 39.301(c)(4)
19 [~~39.051(b)(8)~~] and may implement sanctions under Subchapter E [G],
20 Chapter 39. The commissioner may audit the expenditures of funds
21 appropriated for purposes of this section. The use of the funds
22 appropriated for purposes of this section shall be verified as part
23 of the district audit under Section 44.008.

24 SECTION 26. Subsection (d), Section 28.014, Education Code,
25 is amended to read as follows:

26 (d) The agency, in coordination with the Texas Higher
27 Education Coordinating Board, shall adopt a series of questions to

1 be included in an end-of-course assessment instrument administered
2 under Subsection (c) to be used for purposes of Section
3 51.3062. The questions must be developed in a manner consistent
4 with any college readiness standards adopted under Sections 39.233
5 [~~39.113~~] and 51.3062. A student's performance on a question
6 adopted under this subsection may not be used to determine the
7 student's performance on an end-of-course assessment instrument.

8 SECTION 27. The heading to Section 28.0211, Education Code,
9 is amended to read as follows:

10 Sec. 28.0211. STUDENT ADVANCEMENT DETERMINATION;
11 [~~SATISFACTORY~~] PERFORMANCE ON ASSESSMENT INSTRUMENTS [~~REQUIRED~~];
12 ACCELERATED INSTRUCTION.

13 SECTION 28. Section 28.0211, Education Code, is amended by
14 amending Subsections (a), (b), (c), (d), (e), (f), (g), (i), and (k)
15 and adding Subsections (c-1), (d-1), (d-2), and (d-3) to read as
16 follows:

17 (a) Not later than the first day of the school year, a school
18 district shall determine the requirements for student advancement
19 from one grade level to the next. In determining whether a student
20 may be promoted to the next grade level, the district shall
21 consider:

22 (1) the recommendation of the student's teacher;
23 (2) the student's grade in each subject or course;
24 (3) the student's score on an assessment instrument
25 administered under Section 39.023(a), (b), or (1); and

26 (4) any other necessary information, as determined by
27 the district [~~Except as provided by Subsection (b) or (c), a student~~

1 ~~may not be promoted to:~~

2 ~~[(1) the fourth grade program to which the student~~
3 ~~would otherwise be assigned if the student does not perform~~
4 ~~satisfactorily on the third grade reading assessment instrument~~
5 ~~under Section 39.023,~~

6 ~~[(2) the sixth grade program to which the student~~
7 ~~would otherwise be assigned if the student does not perform~~
8 ~~satisfactorily on the fifth grade mathematics and reading~~
9 ~~assessment instruments under Section 39.023, or~~

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

14 (b) A school district shall provide to a student who
15 initially fails to perform satisfactorily on the third grade
16 reading assessment instrument, the fifth grade mathematics and
17 reading assessment instruments, or the eighth grade mathematics and
18 reading assessment instruments under Section 39.023 an [assessment
19 ~~instrument specified under Subsection (a) at least two~~] additional
20 opportunity [~~opportunities~~] to take the assessment instrument. [A
21 ~~school district may administer an alternate assessment instrument~~
22 ~~to a student who has failed an assessment instrument specified~~
23 ~~under Subsection (a) on the previous two opportunities.~~
24 ~~Notwithstanding any other provision of this section, a student may~~
25 ~~be promoted if the student performs at grade level on an alternate~~
26 ~~assessment instrument under this subsection that is appropriate for~~
27 ~~the student's grade level and approved by the commissioner.]~~

1 (c) If ~~[Each time]~~ a student fails to perform satisfactorily
2 on a mathematics or reading ~~[an]~~ assessment instrument administered
3 ~~[specified]~~ under Section 39.023(a), (b), or (1) in the third,
4 fifth, or eighth grade ~~[Subsection (a)]~~, the school district in
5 which the student attends school shall provide to the student
6 accelerated instruction in the applicable subject area. If a
7 student in a third, fifth, or eighth grade program fails to meet the
8 requirements for student advancement from one grade level to the
9 next as determined by a school district under Subsection (a), the
10 district shall establish~~[, including reading instruction for a~~
11 ~~student who fails to perform satisfactorily on a reading assessment~~
12 ~~instrument. After a student fails to perform satisfactorily on an~~
13 ~~assessment instrument a second time,~~ a grade placement committee
14 ~~[shall be established]~~ to prescribe the accelerated instruction the
15 district shall provide to the student. If a student in a program
16 other than a third, fifth, or eighth grade program fails to meet the
17 requirements for student advancement from one grade level to the
18 next as determined by a school district under Subsection (a), the
19 district may establish a grade placement committee to prescribe the
20 accelerated instruction the district shall provide to the student
21 ~~[before the student is administered the assessment instrument the~~
22 ~~third time]~~. The grade placement committee shall be composed of the
23 principal or the principal's designee, the student's parent or
24 guardian, and the teacher of the subject of an assessment
25 instrument on which the student failed to perform satisfactorily.
26 The district shall notify the parent or guardian of the time and
27 place for convening the grade placement committee and the purpose

1 of the committee. The accelerated instruction program provided
2 under this subsection must be systematic and may not be based solely
3 on assessment instrument practice skills and:

4 (1) for a student in a third, fifth, or eighth grade
5 program:

6 (A) must provide for instruction in the
7 applicable subject area;

8 (B) must be approved by the student's parent or
9 guardian and the district; and

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

14 (2) for a student in a program other than a third,
15 fifth, or eighth grade program, be made available to the student in
16 the next grade level.

17 (c-1) A school district shall implement an accelerated
18 instruction program under Subsection (c) not later than the 30th
19 day after the first day of school of the next school year.
20 Accelerated instruction may occur outside of regular school hours,
21 including during summer school.

22 (d) In addition to providing accelerated instruction to a
23 student under Subsection (c), the school district shall notify the
24 student's parent or guardian of:

25 (1) the information collected under Subsection (a),
26 including if applicable, the student's failure to perform
27 satisfactorily on the assessment instrument;

1 (2) the accelerated instruction program to which the
2 student is assigned; ~~and~~

3 (3) the possibility that the student might be retained
4 at the same grade level for the next school year;

5 (4) the areas requiring improvement for the student to
6 meet the requirements for advancement from one grade level to the
7 next as determined by the district under Subsection (a); and

8 (5) any other applicable information as determined by
9 the district.

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

14 (d-2) The grade placement committee shall make a
15 determination that the student who failed to meet the requirements
16 for student advancement from one grade level to the next determined
17 by a school district under Subsection (a) be:

18 (1) retained at the same grade level for the next
19 school year; or

20 (2) placed in the next grade level with accelerated
21 instruction as provided under Subsection (c).

22 (d-3) A student who fails to participate in an accelerated
23 instruction program developed under Subsection (c)(1) may not be
24 promoted to the next grade level program to which the student would
25 otherwise be assigned if the student does not perform
26 satisfactorily on the applicable assessment instrument specified
27 under Subsection (b).

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

22 (f) An accelerated instruction program under Subsection (c)
23 ~~[A school district shall provide to a student who, after three~~
24 ~~attempts, has failed to perform satisfactorily on an assessment~~
25 ~~instrument specified under Subsection (a) accelerated instruction~~
26 ~~during the next school year as prescribed by an educational plan~~
27 ~~developed for the student by the student's grade placement~~

1 ~~committee established under Subsection (c). The district shall~~
2 ~~provide that accelerated instruction regardless of whether the~~
3 ~~student has been promoted or retained. The educational plan] must~~
4 be designed to enable the student to perform at the appropriate
5 grade level by the conclusion of the school year. During the school
6 year, the student shall be monitored to ensure that the student is
7 progressing in accordance with the program ~~[plan]~~. The district
8 shall administer to the student the assessment instrument for the
9 grade level in which the student is placed at the time the district
10 regularly administers the assessment instruments for that school
11 year.

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

16 (i) The admission, review, and dismissal committee of a
17 student who participates in a district's special education program
18 under Subchapter B, Chapter 29, and who does not perform
19 satisfactorily on a mathematics or reading ~~[an]~~ assessment
20 instrument ~~[specified under Subsection (a) and]~~ administered under
21 Section 39.023(a) or (b) shall determine:

22 (1) the manner in which the student will participate
23 in an accelerated instruction program under this section; and

24 (2) whether the student will be promoted or retained
25 under this section.

26 (k) The commissioner shall adopt rules as necessary to
27 implement this section, including rules concerning when school

1 districts shall administer assessment instruments required under
2 this section and which administration of the assessment instruments
3 will be used for purposes of Section 39.053 [~~39.051~~].

4 SECTION 29. Subchapter B, Chapter 28, Education Code, is
5 amended by adding Section 28.0216 to read as follows:

6 Sec. 28.0216. DISTRICT GRADING POLICY. A school district
7 shall adopt a grading policy, including provisions for the
8 assignment of grades on class assignments and examinations, before
9 each school year. A district grading policy:

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

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

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

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

1 subsection does not prohibit the State Board of Education from
2 designating the total number of credits required under the
3 enrichment curriculum for a student participating in the minimum,
4 recommended, or advanced high school program.

5 (b) A school district shall ensure that each student enrolls
6 in the courses necessary to complete the curriculum requirements
7 identified by the State Board of Education under Subsection (a) for
8 the recommended or advanced high school program unless the student,
9 the student's parent or other person standing in parental relation
10 to the student, and a school counselor or school administrator
11 agree that the student should be permitted to take courses under the
12 minimum high school program and the student:

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

14 (2) has completed two credits required for graduation
15 in each subject of the foundation curriculum under Section
16 28.002(a)(1); or

17 (3) has failed to be promoted to the tenth grade one or
18 more times as determined by the school district.

19 (b-1) The State Board of Education by rule shall require
20 that:

21 (1) except as provided by Subsection (b-2), the
22 curriculum requirements for the recommended and advanced high
23 school programs under Subsection (a) include a requirement that
24 students successfully complete:

25 (A) four credits [courses] in each subject of the
26 foundation curriculum under Section 28.002(a)(1), including at
27 least one-half credit in government and at least one-half credit in

1 economics to meet the social studies requirement;

2 (B) for the recommended high school program, two
3 credits in the same language in a language other than English under
4 Section 28.002(a)(2)(A) and, for the advanced high school program,
5 three credits in the same language in a language other than English
6 under Section 28.002(a)(2)(A); and

7 (C) eight elective credits; and

8 (2) one or more credits [~~courses~~] offered in the
9 required curriculum for the recommended and advanced high school
10 programs include a research writing component.

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

19 (b-4) Before a student's parent or other person standing in
20 parental relation to the student may agree that the student be
21 permitted to take courses under the minimum high school program as
22 provided by Subsection (b), a school district must provide written
23 notice to the parent or person standing in parental relation
24 explaining the benefits of the recommended high school program.
25 The notice shall be developed by the agency and must:

26 (1) be printed in English and Spanish; and

27 (2) require that the student's parent or person

1 standing in parental relation to the student sign a confirmation of
2 receipt and return the confirmation to the student's campus.

3 (b-5) Notwithstanding Section 5.09, Chapter 5 (H.B. 1),
4 79th Legislature, 3rd Called Session, 2006, the curriculum
5 requirements for the recommended and advanced high school programs
6 under Subsection (b-1) apply to students entering the ninth grade
7 beginning with the 2011-2012 school year. This subsection expires
8 September 1, 2015.

9 SECTION 31. Subsection (b), Section 28.0252, Education
10 Code, is amended to read as follows:

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

19 SECTION 32. Subsection (a), Section 29.062, Education Code,
20 is amended to read as follows:

21 (a) The legislature recognizes that compliance with this
22 subchapter is an imperative public necessity. Therefore, in
23 accordance with the policy of the state, the agency shall evaluate
24 the effectiveness of programs under this subchapter based on the
25 student achievement [~~academic excellence~~] indicators adopted under
26 Section 39.053 [~~39.051(a)~~], including the results of assessment
27 instruments. The agency may combine evaluations under this section

1 with federal accountability measures concerning students of
2 limited English proficiency.

3 SECTION 33. Subsection (c), Section 29.094, Education Code,
4 is amended to read as follows:

5 (c) A campus may apply to the commissioner to participate in
6 the pilot program. The commissioner may select for participation
7 in the pilot program only campuses that have failed to improve
8 student performance in reading according to standards established
9 by the commissioner. The standards established by the commissioner
10 for purposes of this subsection must be based on reading
11 performance standards considered [~~required~~] for student promotion
12 under Section 28.0211.

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

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

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

23 (c) The commissioner may award a grant in an amount not to
24 exceed \$5,000 in a school year to a school district on behalf of a
25 student club at a district high school campus that is eligible under
26 the criteria established under Section 39.408 [~~39.358~~]. To be
27 eligible for a grant, the student club and the club's sponsor must

1 be sanctioned by the campus and district. A grant awarded under
2 this program must be matched by other federal, state, or local
3 funds, including donations, in an amount equal to the amount of the
4 grant. A district shall seek donations or sponsorships from local
5 businesses or community organizations to raise the matching funds.
6 The commissioner may award a grant on behalf of more than one
7 student club at a campus in the same school year.

8 SECTION 36. Subsections (a) and (c), Section 29.096,
9 Education Code, are amended to read as follows:

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

13 (c) A school district or open-enrollment charter school is
14 eligible to participate and receive a grant under this section
15 under the eligibility criteria established under Section 39.408
16 [~~39.358~~].

17 SECTION 37. Subdivision (1), Subsection (a), Section
18 29.097, Education Code, is amended to read as follows:

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

22 SECTION 38. Subsection (c), Section 29.097, Education Code,
23 is amended to read as follows:

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

27 SECTION 39. Subsection (c), Section 29.098, Education Code,

1 is amended to read as follows:

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

5 SECTION 40. Subsection (a), Section 29.202, Education Code,
6 is amended to read as follows:

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

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

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

18 SECTION 41. Subsection (d), Section 29.904, Education Code,
19 is amended to read as follows:

20 (d) A plan developed under this section:

21 (1) must establish clear, achievable goals for
22 increasing the percentage of the school district's graduating
23 seniors, particularly the graduating seniors attending a high
24 school described by Subsection (a), who enroll in an institution of
25 higher education for the academic year following graduation;

26 (2) must establish an accurate method of measuring
27 progress toward the goals established under Subdivision (1) that

1 may include the percentage of district high school students and the
2 percentage of students attending a district high school described
3 by Subsection (a) who:

4 (A) are enrolled in a course for which a student
5 may earn college credit, such as an advanced placement or
6 international baccalaureate course or a course offered through
7 concurrent enrollment in high school and at an institution of
8 higher education;

9 (B) are enrolled in courses that meet the
10 curriculum requirements for the recommended or advanced high school
11 program as determined under Section 28.025;

12 (C) have submitted a free application for federal
13 student aid (FAFSA);

14 (D) are exempt under Section 51.3062(p) or (q)
15 [~~51.306(1) or (m)~~] from administration of an assessment [~~a test~~]
16 instrument under Section 51.3062 [~~51.306~~] or have performed
17 successfully on an assessment [~~a test~~] instrument under Section
18 51.3062 [~~51.306~~];

19 (E) graduate from high school;

20 (F) graduate from an institution of higher
21 education; and

22 (G) have taken college entrance examinations and
23 the average score of those students on the examinations;

24 (3) must cover a period of at least five years; and

25 (4) may be directed at district students at any level
26 of primary or secondary education.

27 SECTION 42. Subsection (e), Section 29.906, Education Code,

1 is amended to read as follows:

2 (e) The agency shall:

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

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

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

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

13 (3) include in the report required under Section
14 39.332 [~~39.182~~]:

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

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

20 SECTION 43. Subsections (a) and (c), Section 29.918,
21 Education Code, are amended to read as follows:

22 (a) Notwithstanding Section 39.234 [~~39.114~~] or 42.152, a
23 school district or open-enrollment charter school with a high
24 dropout rate, as determined by the commissioner, must submit a plan
25 to the commissioner describing the manner in which the district or
26 charter school intends to use the compensatory education allotment
27 under Section 42.152 and the high school allotment under Section

1 42.2516(b)(3) for developing and implementing research-based
2 strategies for dropout prevention. The district or charter school
3 shall submit the plan not later than December 1 of each school year
4 preceding the school year in which the district or charter school
5 will receive the compensatory education allotment or high school
6 allotment to which the plan applies.

7 (c) The commissioner shall adopt rules to administer this
8 section. The commissioner may impose interventions or sanctions
9 under Section 39.101 [~~39.131~~] or 39.103 [~~39.1321~~] if a school
10 district or open-enrollment charter school fails to timely comply
11 with this section.

12 SECTION 44. Section 30A.101, Education Code, is amended to
13 read as follows:

14 Sec. 30A.101. ELIGIBILITY TO ACT AS PROVIDER SCHOOL
15 DISTRICT OR SCHOOL. (a) A school district is eligible to act as a
16 provider school district under this chapter only if the district is
17 rated accredited [~~academically acceptable or higher~~] under Section
18 39.052 [~~39.072~~].

19 (b) An open-enrollment charter school is eligible to act as
20 a provider school under this chapter only if the school satisfies
21 all performance standards [~~is rated recognized or higher~~] under
22 Section 39.054(d) [~~39.072~~], and may serve as a provider school
23 only:

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

27 (2) to another student in the state through an

1 agreement with the administering authority under Section 30A.153.

2 SECTION 45. Subsection (a), Section 32.157, Education Code,
3 is amended to read as follows:

4 (a) After the expiration of the pilot project, the agency
5 may review the pilot project based on the annual reports the agency
6 receives from the board of trustees of participating school
7 districts. The agency may include the review of the pilot project
8 in the comprehensive annual report required under Section 39.332
9 [~~39.182~~] that covers the 2010-2011 school year.

10 SECTION 46. Subsection (b), Section 32.252, Education Code,
11 is amended to read as follows:

12 (b) The portal must serve as a single point of access to
13 educational resources other than student assessment data
14 accessible through the student assessment data portal under Section
15 32.258. In addition to any other purpose specified by this
16 subchapter or any other educational purpose, the portal may be used
17 to:

18 (1) alleviate inequities in access to educational
19 resources by providing access to on-line courses;

20 (2) improve student academic performance by providing
21 access to tutorial materials, instructional materials that have
22 been shown to improve academic performance, and other interactive
23 materials, including materials that assess an individual student's
24 knowledge and prepare the student for the administration of a
25 standardized assessment instrument, including an assessment
26 instrument administered under Section 39.023;

27 (3) provide school districts with access to

1 administrative software and other electronic tools designed to
2 promote administrative efficiency and intra-district
3 communication; or

4 (4) [~~provide secure access to student assessment data,~~
5 ~~or~~

6 ~~(5)] provide links to appropriate educational
7 resources and experts available through the Internet.~~

8 SECTION 47. Section 32.258, Education Code, is amended to
9 read as follows:

10 Sec. 32.258. STUDENT ASSESSMENT DATA; DATA PORTAL.

11 (a) The agency shall establish and maintain a student assessment
12 data portal for use by school districts, teachers, parents,
13 students, and public institutions of higher education. The
14 agency shall [~~may~~] establish a secure, interoperable system to be
15 implemented through the portal under which:

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

19 (2) an authorized employee of a school district,
20 including a district teacher, [districts] can readily access
21 individual [student] assessment data of district students for use
22 in developing strategies for improving student performance; and

23 (3) an authorized employee of a public institution of
24 higher education can readily access individual assessment data of
25 students applying for admission for use in developing strategies
26 for improving student performance.

27 (b) The system established under Subsection (a) shall

1 provide a means for a student or the student's parent or other
2 person standing in parental relationship to track the student's
3 progress on assessment instrument requirements for graduation.

4 (c) The agency shall establish an interoperable system to be
5 implemented through the portal under which general student
6 assessment data is easily accessible to the public.

7 (d) Student assessment data provided under this section
8 must:

9 (1) be available on or before the first instructional
10 day of the school year following the year in which the data is
11 collected; and

12 (2) include student performance data on assessment
13 instruments over multiple years, beginning with the 2007-2008
14 school year, including any data indicating progress in student
15 achievement.

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

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

24 (a-1) The agency shall develop assessment instruments
25 required under Subsection (a) in a manner that allows, to the extent
26 practicable:

27 (1) the score a student receives to provide reliable

1 information relating to a student's satisfactory performance for
2 each performance standard under Section 39.0241; and

3 (2) an appropriate range of performances to serve as a
4 valid indication of growth in student achievement.

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

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

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

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

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

27 (d) The questions adopted under this section may not ~~[must]~~

1 be administered in a separate section of the end-of-course
2 assessment instrument [~~in which the questions are included~~].

3 SECTION 50. Subchapter B, Chapter 39, Education Code, is
4 amended by amending Section 39.024 and adding Sections 39.0241 and
5 39.0242 to read as follows:

6 Sec. 39.024. MEASURE OF COLLEGE READINESS. (a) In this
7 section, "college readiness" means the level of preparation a
8 student must attain in English language arts and mathematics
9 courses to enroll and succeed, without remediation, in an
10 entry-level general education course for credit in that same
11 content area at:

12 (1) a postsecondary educational institution that
13 primarily offers baccalaureate degrees and primarily serves a
14 limited geographic region; or

15 (2) a postsecondary educational institution that
16 primarily offers associate degrees or certificates or credentials
17 other than baccalaureate or advanced degrees.

18 (b) The agency shall ensure that the Algebra II and English
19 III end-of-course assessment instruments required under Section
20 39.023(c) are developed to be capable of, beginning with the
21 2011-2012 school year, measuring college readiness.

22 (c) Before the beginning of the 2011-2012 school year, the
23 agency shall gather data and conduct research studies to
24 substantiate the correlation between a certain level of performance
25 by students on the Algebra II and English III end-of-course
26 assessment instruments and college readiness.

27 (d) Studies under Subsection (c) must include an evaluation

1 of any need for remediation courses to facilitate college
2 readiness.

3 (e) Based on the results of the studies conducted under
4 Subsection (c), the commissioner of education, in conjunction with
5 the commissioner of higher education, shall establish student
6 performance standards for the Algebra II and English III
7 end-of-course assessment instruments indicating that students have
8 attained college readiness.

9 (f) To the extent practicable, the agency, in conjunction
10 with the Texas Higher Education Coordinating Board, shall conduct
11 research studies similar to the studies conducted under Subsection
12 (c) for the appropriate science and social studies end-of-course
13 assessment instruments. If the commissioner of education, in
14 conjunction with the commissioner of higher education, determines
15 that the research studies conducted under this subsection
16 substantiate a correlation between a certain level of performance
17 by students on science and social studies end-of-course assessment
18 instruments and college readiness, the commissioner of education,
19 in conjunction with the commissioner of higher education, as soon
20 as practicable, may establish student performance standards for the
21 science and social studies end-of-course assessment instruments
22 indicating that students have attained college readiness.

23 (f-1) Not later than December 1, 2012, the agency shall
24 deliver to the lieutenant governor, the speaker of the house of
25 representatives, and the clerks of the standing committees of the
26 senate and the house of representatives with primary jurisdiction
27 over public education a report that includes:

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

4 (2) a summary of any implementation procedures adopted
5 for each standard.

6 (f-2) Subsection (f-1) and this subsection expire January
7 1, 2013.

8 (g) The agency shall continue to gather data to perform
9 studies as provided under Subsections (c) and (f) at least once
10 every three years.

11 (h) The agency and the Texas Higher Education Coordinating
12 Board jointly shall periodically review the college readiness
13 performance standards established under this section and compare
14 the performance standards to performance standards established
15 nationally and internationally for comparable assessment
16 instruments. Following each review, the agency and the Texas
17 Higher Education Coordinating Board shall deliver to the lieutenant
18 governor, the speaker of the house of representatives, and the
19 clerks of the standing committees of the senate and the house of
20 representatives with primary jurisdiction over public education
21 and higher education a joint report on the results of the review
22 indicating whether the college readiness performance standards
23 established under this section are sufficiently rigorous to prepare
24 students in this state to compete academically with students
25 nationally and internationally. If the agency and the Texas Higher
26 Education Coordinating Board determine that the college readiness
27 performance standards established under this section are not

1 sufficiently rigorous, the agency and board jointly shall recommend
2 changes to the college readiness performance standards.

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

6 (1) military service; or

7 (2) a workforce training, certification, or other
8 credential program at a postsecondary educational institution that
9 primarily offers associate degrees or certificates or credentials
10 other than baccalaureate or advanced degrees.

11 Sec. 39.0241. [SATISFACTORY] PERFORMANCE STANDARDS.

12 (a) Except as otherwise provided by Subsection (b) [~~this~~
13 ~~subsection~~], the commissioner [~~State Board of Education~~] shall
14 determine the level of performance considered to be satisfactory on
15 the assessment instruments.

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

20 (a-2) For the purpose of establishing performance across
21 grade levels, the commissioner shall establish:

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

25 (2) the performance standards for the Algebra I and
26 English II end-of-course assessment instruments, as determined
27 based on studies under Section 39.0242 that correlate student

1 performance on the Algebra I and English II end-of-course
2 assessment instruments with student performance on the Algebra II
3 and English III assessment instruments;

4 (3) the performance standards for the English I
5 end-of-course assessment instrument, as determined based on
6 studies under Section 39.0242 that correlate student performance on
7 the English I end-of-course assessment instrument with student
8 performance on the English II assessment instrument;

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

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

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

25 (7) the performance standards for the grade five
26 assessment instruments, as determined based on studies under
27 Section 39.0242 that correlate student performance on the grade

1 five assessment instruments with student performance on the grade
2 six assessment instruments in the same content area;

3 (8) the performance standards for the grade four
4 assessment instruments, as determined based on studies under
5 Section 39.0242 that correlate student performance on the grade
6 four assessment instruments with student performance on the grade
7 five assessment instruments in the same content area; and

8 (9) the performance standards for the grade three
9 assessment instruments, as determined based on studies under
10 Section 39.0242 that correlate student performance on the grade
11 three assessment instruments with student performance on the grade
12 four assessment instruments in the same content area.

13 (b) The admission, review, and dismissal committee of a
14 student being assessed under Section 39.023(b) shall determine the
15 level of performance considered to be satisfactory on the
16 assessment instruments administered to that student in accordance
17 with criteria established by agency rule.

18 (c) The agency shall develop study guides for the assessment
19 instruments administered under Sections 39.023(a) and (c). To
20 assist parents in providing assistance during the period that
21 school is recessed for summer, each school district shall make
22 available [~~distribute~~] the study guides to parents of students who
23 do not perform satisfactorily on one or more parts of an assessment
24 instrument administered under this subchapter.

25 (d) The agency shall develop and make available teacher
26 training materials and other teacher training resources to assist
27 teachers in enabling students of limited English proficiency to

1 meet state performance expectations. The teacher training
2 resources shall be designed to support intensive, individualized,
3 and accelerated instructional programs developed by school
4 districts for students of limited English proficiency.

5 (e) The commissioner shall retain a portion of the total
6 amount of funds allotted under Section 42.152(a) that the
7 commissioner considers appropriate to finance activities under
8 Subsection [~~Subsections~~] (c) and may retain a portion for
9 activities under Subsection (d) and for intensive programs of
10 instruction for students of limited English proficiency offered by
11 school districts and shall reduce each district's allotment
12 proportionately.

13 Sec. 39.0242. PERFORMANCE STANDARDS: RESEARCH STUDIES AND
14 IMPLEMENTATION OF STANDARDS. (a) During the 2009-2010 and
15 2010-2011 school years, the agency shall collect data through:

16 (1) the annual administration of assessment
17 instruments required under Section 39.023(a) in grades three
18 through eight; and

19 (2) the administration to a sufficiently large sample
20 of students throughout the state of end-of-course assessment
21 instruments required under Section 39.023(c) for the purpose of
22 setting performance standards.

23 (b) Before the beginning of the 2011-2012 school year, the
24 agency shall analyze the data collected under Subsection (a) to
25 substantiate:

26 (1) the correlation between satisfactory student
27 performance for each performance standard under Section 39.0241 on

1 the grade three, four, five, six, or seven assessment instruments
2 with satisfactory performance under the same performance standard
3 on the assessment instruments in the same content area for the next
4 grade level;

5 (2) the correlation between satisfactory student
6 performance for each performance standard under Section 39.0241 on
7 the grade eight assessment instruments with satisfactory
8 performance under the same performance standard on the Algebra I
9 and English I end-of-course assessment instruments in the same
10 content area;

11 (3) the correlation between satisfactory student
12 performance for each performance standard under Section 39.0241 on
13 the English I end-of-course assessment instrument with
14 satisfactory performance under the same performance standard on the
15 English II end-of-course assessment instrument;

16 (4) the correlation between satisfactory student
17 performance for each performance standard under Section 39.0241 on
18 the English II end-of-course assessment instrument with
19 satisfactory performance under the same performance standard on the
20 English III end-of-course assessment instrument; and

21 (5) the correlation between satisfactory student
22 performance for each performance standard under Section 39.0241 on
23 the Algebra I end-of-course assessment instrument with
24 satisfactory performance under the same performance standard on the
25 Algebra II end-of-course assessment instrument.

26 (c) Studies under this section must include an evaluation of
27 any need for remediation courses to facilitate college readiness.

1 (d) The agency shall continue to gather data and perform
2 studies as provided under this section at least once every three
3 years. If the data do not support the correlation between student
4 performance standards and college readiness, the commissioner of
5 education, in collaboration with the commissioner of higher
6 education, shall revise the standard of performance considered to
7 be satisfactory.

8 (e) Based on the data collected and studies performed
9 periodically under Subsection (d), the commissioner shall increase
10 the rigor of the performance standard established under Section
11 39.0241(a) as the commissioner determines necessary.

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

15 (a) The commissioner shall adopt rules requiring a student
16 participating in the recommended or advanced high school program to
17 be administered each end-of-course assessment instrument listed in
18 Section 39.023(c) and requiring a student participating in the
19 minimum high school program to be administered an end-of-course
20 assessment instrument listed in Section 39.023(c) only for Algebra
21 I and English III and any other [a] course in which the student is
22 enrolled and for which an end-of-course assessment instrument is
23 administered. Except as otherwise provided by this section, a [A]
24 student is required to perform satisfactorily under either
25 performance standard under Section 39.0241 on two of the three
26 end-of-course assessment instruments [achieve,] in each subject in
27 which the student is required to take end-of-course assessment

1 instruments [~~in the foundation curriculum under Section~~
2 ~~28.002(a)(1), a cumulative score that is at least equal to the~~
3 ~~product of the number of end-of-course assessment instruments~~
4 ~~administered to the student in that subject and 70, with each~~
5 ~~end-of-course assessment instrument scored on a scale of 100. A~~
6 ~~student must achieve a score of at least 60 on an end-of-course~~
7 ~~assessment instrument for the score to count towards the student's~~
8 ~~cumulative score]. Except as provided under Subsection (a-2), a
9 student participating in the minimum high school program must
10 perform satisfactorily on the Algebra I and English III
11 end-of-course assessment instruments and a student participating
12 in the recommended or advanced high school program must perform
13 satisfactorily on the Algebra II and English III end-of-course
14 assessment instruments. A student who performs satisfactorily on
15 the Algebra II and English III end-of-course assessment instruments
16 under the college readiness performance standard, as determined
17 under Section 39.024, is not required to comply with the
18 requirement to perform satisfactorily on two of three end-of-course
19 assessment instruments in those subjects [~~For purposes of this~~
20 ~~subsection, a student's cumulative score is determined using the~~
21 ~~student's highest score on each end-of-course assessment~~
22 ~~instrument administered to the student]. A student may not receive
23 a high school diploma until the student has performed
24 satisfactorily on the end-of-course assessment instruments in the
25 manner provided under this subsection. [~~This subsection does not~~
26 ~~require a student to demonstrate readiness to enroll in an~~
27 ~~institution of higher education.]~~~~~~

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

4 (a-2) The commissioner by rule shall determine a method by
5 which a student's satisfactory performance on an advanced placement
6 test, international baccalaureate examination, a Scholastic
7 Assessment Test (SAT) Subject Test, or another assessment
8 instrument determined by the commissioner to be at least as
9 rigorous as an end-of-course assessment instrument adopted under
10 Section 39.023(c) may be used as a factor in determining whether the
11 student satisfies the requirements of Subsection (a) [~~, including~~
12 ~~the cumulative score requirement of that subsection~~]. The
13 commissioner by rule may determine a method by which a student's
14 satisfactory performance on a Preliminary Scholastic Assessment
15 Test (PSAT) assessment or a preliminary American College Test (ACT)
16 assessment may be used as a factor in determining whether the
17 student satisfies the requirements of Subsection (a).

18 (b) Each time an end-of-course assessment instrument is
19 administered, a student who failed to perform satisfactorily
20 [~~achieve a score of at least 60~~] on the assessment instrument as
21 determined by the commissioner under Section 39.0241(a) shall
22 retake the assessment instrument. A student who fails to perform
23 satisfactorily on an Algebra II or English III end-of-course
24 assessment instrument under the college readiness performance
25 standard, as determined under Section 39.024(b), may retake the
26 assessment instrument [~~Any other student may retake an~~
27 ~~end-of-course assessment instrument for any reason~~]. A student is

1 not required to retake a course as a condition of retaking an
2 end-of-course assessment instrument.

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

8 (b-2) The agency, in collaboration with the Texas Higher
9 Education Coordinating Board, shall develop senior-level English
10 language arts and mathematics accelerated instruction courses for
11 purposes of this section. If [~~a school district determines that~~] a
12 student does not demonstrate the performance standard for college
13 readiness as provided by Section 39.024(b) on the Algebra II or
14 English III end-of-course assessment instrument [~~, on completion of~~
15 ~~grade 11, is unlikely to achieve the cumulative score requirements~~
16 ~~for one or more subjects prescribed by Subsection (a) for receiving~~
17 ~~a high school diploma]~~, the district shall offer [~~require~~] the
18 student the opportunity to enroll in a [~~corresponding content-area~~
19 ~~college preparatory~~] course described by this subsection [~~for which~~
20 ~~an end-of-course assessment instrument has been adopted, if~~
21 ~~available~~]. A student who enrolls in a [~~college preparatory~~]
22 course described by this subsection shall be administered an
23 appropriate end-of-course assessment instrument [~~for the course,~~
24 ~~with the end-of-course assessment instrument scored on a scale of~~
25 ~~40. A student may use the student's score on the end-of-course~~
26 ~~assessment instrument for the college preparatory course towards~~
27 ~~satisfying the cumulative score requirements]~~ prescribed by

1 Subsection (a).

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

21 (f) The commissioner shall by rule adopt a transition plan
22 to implement the amendments made by Chapter 1312 (S.B. No. 1031),
23 Acts of the 80th Legislature, Regular Session, 2007, replacing
24 general subject assessment instruments administered at the high
25 school level with end-of-course assessment instruments [~~to this~~
26 ~~section and Sections 39.023(a) and (c) and 39.051(b)(5)]. The
27 rules must provide for the end-of-course assessment instruments~~

1 adopted under Section 39.023(c) to be administered beginning with
2 students entering the ninth grade during the 2011-2012 school year.
3 During the period under which the transition to end-of-course
4 assessment instruments is made:

5 (1) for students entering a grade above the ninth
6 grade during the 2011-2012 school year, the commissioner shall
7 retain, administer, and use for purposes of district accreditation
8 and other campus and district accountability measures [ratings]
9 under this chapter [Subchapter D] the assessment instruments
10 required by Section 39.023(a) or (c), as that section existed
11 before amendment by Chapter 1312 (S.B. No. 1031), Acts of the 80th
12 Legislature, Regular Session, 2007;

13 (2) a student subject to Subdivision (1) may not
14 receive a high school diploma unless the student has performed
15 satisfactorily on the English language arts, mathematics, science,
16 and social studies assessment instruments administered under
17 Section 39.023(c), as that section existed before amendment by
18 Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature, Regular
19 Session, 2007; and

20 (3) [~~2~~] the agency may defer releasing assessment
21 instrument questions and answer keys as required by Section
22 39.023(e) to the extent necessary to develop additional assessment
23 instruments.

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

26 (a-1) As part of the assessment program under Section
27 39.022, the commissioner by rule shall develop a plan for

1 implementing college preparation assessment instruments under this
2 section beginning with eighth grade assessment instruments under
3 Subsection (a)(1) in the 2010-2011 school year.

4 SECTION 53. Section 39.027, Education Code, is amended by
5 amending Subsections (a) and (e) and adding Subsections (a-1) and
6 (a-2) to read as follows:

7 (a) A student may be administered an accommodated or
8 alternative assessment instrument or may be granted an exemption
9 ~~[exempted]~~ from or a postponement of the administration of an
10 assessment instrument under:

11 (1) Section 39.023(a) or (b) if the student is
12 eligible for a special education program under Section 29.003 and
13 the student's individualized education program does not include
14 instruction in the essential knowledge and skills under Section
15 28.002 at any grade level;

16 (2) Section 39.023(c) or (d) if the student is
17 eligible for a special education program under Section 29.003 and:

18 (A) the student's individualized education
19 program does not include instruction in the essential knowledge and
20 skills under Section 28.002 at any grade level; or

21 (B) the assessment instrument, even with
22 allowable modifications, would not provide an appropriate measure
23 of the student's achievement as determined by the student's
24 admission, review, and dismissal committee;

25 (3) Section 39.023(a), (b), (c), or (1) for a period of
26 up to three years ~~[one year]~~ after initial enrollment in a school in
27 the United States if the student is an immigrant and a student of

1 limited English proficiency, as defined by Section 29.052, who, as
2 a result of inadequate schooling outside of the United States,
3 lacks the necessary foundation in the essential knowledge and
4 skills of the curriculum [~~and has not demonstrated proficiency in~~
5 ~~English as determined by the assessment system under Subsection~~
6 ~~(e)~~]; or

7 (4) Section 39.023(a), (b), (c), or (1) for a period of
8 up to five [~~two~~] years, if the student is a student of limited
9 English proficiency, as defined by Section 29.052, whose initial
10 enrollment in a school in the United States was as an unschooled
11 asylee or refugee [~~in addition to the exemption period authorized~~
12 ~~by Subdivision (3) if the student has received an exemption under~~
13 ~~Subdivision (3) and:~~

14 [~~(A) is a recent unschooled immigrant, or~~
15 [~~(B) is in a grade for which no assessment~~
16 ~~instrument in the primary language of the student is available]~~.

17 (a-1) The language proficiency assessment committee
18 established under Section 29.063 shall determine whether a student
19 meets the criteria under Subsection (a)(3) or (4). The
20 commissioner by rule shall develop procedures under which the
21 language proficiency assessment committee makes a determination
22 under this subsection. In adopting rules under this subsection,
23 the commissioner shall:

24 (1) consider the end-of-course requirements for
25 graduation for students; and

26 (2) ensure that the language proficiency assessment
27 committee requires students to be administered assessment

1 instruments under this section at the earliest practical date.

2 (a-2) For purposes of this section, "unschooled asylee or
3 refugee" means a student who:

4 (1) initially enrolled in a school in the United
5 States as:

6 (A) an asylee as defined by 45 C.F.R. Section
7 400.41; or

8 (B) a refugee as defined by 8 U.S.C. Section
9 1101;

10 (2) has a visa issued by the United States Department
11 of State with a Form I-94 Arrival/Departure record, or a successor
12 document, issued by the United States Citizenship and Immigration
13 Services that is stamped with "Asylee," "Refugee," or "Asylum"; and

14 (3) has had little or no formal schooling outside of
15 the United States and lacks even rudimentary literacy skills.

16 (e) The commissioner shall develop an assessment system
17 that shall be used for evaluating the academic progress, including
18 reading proficiency in English, of all students of limited English
19 proficiency, as defined by Section 29.052. A student who is exempt
20 from the administration of an assessment instrument under
21 Subsection (a)(3) or (4) who achieves reading proficiency in
22 English as determined by the assessment system developed under this
23 subsection shall be administered the assessment instruments
24 described by Sections 39.023(a) and (c). The performance under the
25 assessment system developed under this subsection of students to
26 whom Subsection (a)(3) or (4) applies shall be included in the
27 [~~academic excellence~~] indicator system under Section 39.301, as

1 applicable [~~Section 39.051~~], the performance report under Section
2 39.306 [~~39.053~~], and the comprehensive annual report under Section
3 39.332 [~~39.182~~]. This information shall be provided in a manner
4 that is disaggregated by the bilingual education or special
5 language program, if any, in which the student is enrolled.

6 SECTION 54. Subsection (b), Section 39.033, Education Code,
7 is amended to read as follows:

8 (b) An agreement under this section must require the private
9 school to:

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

13 (2) [~~to~~] maintain confidentiality in compliance with
14 Section 39.030.

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

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

21 (1) the grade five assessment instruments;

22 (2) the grade eight assessment instruments; and

23 (3) the end-of-course assessment instruments required
24 under this subchapter for graduation.

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

1 exceeded the necessary target for improvement.

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

6 SUBCHAPTER C. ACCREDITATION [~~PERFORMANCE INDICATORS~~
7 [~~SUBCHAPTER D. ACCREDITATION STATUS~~]

8 Sec. 39.051 [~~39.071~~]. ACCREDITATION STATUS.

9 [~~(a)~~] Accreditation of a school district is determined in
10 accordance with this subchapter [~~section~~]. The commissioner by
11 rule shall determine in accordance with this subchapter the
12 criteria for [~~define~~] the following accreditation statuses:

- 13 (1) accredited;
14 (2) accredited-warned; and
15 (3) accredited-probation.

16 Sec. 39.052. DETERMINATION OF ACCREDITATION STATUS.

17 (a) Not later than August 8 of each [~~(b) Each~~] year, the
18 commissioner shall determine the accreditation status of each
19 school district.

20 (b) In determining the accreditation status of a school
21 district, the commissioner:

- 22 (1) shall evaluate and consider:
23 (A) [the] performance on student achievement
24 indicators described by Section 39.053(c);
25 (B) whether a significant pattern of decreased
26 academic performance has developed as a result of the promotion in
27 the preceding two school years of students who did not perform

1 satisfactorily as determined by the commissioner under Section
2 39.0241(a) on assessment instruments administered under Section
3 39.023(a), (c), or (1) [~~of the district under:~~

4 [~~(A) the academic accountability system under~~
5 ~~Section 39.072]~~; and

6 (C) performance under [~~(B)]~~ the financial
7 accountability rating system developed under Subchapter D [~~I~~]; and

8 (2) may evaluate and consider:

9 (A) the district's compliance with statutory
10 requirements and requirements imposed by rule of the commissioner
11 or State Board of Education under specific statutory authority that
12 relate to:

13 (i) reporting data through the Public
14 Education Information Management System (PEIMS) or other reports
15 required by state or federal law or court order;

16 (ii) the high school graduation
17 requirements under Section 28.025; or

18 (iii) an item listed under Sections
19 7.056(e)(3)(C)-(I) that applies to the district;

20 (B) the effectiveness of the district's programs
21 for special populations; and

22 (C) the effectiveness of the district's career
23 and technology program.

24 (c) Based on a school district's performance under
25 Subsection (b), the commissioner shall:

26 (1) assign each [~~a~~] district an accreditation status;

27 or

1 (2) revoke the accreditation of the district and order
2 closure of the district under this subchapter.

3 (d) A school district's accreditation status may be raised
4 or lowered based on the district's performance or may be lowered
5 based on the performance of one or more campuses in the district
6 that is below a standard required under this subchapter.

7 (e) [~~(d)~~] The commissioner shall notify a school district
8 that receives an accreditation status of accredited-warned or
9 accredited-probation or a campus that performs below a standard
10 required under this subchapter that the performance of the district
11 or campus is below a standard required under this subchapter. If
12 the district received an accreditation status of accredited-warned
13 or accredited-probation for the preceding school year or if any
14 campus performed below a standard required under this subchapter in
15 the preceding school year, the commissioner shall notify the
16 district or campus of a subsequent such designation on or before
17 June 15 [~~section~~]. The commissioner shall require the district to
18 notify the parents of students enrolled in the district and
19 property owners in the district of the district's accreditation
20 status and the implications of that accreditation status.

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

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

1 Sec. 39.053. PERFORMANCE INDICATORS: STUDENT ACHIEVEMENT.

2 (a) The commissioner shall adopt a set of indicators of the
3 quality of learning and student achievement. The commissioner
4 biennially shall review the indicators for the consideration of
5 appropriate revisions.

6 ~~[Sec. 39.051. ACADEMIC EXCELLENCE INDICATORS. (a) The~~
7 ~~State Board of Education shall adopt a set of indicators of the~~
8 ~~quality of learning on a campus. The State Board of Education~~
9 ~~biennially shall review the indicators for the consideration of~~
10 ~~appropriate revisions.]~~

11 (b) Performance on the student achievement indicators
12 adopted under this section shall be compared to state-established
13 standards. The degree of change from one school year to the next in
14 performance on each indicator adopted under this section shall also
15 be considered. The indicators must be based on information that is
16 disaggregated by race, ethnicity, ~~[gender,~~ and socioeconomic
17 status.

18 (c) Indicators of student achievement adopted under this
19 section ~~and~~ must include:

20 (1) the results of assessment instruments required
21 under Sections 39.023(a), (c), and (1), including the results of
22 assessment instruments required for graduation retaken by a
23 student, aggregated across ~~by~~ grade levels by ~~[level and]~~ subject
24 area, including:

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

27 (i) the percentage of students who

1 performed satisfactorily on the assessment instruments, aggregated
2 across grade levels by subject area; and

3 (ii) for students who did not perform
4 satisfactorily, the percentage of students who met the standard for
5 annual improvement, as determined by the agency under Section
6 39.034, on the assessment instruments, aggregated across grade
7 levels by subject area; and

8 (B) for the college readiness performance
9 standard as determined under Section 39.0241:

10 (i) the percentage of students who
11 performed satisfactorily on the assessment instruments, aggregated
12 across grade levels by subject area; and

13 (ii) for students who did not perform
14 satisfactorily, the percentage of students who met the standard for
15 annual improvement, as determined by the agency under Section
16 39.034, on the assessment instruments, aggregated across grade
17 levels by subject area;

18 (2) dropout rates, including dropout rates and
19 district completion rates for grade levels 9 through 12, computed
20 in accordance with standards and definitions adopted by the
21 National Center for Education Statistics of the United States
22 Department of Education; and

23 (3) high school graduation rates, computed in
24 accordance with standards and definitions adopted in compliance
25 with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et
26 seq.).

27 (d) For purposes of Subsection (c), the commissioner by rule

1 shall determine the period within which a student must retake an
2 assessment instrument for that assessment instrument to be
3 considered in determining the accreditation status of the district.

4 (e) [(Pub. L. No. 107-110),

5 [(4) student attendance rates,

6 [(5) the percentage of graduating students who attain
7 scores on the questions developed for end-of-course assessment
8 instruments under Section 39.0233(a) that are equivalent to a
9 passing score on the assessment instrument required under Section
10 51.3062,

11 [(6) the percentage of graduating students who meet
12 the course requirements established for the recommended high school
13 program by State Board of Education rule,

14 [(7) the results of the Scholastic Assessment Test
15 (SAT), the American College Test (ACT), articulated postsecondary
16 degree programs described by Section 61.852, and certified
17 workforce training programs described by Chapter 311, Labor Code,

18 [(8) the percentage of students, aggregated by grade
19 level, provided accelerated instruction under Section 28.0211(c),
20 the results of assessments administered under that section, the
21 percentage of students promoted through the grade placement
22 committee process under Section 28.0211, the subject of the
23 assessment instrument on which each student failed to perform
24 satisfactorily, and the performance of those students in the school
25 year following that promotion on the assessment instruments
26 required under Section 39.023,

27 [(9) for students who have failed to perform

1 ~~satisfactorily on an assessment instrument required under Section~~
2 ~~39.023(a) or (c), the numerical progress of those students grouped~~
3 ~~by percentage on subsequent assessment instruments required under~~
4 ~~those sections, aggregated by grade level and subject area,~~

5 ~~[(10) the percentage of students exempted, by~~
6 ~~exemption category, from the assessment program generally~~
7 ~~applicable under this chapter,~~

8 ~~[(11) the percentage of students of limited English~~
9 ~~proficiency exempted from the administration of an assessment~~
10 ~~instrument under Sections 39.027(a)(3) and (4),~~

11 ~~[(12) the percentage of students in a special~~
12 ~~education program under Subchapter A, Chapter 29, assessed through~~
13 ~~assessment instruments developed or adopted under Section~~
14 ~~39.023(b),~~

15 ~~[(13) the measure of progress toward preparation for~~
16 ~~postsecondary success, and~~

17 ~~[(14) the measure of progress toward dual language~~
18 ~~proficiency under Section 39.034(b), for students of limited~~
19 ~~English proficiency, as defined by Section 29.052.~~

20 ~~[(b-1) Performance on the indicators described by~~
21 ~~Subsections (b)(1), (2), (3), (8), (9), and (14) must be based on~~
22 ~~longitudinal student data that is disaggregated by the bilingual~~
23 ~~education or special language program, if any, in which students of~~
24 ~~limited English proficiency, as defined by Section 29.052, are or~~
25 ~~former students of limited English proficiency were enrolled. If a~~
26 ~~student described by this subsection is not or was not enrolled in~~
27 ~~specialized language instruction, the number and percentage of~~

1 ~~those students shall be provided.~~

2 ~~[(c)]~~ Performance on the student achievement indicators
3 ~~[indicator]~~ under Subsections (c)(1) and (2) ~~[Subsection (b)(1)]~~
4 shall be compared to state standards and~~[7]~~ required improvement~~[7~~
5 ~~and comparable improvement]~~. The state standard shall be
6 established by the commissioner. Required improvement is ~~[defined~~
7 ~~as]~~ the progress necessary for the campus or district to meet state
8 standards and, for the student achievement indicator under
9 Subsection (c)(1), for its students to meet each of the performance
10 standards as determined under Section 39.0241.

11 ~~(f)~~ ~~[exit requirements as defined by the commissioner.~~
12 ~~Comparable improvement is derived by measuring campuses and~~
13 ~~districts against a profile developed from a total state student~~
14 ~~performance database which exhibits substantial equivalence to the~~
15 ~~characteristics of students served by the campus or district,~~
16 ~~including past academic performance, socioeconomic status,~~
17 ~~ethnicity, and limited English proficiency.~~

18 ~~[(d)]~~ Annually, the commissioner shall define the state
19 standard for the current school year for each student achievement
20 ~~[exemplary, recognized, and unacceptable performance for each~~
21 ~~academic excellence]~~ indicator described by Subsection (c)
22 ~~[included under Subsections (b)(1) through (7)]~~ and shall project
23 the state standards for each ~~[of those levels of performance for~~
24 ~~succeeding years. For the]~~ indicator for the following two school
25 ~~[under Subsection (b)(8), the commissioner shall define exemplary,~~
26 ~~recognized, and unacceptable performance based on student~~
27 ~~performance for the period covering both the current and preceding~~

1 ~~academic~~] years.

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

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

9 (2) as applicable:

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

13 (B) conviction of and sentencing for an offense
14 under the Penal Code.

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

17 (1) students who are ordered by a court to attend a
18 high school equivalency certificate program but who have not yet
19 earned a high school equivalency certificate;

20 (2) students who were previously reported to the state
21 as dropouts;

22 (3) students in attendance who are not in membership
23 for purposes of average daily attendance;

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

27 (5) students who are in the district exclusively as a

1 function of having been detained at a county detention facility but
2 are otherwise not students of the district in which the facility is
3 located;

4 (6) students who return to school at any point up
5 through the fourth Friday in October each year; and

6 (7) students who are incarcerated in state jails and
7 federal penitentiaries as adults and as persons certified to stand
8 trial as adults.

9 (h) [~~e~~] Each school district shall cooperate with the
10 agency in determining whether a student is a dropout for purposes of
11 accreditation and evaluating performance by school districts and
12 campuses under this chapter [~~section~~].

13 (i) [~~f~~] ~~The indicator under Subsection (b)(1) must include~~
14 ~~the results of assessment instruments required under Section~~
15 ~~39.023(b).~~

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

23 Sec. 39.054. METHODS AND STANDARDS FOR EVALUATING
24 PERFORMANCE. (a) The commissioner shall adopt rules consistent
25 with this section to evaluate school district and campus
26 performance and assign each district and campus a performance
27 rating that reflects satisfactory performance, unsatisfactory

1 performance, or performance eligible for distinction under
2 Subchapter G.

3 (a-1) A campus is considered academically accredited if the
4 campus is assigned a satisfactory performance rating under this
5 section.

6 (b) In evaluating performance, the commissioner shall
7 evaluate against state standards and consider the performance of
8 each campus in a school district and each open-enrollment charter
9 school on the basis of:

10 (1) the campus's or school's performance on the
11 student achievement indicators adopted under Section 39.053(c);
12 and

13 (2) whether a significant pattern of decreased
14 academic performance has developed as a result of the promotion in
15 the preceding two school years of students who did not perform
16 satisfactorily as determined by the commissioner under Section
17 39.0241(a) on assessment instruments administered under Section
18 39.023(a), (c), or (1).

19 (b-1) [39.072. ACCREDITATION STANDARDS. (a) The State
20 Board of Education shall adopt rules to evaluate the performance of
21 school districts and to assign to each district a performance
22 rating as follows:

23 [(1) exemplary (meets or exceeds state exemplary
24 standards);

25 [(2) recognized (meets or exceeds required
26 improvement and within 10 percent of state exemplary standards);

27 [(3) academically acceptable (below the exemplary and

1 ~~recognized standards but exceeds the academically unacceptable~~
2 ~~standards), or~~

3 ~~[(4) academically unacceptable (below the state~~
4 ~~clearly unacceptable performance standard and does not meet~~
5 ~~required improvement)].~~

6 ~~[(b) The academic excellence indicators adopted under~~
7 ~~Sections 39.051(b)(1) through (8) and the district's current~~
8 ~~special education compliance status with the agency shall be the~~
9 ~~main considerations of the agency in the rating of the district~~
10 ~~under this section. Additional criteria in the rules may include~~
11 ~~consideration of:~~

12 ~~[(1) compliance with statutory requirements and~~
13 ~~requirements imposed by rule of the State Board of Education under~~
14 ~~specific statutory authority that relate to:~~

15 ~~[(A) reporting data through the Public Education~~
16 ~~Information Management System (PEIMS),~~

17 ~~[(B) the high school graduation requirements~~
18 ~~under Section 28.025, or~~

19 ~~[(C) an item listed in Sections~~
20 ~~7.056(e)(3)(C)-(I) that applies to the district,~~

21 ~~[(2) the effectiveness of the district's programs for~~
22 ~~special populations, and~~

23 ~~[(3) the effectiveness of the district's career and~~
24 ~~technology programs.~~

25 ~~[(c) The agency shall evaluate against state standards and~~
26 ~~shall, not later than August 1 of each year, report the performance~~
27 ~~of each campus in a district and each open-enrollment charter~~

1 ~~school on the basis of the campus's performance on the indicators~~
2 ~~adopted under Sections 39.051(b)(1) through (8).~~] Consideration of
3 the effectiveness of district programs under Section
4 39.052(b)(2)(B) or (C):

5 (1) [Subsection (b)(2) or (3)] must:

6 (A) be based on data collected through the Public
7 Education Information Management System (PEIMS) for purposes of
8 accountability under this chapter; and

9 (B) include the results of assessments required
10 under Section 39.023; and

11 (2) may be based on the results of a special
12 accreditation investigation conducted under Section 39.057.

13 (c) In evaluating school district and campus performance on
14 the student achievement indicators adopted under Sections
15 39.053(c)(1) and (2), the commissioner shall identify satisfactory
16 performance as meeting the state standard determined by the
17 commissioner under Section 39.053(f) for the current school year
18 based on:

19 (1) student performance in the current school year; or

20 (2) student performance as averaged over the current
21 school year and the preceding two school years.

22 ~~(d) [Notwithstanding any other provision of this code, for~~
23 ~~purposes of determining the performance of a school district under~~
24 ~~this chapter, including the accreditation status of the district, a~~
25 ~~student confined by court order in a residential program or~~
26 ~~facility operated by or under contract with the Texas Youth~~
27 ~~Commission, Texas Juvenile Probation Commission, or any other~~

1 ~~governmental entity, including a juvenile board, is not considered~~
2 ~~to be a student of the school district in which the program or~~
3 ~~facility is physically located. The performance of such a student~~
4 ~~on an assessment instrument or other academic excellence indicator~~
5 ~~adopted under Section 39.051 shall be determined, reported, and~~
6 ~~considered separately from the performance of students attending a~~
7 ~~school of the district in which the program or facility is~~
8 ~~physically located.~~

9 ~~[Sec. 39.0721. GOLD PERFORMANCE RATING PROGRAM. (a) In~~
10 ~~addition to district and campus performance ratings reported under~~
11 ~~Section 39.072, the commissioner shall develop a gold performance~~
12 ~~rating program based on enhanced performance. The agency shall~~
13 ~~administer the program.~~

14 ~~[(b) Under the gold performance rating program, a district~~
15 ~~or campus rated exemplary under Section 39.072 is eligible for an~~
16 ~~exemplary gold rating, a district or campus rated recognized is~~
17 ~~eligible for a recognized gold rating, and a district or campus~~
18 ~~rated academically acceptable is eligible for an academically~~
19 ~~acceptable gold rating.~~

20 ~~[(c) The performance standards on which a gold performance~~
21 ~~rating is based should include:~~

22 ~~[(1) student proficiency on:~~

23 ~~[(A) assessment instruments administered under~~
24 ~~Sections 39.023(a), (c), and (1), and~~

25 ~~[(B) other measures of proficiency determined by~~
26 ~~the commissioner,~~

27 ~~[(2) student performance on one or more nationally~~

1 ~~recognized norm-referenced assessment instruments,~~
2 ~~[(3) improvement in student performance,~~
3 ~~[(4) in the case of middle or junior high school~~
4 ~~campuses, student proficiency in mathematics, including algebra,~~
5 ~~and~~

6 ~~[(5) in the case of high school campuses:~~

7 ~~[(A) the extent to which graduating students are~~
8 ~~academically prepared to attend institutions of higher education,~~

9 ~~[(B) the percentage of students who take advanced~~
10 ~~placement tests and student performance on those tests, and~~

11 ~~[(C) the percentage of students who take and~~
12 ~~successfully complete advanced academic courses or college-level~~
13 ~~course work offered through dual credit programs provided under~~
14 ~~agreements between high schools and institutions of higher~~
15 ~~education.~~

16 ~~[(d) The commissioner may adopt rules as necessary to~~
17 ~~implement and administer this section.~~

18 ~~[Sec. 39.073. DETERMINING ACCREDITATION STATUS. (a) The~~
19 ~~agency shall annually review the performance of each district and~~
20 ~~campus on the indicators adopted under Sections 39.051(b)(1)~~
21 ~~through (8) and determine if a change in the accreditation status of~~
22 ~~the district is warranted. The commissioner may determine how all~~
23 ~~indicators adopted under Section 39.051(b) may be used to determine~~
24 ~~accountability ratings and to select districts and campuses for~~
25 ~~acknowledgment.~~

26 ~~[(b)]~~ Each annual performance review under this section
27 shall include an analysis of the student achievement indicators

1 adopted under Section 39.053(c) [~~Sections 39.051(b)(1) through~~
2 ~~(8)~~] to determine school district and campus performance in
3 relation to:

- 4 (1) standards established for each indicator; and
5 (2) required improvement as defined under Section
6 39.053(e).

7 (d-1) The commissioner by rule may adopt a method of
8 evaluation by which a district or campus is not assigned an
9 unsatisfactory performance rating solely because the district or
10 campus fails to satisfy the minimum performance standards on 15
11 percent or fewer of the measures of evaluation the commissioner
12 determines appropriate with respect to the student achievement
13 indicators adopted under Section 39.053(c). Under the method of
14 evaluation adopted by the commissioner under this subsection, the
15 commissioner:

16 (1) may grant an exception under this subsection to a
17 district or campus only if the performance of the district or campus
18 is within five percentage points of the minimum performance
19 standard established by the commissioner for the measure of
20 evaluation;

21 (2) may not grant an exception under this subsection
22 if a district or campus fails to satisfy the minimum performance
23 standard on the same measure of evaluation for two consecutive
24 school years; and

25 (3) may establish other performance criteria for a
26 district or campus to obtain an exception under this subsection
27 [~~39.051(e)~~], and

1 ~~[(3) comparable improvement as defined by Section~~
2 ~~39.051(c)].~~

3 ~~[(c) A district's accreditation rating may be raised or~~
4 ~~lowered based on the district's performance or may be lowered based~~
5 ~~on the unacceptable performance of one or more campuses in the~~
6 ~~district.~~

7 ~~[(d) The commissioner shall notify a district that is rated~~
8 ~~academically unacceptable that the performance of the district or a~~
9 ~~campus in the district is below each standard under Subsection (b)~~
10 ~~and shall require the district to notify property owners and~~
11 ~~parents in the district of the lowered accreditation rating and its~~
12 ~~implication.]~~

13 (e) ~~[In determining a district's accreditation rating, the~~
14 ~~agency shall consider:~~

15 ~~[(1) the district's current special education~~
16 ~~compliance status with the agency, and~~

17 ~~[(2) the progress of students who have failed to~~
18 ~~perform satisfactorily in the preceding school year on an~~
19 ~~assessment instrument required under Section 39.023(a), (c), or~~
20 ~~(1).~~

21 ~~[(f)]~~ In the computation of dropout rates under Section
22 39.053(c)(2) ~~[39.051(b)(2)]~~, a student who is released from a
23 juvenile pre-adjudication secure detention facility or juvenile
24 post-adjudication secure correctional facility and fails to enroll
25 in school or a student who leaves a residential treatment center
26 after receiving treatment for fewer than 85 days and fails to enroll
27 in school may not be considered to have dropped out from the ~~[campus~~

1 ~~or~~] school district or campus serving the facility or center unless
2 that district or campus [~~or district~~] is the one to which the
3 student is regularly assigned. The commissioner may not limit the
4 number of students excluded from being counted as dropouts under
5 this subsection.

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

21 Sec. 39.056 [~~39.074~~]. ON-SITE INVESTIGATIONS. (a) The
22 commissioner may:

23 (1) direct the agency to conduct on-site
24 investigations of a school district at any time to answer any
25 questions concerning a program, including special education,
26 required by federal law or for which the district receives federal
27 funds; and

1 (2) ~~[raise or lower the performance rating]~~ as a
2 result of the investigation, change the accreditation status of a
3 district or accountability rating of a district or campus or
4 withdraw a distinction designation under Subchapter G.

5 (b) The commissioner shall determine the frequency of
6 on-site investigations by the agency according to annual
7 comprehensive analyses of student performance and equity in
8 relation to the student achievement ~~[academic excellence]~~
9 indicators adopted under Section 39.053 ~~[39.051]~~.

10 (c) In making an on-site ~~[accreditation]~~ investigation, the
11 investigators shall obtain information from administrators,
12 teachers, and parents of students enrolled in the school district.
13 The investigation may not be closed until information is obtained
14 from each of those sources. The State Board of Education shall
15 adopt rules for:

16 (1) obtaining information from parents and using that
17 information in the investigator's report; and

18 (2) obtaining information from teachers in a manner
19 that prevents a ~~[campus or]~~ district or campus from screening the
20 information.

21 (d) The agency shall give written notice to the
22 superintendent and the board of trustees of a school district of any
23 impending investigation of the district's accreditation.

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

1 ~~(f)~~ The investigators shall report orally and in writing
2 to the board of trustees of the school district and, as appropriate,
3 to campus administrators and shall make recommendations concerning
4 any necessary improvements or sources of aid such as regional
5 education service centers.

6 Sec. 39.057 [~~39.075~~]. SPECIAL ACCREDITATION INVESTIGATIONS.

7 (a) The commissioner shall authorize special accreditation
8 investigations to be conducted:

9 (1) when excessive numbers of absences of students
10 eligible to be tested on state assessment instruments are
11 determined;

12 (2) when excessive numbers of allowable exemptions
13 from the required state assessment instruments are determined;

14 (3) in response to complaints submitted to the agency
15 with respect to alleged violations of civil rights or other
16 requirements imposed on the state by federal law or court order;

17 (4) in response to established compliance reviews of
18 the district's financial accounting practices and state and federal
19 program requirements;

20 (5) when extraordinary numbers of student placements
21 in disciplinary alternative education programs, other than
22 placements under Sections 37.006 and 37.007, are determined;

23 (6) in response to an allegation involving a conflict
24 between members of the board of trustees or between the board and
25 the district administration if it appears that the conflict
26 involves a violation of a role or duty of the board members or the
27 administration clearly defined by this code;

1 (7) when excessive numbers of students in special
2 education programs under Subchapter A, Chapter 29, are assessed
3 through assessment instruments developed or adopted under Section
4 39.023(b);

5 (8) in response to an allegation regarding or an
6 analysis using a statistical method result indicating a possible
7 violation of an assessment instrument security procedure
8 established under Section 39.0301, including for the purpose of
9 investigating or auditing a school district under that section;
10 [~~or~~]

11 (9) when excessive numbers of students graduate under
12 the minimum high school program;

13 (10) when excessive numbers of students eligible to
14 enroll fail to complete an Algebra II course or any other course
15 determined by the commissioner as distinguishing between students
16 participating in the recommended high school program from students
17 participating in the minimum high school program; or

18 (11) as the commissioner otherwise determines
19 necessary.

20 (b) If the agency's findings in an investigation under
21 Subsection (a)(6) indicate that the board of trustees has observed
22 a lawfully adopted policy, the agency may not substitute its
23 judgment for that of the board.

24 (c) [~~(b-1)~~] The commissioner may authorize special
25 accreditation investigations to be conducted in response to
26 repeated complaints submitted to the agency concerning imposition
27 of excessive paperwork requirements on classroom teachers.

1 (d) [~~(c)~~] Based on the results of a special accreditation
2 investigation, the commissioner may:

3 (1) take appropriate action under Subchapter E [G];

4 (2) lower the school district's accreditation status
5 or the district's or campus's accountability rating; or

6 (3) take action under both Subdivisions (1) and (2).

7 ~~(e) [(c) Based on the results of a special accreditation~~
8 ~~investigation, the commissioner may lower the district's~~
9 ~~accreditation rating and may take appropriate action under~~
10 ~~Subchapter G.]~~ Regardless of whether the commissioner lowers the

11 school district's accreditation status or the district's or
12 campus's accountability rating under Subsection (d), the
13 commissioner may take action under Sections 39.101(a)(1) through
14 (8) or Section 39.102 [~~39.131(a)(1) through (8)~~] if the
15 commissioner determines that the action is necessary to improve any
16 area of a district's or campus's performance, including the
17 district's financial accounting practices.

18 Sec. 39.058 [~~39.076~~]. CONDUCT OF INVESTIGATIONS. (a) The
19 agency shall adopt written procedures for conducting on-site
20 investigations under this subchapter. The agency shall make the
21 procedures available to the complainant, the alleged violator, and
22 the public. Agency staff must be trained in the procedures and must
23 follow the procedures in conducting the investigation.

24 (b) After completing an investigation, the agency shall
25 present preliminary findings to any person the agency finds has
26 violated a law, rule, or policy. Before issuing a report with its
27 final findings, the agency must provide a person the agency finds

1 has violated a law, rule, or policy an opportunity for an informal
2 review by the commissioner or a designated hearing examiner.

3 SUBCHAPTER D [~~±~~]. FINANCIAL ACCOUNTABILITY

4 Sec. 39.081 [~~39.201~~]. DEFINITIONS. In this subchapter:

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

7 (2) "System" means the financial accountability
8 rating system.

9 Sec. 39.082 [~~39.202~~]. DEVELOPMENT AND IMPLEMENTATION.

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

13 (1) distinguishes among school districts based on
14 levels of financial performance; and

15 (2) includes procedures to:

16 (A) provide additional transparency to public
17 education finance; and

18 (B) enable the commissioner and school district
19 administrators to provide meaningful financial oversight and
20 improvement.

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

24 Sec. 39.0821. COMPTROLLER REVIEW OF RESOURCE ALLOCATION
25 PRACTICES. The comptroller shall identify school districts and
26 campuses that use resource allocation practices that contribute to
27 high academic achievement and cost-effective operations. In

1 identifying districts and campuses under this section, the
2 comptroller shall:

3 (1) evaluate existing academic accountability and
4 financial data by integrating the data;

5 (2) rank the results of the evaluation under
6 Subdivision (1) to identify the relative performance of districts
7 and campuses; and

8 (3) identify potential areas for district and campus
9 improvement.

10 Sec. 39.0822. FINANCIAL SOLVENCY REVIEW REQUIRED. (a) The
11 agency shall develop a review process to anticipate the future
12 financial solvency of each school district. The review process
13 shall analyze:

14 (1) district revenues and expenditures for the
15 preceding school year; and

16 (2) projected district revenues and expenditures for
17 the current school year and the following two school years.

18 (b) In analyzing the information under Subsection (a), the
19 review process developed must consider, for the preceding school
20 year, the current school year, and the following two school years,
21 as appropriate:

22 (1) student-to-staff ratios relative to expenditures,
23 including average staff salaries;

24 (2) the rate of change in the district unreserved
25 general fund balance;

26 (3) the number of students enrolled in the district;

27 (4) the adopted tax rate of the district;

1 (5) any independent audit report prepared for the
2 district; and

3 (6) actual district financial information for the
4 first quarter.

5 (c) The agency shall consult school district financial
6 officers and public finance experts in developing the review
7 process under this section.

8 (d) The agency shall develop an electronic-based program
9 for school districts to use in submitting information to the agency
10 for purposes of this section. Each district shall update
11 information for purposes of the program within the period
12 prescribed by the commissioner. The commissioner shall adopt rules
13 under this subsection to allow a district to enter estimates of
14 critical data into the program before the district adopts its
15 budget. The program must:

16 (1) be capable of importing, to the extent
17 practicable, data a district has previously submitted to the
18 agency;

19 (2) include an entry space that allows a district to
20 enter information explaining any irregularity in data submitted;
21 and

22 (3) provide alerts for:

23 (A) a student-to-staff ratio that is
24 significantly outside the norm;

25 (B) a rapid depletion of the district general
26 fund balance; and

27 (C) a significant discrepancy between actual

1 budget figures and projected revenues and expenditures.

2 (e) An alert in the program developed under Subsection (d)
3 must be developed to notify the agency immediately on the
4 occurrence of a condition described by Subsection (d)(3). After
5 the agency is alerted, the agency shall immediately notify the
6 affected school district regarding the condition triggering the
7 alert.

8 Sec. 39.0823. PROJECTED DEFICIT. (a) If the review
9 process under Section 39.0822 indicates a projected deficit for a
10 school district general fund within the following three school
11 years, the district shall provide the agency interim financial
12 reports, supplemented by staff and student count data, as needed,
13 to evaluate the district's current budget status.

14 (b) If the interim financial data provided under Subsection
15 (a) substantiates the projected deficit, the school district shall
16 develop a financial plan and submit the plan to the agency for
17 approval. The agency may approve the plan only if the agency
18 determines the plan will permit the district to avoid the projected
19 insolvency.

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

22 (1) the district fails to submit a plan as provided by
23 Subsection (b);

24 (2) the district fails to obtain approval from the
25 agency for a plan as provided by Subsection (b);

26 (3) the district fails to comply with a plan approved
27 by the agency under Subsection (b); or

1 (4) the agency determines in a subsequent school year,
2 based on financial data submitted by the district, that the
3 approved plan for the district is no longer sufficient or is not
4 appropriately implemented.

5 Sec. 39.083 [~~39.203~~]. REPORTING. (a) The commissioner
6 shall develop, as part of the system, a reporting procedure under
7 which:

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

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

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

13 (1) a description of the district's financial
14 management performance based on a comparison, provided by the
15 agency, of the district's performance on the indicators adopted
16 under Section 39.082(b) [~~39.202(b)~~] to:

17 (A) state-established standards; and

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

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

22 (3) any descriptive information required by the
23 commissioner.

24 (c) The report may include:

25 (1) information concerning the district's:

26 (A) financial allocations;

27 (B) tax collections;

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

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

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

19 (1) to a newspaper of general circulation in the
20 district; and

21 (2) through electronic mail to media serving the
22 district.

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

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

1 SUBCHAPTER E ~~[G]~~. ACCREDITATION INTERVENTIONS AND SANCTIONS

2 Sec. 39.101 [~~39.131~~]. INTERVENTIONS AND SANCTIONS FOR
3 DISTRICTS. (a) If a school district does not satisfy the
4 accreditation criteria under Section 39.052 [~~39.071~~], the
5 [~~academic~~] performance standards under Section 39.053 or 39.054
6 [~~39.072~~], or any financial accountability standard as determined by
7 commissioner rule, the commissioner shall take any of the following
8 actions to the extent the commissioner determines necessary:

9 (1) issue public notice of the deficiency to the board
10 of trustees;

11 (2) order a hearing conducted by the board of trustees
12 of the district for the purpose of notifying the public of the
13 insufficient [~~unacceptable~~] performance, the improvements in
14 performance expected by the agency, and the interventions and
15 sanctions that may be imposed under this section if the performance
16 does not improve;

17 (3) order the preparation of a student achievement
18 improvement plan that addresses each student achievement [~~academic~~
19 ~~excellence~~] indicator under Section 39.053(c) for which the
20 district's performance is insufficient [~~unacceptable~~], the
21 submission of the plan to the commissioner for approval, and
22 implementation of the plan;

23 (4) order a hearing to be held before the commissioner
24 or the commissioner's designee at which the president of the board
25 of trustees of the district and the superintendent shall appear and
26 explain the district's low performance, lack of improvement, and
27 plans for improvement;

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

2 (6) appoint an agency monitor to participate in and
3 report to the agency on the activities of the board of trustees or
4 the superintendent;

5 (7) appoint a conservator to oversee the operations of
6 the district;

7 (8) appoint a management team to direct the operations
8 of the district in areas of insufficient [~~unacceptable~~] performance
9 or require the district to obtain certain services under a contract
10 with another person;

11 (9) if a district has a current accreditation status
12 of accredited-warned or accredited-probation, fails to satisfy any
13 standard under Section 39.054(d) [~~is rated academically~~
14 ~~unacceptable~~], or fails to satisfy financial accountability
15 standards as determined by commissioner rule, appoint a board of
16 managers to exercise the powers and duties of the board of trustees;

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

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

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

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

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

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

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

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

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

1 Sec. 39.102 [~~39.132~~]. INTERVENTIONS AND SANCTIONS FOR
2 [ACADEMICALLY UNACCEPTABLE] CAMPUSES. (a) If a campus
3 performance is below any standard under Section 39.054(d)
4 [~~39.073(b)~~], the [~~campus is considered an academically~~
5 ~~unacceptable campus. The~~] commissioner [~~may permit the campus to~~
6 ~~participate in an innovative redesign of the campus to improve~~
7 ~~campus performance or~~] shall take [~~any of the other following~~]
8 actions, to the extent the commissioner determines necessary, as
9 provided by this subchapter.

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

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

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

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

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

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

27 ~~[(4) order the preparation of a report regarding the~~

1 ~~effectiveness of the district- and campus-level planning and~~
2 ~~decision-making committees established under Subchapter F, Chapter~~
3 ~~11, and a plan describing strategies for improving the~~
4 ~~effectiveness of those committees,~~

5 ~~[(5) order the preparation of a student improvement~~
6 ~~plan that addresses each academic excellence indicator for which~~
7 ~~the campus's performance is unacceptable, the submission of the~~
8 ~~plan to the commissioner for approval, and implementation of the~~
9 ~~plan,~~

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

15 ~~[(7) appoint a campus intervention team under Section~~
16 ~~39.1322].~~

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

24 Sec. 39.103 [~~39.1321~~]. INTERVENTIONS AND SANCTIONS FOR
25 CHARTER SCHOOLS. (a) Interventions and sanctions [~~Sanctions~~]
26 authorized under this chapter for a school district or campus apply
27 in the same manner to an open-enrollment charter school.

1 (b) The commissioner shall adopt rules to implement
2 procedures to impose any intervention or sanction provision under
3 this chapter as those provisions relate to open-enrollment charter
4 schools.

5 (c) In adopting rules under this section, the commissioner
6 shall require that the charter of an open-enrollment charter
7 school:

8 (1) be automatically revoked if the charter school is
9 ordered closed under this chapter; and

10 (2) be automatically modified to remove authorization
11 for an individual campus if the campus is ordered closed under this
12 chapter.

13 (d) If interventions or sanctions are imposed on an
14 open-enrollment charter school under the procedures provided by
15 this chapter, a charter school is not entitled to an additional
16 hearing relating to the modification, placement on probation,
17 revocation, or denial of renewal of a charter as provided by
18 Subchapter D, Chapter 12.

19 Sec. 39.104 [~~39.1322~~]. [~~TECHNICAL ASSISTANCE AND~~] CAMPUS
20 IMPROVEMENT PLAN [~~INTERVENTION TEAMS~~]. (a) This section applies
21 if [~~If~~] a campus performance satisfies performance standards under
22 Section 39.054(d) [~~is rated academically acceptable~~] for the
23 current school year but would not satisfy performance standards
24 under Section 39.054(d) [~~be rated as academically unacceptable~~] if
25 the [~~performance~~] standards to be used for the following school
26 year were applied to the current school year. On request of[~~r~~] the
27 commissioner, the campus shall submit to the commissioner in an

1 electronic format the portions of the campus improvement plan
2 developed under Section 11.253 that are relevant to those areas for
3 which the campus would not satisfy performance standards [~~select~~
4 ~~and assign a technical assistance team to assist the campus in~~
5 ~~executing a school improvement plan and any other school~~
6 ~~improvement strategies the commissioner determines appropriate.~~
7 ~~The commissioner may waive the requirement to assign a technical~~
8 ~~assistance team under this subsection if the improvement in~~
9 ~~performance standards among all student groups, including special~~
10 ~~populations, over the preceding three years indicates that the~~
11 ~~campus is likely to be rated academically acceptable in the~~
12 ~~following school year].~~

13 (b) If the [a] campus to which this section applies is an
14 open-enrollment charter school, the school shall establish a
15 campus-level planning and decision-making committee as provided
16 for through procedures as much as practicable the same as those
17 provided by Sections 11.251(b)-(e) and develop a campus improvement
18 plan as provided by Section 11.253. On request of the commissioner,
19 the school shall submit to the commissioner in an electronic format
20 the portions of the campus improvement plan that are relevant to
21 those areas for which the school would not satisfy performance
22 standards [~~has been identified as academically unacceptable under~~
23 ~~Section 39.132, the commissioner shall appoint a campus~~
24 ~~intervention team.~~

25 [~~(c) To the extent practicable, the commissioner shall~~
26 ~~select and assign the technical assistance team under Subsection~~
27 ~~(a) or the campus intervention team under Subsection (b) before the~~

1 ~~first day of instruction for the school year.~~

2 ~~[(d) The commissioner may determine when the services of a~~
3 ~~technical assistance team or campus intervention team are no longer~~
4 ~~needed at a campus under this section].~~

5 Sec. 39.105 [~~39.1323~~]. CAMPUS INTERVENTION TEAM
6 [~~PROCEDURES~~]. (a) If a campus performance is below any standard
7 under Section 39.054(d), the commissioner shall assign a campus
8 intervention team. A campus intervention team shall:

9 (1) conduct:

10 (A) a targeted [comprehensive] on-site needs
11 assessment relevant to an area of insufficient performance
12 [evaluation] of the campus as provided by Subsection (b) [to
13 ~~determine the cause for the campus's low performance and lack of~~
14 ~~progress]; or~~

15 (B) if the commissioner determines necessary, a
16 comprehensive on-site needs assessment, using the procedures
17 provided by Subsection (b);

18 (2) recommend appropriate actions as provided by
19 Subsection (c) [including reallocation of resources and technical
20 assistance, changes in school procedures or operations, staff
21 development for instructional and administrative staff,
22 intervention for individual administrators or teachers, waivers
23 from state statute or rule, or other actions the team considers
24 appropriate];

25 (3) assist in the development of a targeted [school]
26 improvement plan [for student achievement]; [and]

27 (4) assist the campus in submitting the targeted

1 improvement plan to the board of trustees for approval and
2 presenting the plan in a public hearing as provided by Subsection
3 (e-1); and

4 (5) assist the commissioner in monitoring the progress
5 of the campus in implementing the targeted ~~[school]~~ improvement
6 plan ~~[for improvement of student achievement]~~.

7 (b) An ~~[A campus intervention team assigned under Section~~
8 ~~39.1322 to a campus shall conduct a comprehensive]~~ on-site needs
9 assessment of the campus under Subsection (a) must ~~[to]~~ determine
10 the contributing ~~[causal]~~ factors resulting in the campus's low
11 performance and lack of progress. The team shall use any of the
12 following guidelines and procedures relevant to any area of
13 insufficient performance in conducting a targeted on-site needs
14 assessment and shall use each of the following guidelines and
15 procedures in conducting a ~~[the]~~ comprehensive on-site needs
16 assessment ~~[of the campus]~~:

17 (1) an assessment of the staff to determine the
18 percentage of certified teachers who are teaching in their field,
19 the number of teachers with less than three years of experience, and
20 teacher turnover rates;

21 (2) compliance with the appropriate class-size rules
22 and number of class-size waivers received;

23 (3) an assessment of the quality, quantity, and
24 appropriateness of instructional materials, including the
25 availability of technology-based instructional materials;

26 (4) a report on the parental involvement strategies
27 and the effectiveness of the strategies;

1 (5) an assessment of the extent and quality of the
2 mentoring program provided for new teachers on the campus;

3 (6) an assessment of the type and quality of the
4 professional development provided to the staff;

5 (7) a demographic analysis of the student population,
6 including student demographics, at-risk populations, and special
7 education percentages;

8 (8) a report of disciplinary incidents and school
9 safety information;

10 (9) financial and accounting practices;

11 (10) an assessment of the appropriateness of the
12 curriculum and teaching strategies; and

13 (11) any other research-based data or information
14 obtained from a data collection process that would assist the
15 campus intervention team in:

16 (A) recommending an action under Subsection (c);
17 and

18 (B) executing a targeted ~~[school]~~ improvement
19 plan under Subsection (d-1) ~~[(d)]~~.

20 (c) On completing the on-site needs assessment ~~[evaluation]~~
21 under this section, the campus intervention team shall recommend
22 actions relating to any area of insufficient performance,
23 including:

24 (1) reallocation of resources;

25 (2) technical assistance;

26 (3) changes in school procedures or operations;

27 (4) staff development for instructional and

1 administrative staff;

2 (5) intervention for individual administrators or
3 teachers;

4 (6) waivers from state statutes or rules; or

5 (7) other actions the campus intervention team
6 considers appropriate.

7 (d) The campus intervention team shall assist the campus in
8 submitting the targeted improvement plan to the commissioner for
9 approval.

10 (d-1) In executing the targeted ~~[a school]~~ improvement plan
11 ~~[developed under Subsection (a)(3)]~~, the campus intervention team
12 shall, if appropriate:

13 (1) assist the campus in implementing research-based
14 practices for curriculum development and classroom instruction,
15 including bilingual education and special education programs~~[, if~~
16 ~~appropriate,~~ and financial management; and

17 (2) provide research-based technical assistance,
18 including data analysis, academic deficiency identification,
19 intervention implementation, and budget analysis, to strengthen
20 and improve the instructional programs at the campus~~[, and~~

21 ~~[(3) submit the school improvement plan to the~~
22 ~~commissioner for approval]~~.

23 (e) For each year campus performance is below any standard
24 under Section 39.054(d), a [A] campus intervention team shall
25 [appointed under Section 39.1322(b)]:

26 (1) ~~[shall]~~ continue to work with a campus until:

27 (A) the campus satisfies all performance

1 standards under Section 39.054(d) [~~is rated academically~~
2 ~~acceptable~~] for a two-year period; or

3 (B) the campus satisfies all performance
4 standards under Section 39.054(d) [~~is rated academically~~
5 ~~acceptable~~] for a one-year period and the commissioner determines
6 that the campus is operating and will continue to operate in a
7 manner that improves student achievement; [~~and~~]

8 (2) assist in updating the targeted improvement plan
9 to identify and analyze areas of growth and areas that require
10 improvement; and

11 (3) submit each updated plan described by Subdivision
12 (2) to the board of trustees of the school district [~~may continually~~
13 ~~update the school improvement plan, with approval from the~~
14 ~~commissioner, to meet the needs of the campus~~].

15 (e-1) After a targeted improvement plan or updated plan is
16 submitted to the board of trustees of the school district, the
17 board:

18 (1) shall conduct a hearing for the purpose of:

19 (A) notifying the public of the insufficient
20 performance, the improvements in performance expected by the
21 agency, and the intervention measures or sanctions that may be
22 imposed under this subchapter if the performance does not improve
23 within a designated period; and

24 (B) soliciting public comment on the targeted
25 improvement plan or any updated plan;

26 (2) may conduct one hearing relating to one or more
27 campuses subject to a targeted improvement plan or an updated plan;

1 and

2 (3) shall submit the targeted improvement plan or any
3 updated plan to the commissioner for approval.

4 (f) Notwithstanding any other provision of this subchapter,
5 if the commissioner determines that a campus for which an
6 intervention is ordered under Subsection (a) [~~Section 39.1322(b)~~]
7 is not fully implementing the campus intervention team's
8 recommendations or targeted [~~school~~] improvement plan or updated
9 plan, the commissioner may order the reconstitution of the campus
10 as provided by Section 39.106.

11 Sec. 39.106 [~~39.1324~~]. RECONSTITUTION, REPURPOSING,
12 ALTERNATIVE MANAGEMENT, AND CLOSURE [~~MANDATORY SANCTIONS~~].

13 (a) Unless otherwise provided under the procedures for approval of
14 an updated targeted improvement plan under Section 39.105(e-1) or
15 this subsection, after [~~If~~] a campus has been identified as below
16 any standard under Section 39.054(d) [~~academically unacceptable~~]
17 for two consecutive school years, [including the current school
18 year] the commissioner shall order the reconstitution of the
19 campus [~~and assign a campus intervention team~~]. In reconstituting
20 a [~~the~~] campus, a campus intervention team shall assist the campus
21 in:

22 (1) developing an updated targeted [~~a school~~]
23 improvement plan;

24 (2) submitting the updated targeted improvement plan
25 to the board of trustees of the school district for approval and
26 presenting the plan in a public hearing as provided by Section
27 39.105(e-1);

1 (3) [~~2~~] obtaining approval of the updated plan from
2 the commissioner; and

3 (4) [~~3~~] executing the plan on approval by the
4 commissioner.

5 (b) The campus intervention team shall decide which
6 educators may be retained at that campus. A principal who has been
7 employed by the campus in that capacity during the full [~~two-year~~]
8 period described by Subsection (a) may not be retained at that
9 campus unless the campus intervention team determines that:

10 (1) students enrolled at the campus have demonstrated
11 significant academic improvement; or

12 (2) retention is appropriate under Section 39.236.

13 **(b-1)** A teacher of a subject assessed by an assessment
14 instrument under Section 39.023 may be retained only if the campus
15 intervention team determines that a pattern exists of significant
16 academic improvement by students taught by the teacher. If an
17 educator is not retained, the educator may be assigned to another
18 position in the district.

19 **(b-2)** For each year the performance of a campus is below any
20 standard under Section 39.054(d) after the second consecutive
21 school year the performance of the campus is below any standard
22 under Section 39.054(d), a campus intervention team shall:

23 (1) assist in updating the targeted improvement plan
24 to identify and analyze areas of growth and areas that require
25 improvement;

26 (2) submit the updated plan to the board of trustees of
27 the school district; and

1 (3) assist in submitting the updated plan to the
2 commissioner for approval.

3 (c) A campus subject to Subsection (a) shall implement the
4 updated targeted [school] improvement plan as approved by the
5 commissioner. The commissioner may appoint a monitor, conservator,
6 management team, or [a] board of managers to the district to ensure
7 and oversee district-level support to low-performing campuses and
8 the implementation of the updated targeted [school] improvement
9 plan. In making appointments under this subsection, the
10 commissioner shall consider individuals who have demonstrated
11 success in managing campuses with student populations from similar
12 demographic groups and with similar educational needs as the
13 student population the campus at which the individual appointed
14 will serve.

15 (d) If [Notwithstanding any other provision of this
16 subchapter, if] the commissioner determines that the [a] campus
17 [subject to Subsection (a)] is not fully implementing the updated
18 targeted [school] improvement plan or if the students enrolled at
19 the campus fail to demonstrate substantial improvement in the areas
20 targeted by the updated plan, the commissioner may order:

21 (1) repurposing of the campus under this section;

22 (2) [pursue] alternative management of the campus
23 under this section; [Section 39.1327] or

24 (3) [may order] closure of the campus.

25 (e) [If a campus is considered an academically unacceptable
26 campus for the subsequent school year after the campus is
27 reconstituted under this section, the commissioner shall review the

1 ~~progress of the campus and may order closure of the campus or pursue~~
2 ~~alternative management under Section 39.1327.~~

3 ~~[(f)]~~ If the performance of a campus is below any standard
4 under Section 39.054(d) [considered academically unacceptable] for
5 three [two] consecutive school years after the campus is
6 reconstituted under Subsection (a), the commissioner shall order:

7 (1) repurposing of the campus under this section;

8 (2) alternative management of the campus under this
9 section; or

10 (3) closure of the campus [or pursue alternative
11 management under Section 39.1327].

12 (f) If the commissioner orders repurposing of a campus, the
13 school district shall develop a comprehensive plan for repurposing
14 the campus and submit the plan to the board of trustees for
15 approval, using the procedures described by Section 39.105(e-1),
16 and to the commissioner for approval. The plan must include a
17 description of a rigorous and relevant academic program for the
18 campus. The plan may include various instructional models. The
19 commissioner may not approve the repurposing of a campus unless:

20 (1) all students in the assigned attendance zone of
21 the campus in the school year immediately preceding the repurposing
22 of the campus are provided with the opportunity to enroll in and are
23 provided transportation on request to another school, which may
24 include another school on the same campus, unless the commissioner
25 grants an exception because there is no other school in the district
26 in which the students may enroll;

27 (2) the principal is not retained at the campus,

1 unless the commissioner determines that students enrolled at the
2 campus have demonstrated significant academic improvement; and

3 (3) at least 75 percent of the teachers employed at the
4 campus in the school year immediately preceding the repurposing of
5 the campus are not retained at the campus, unless the commissioner
6 or the commissioner's designee grants an exception, at the request
7 of a school district, for:

8 (A) a teacher who provides instruction in a
9 subject other than a subject for which an assessment instrument is
10 administered under Section 39.023(a) or (c) who demonstrates to the
11 commissioner satisfactory performance; or

12 (B) a teacher who provides instruction in a
13 subject for which an assessment instrument is administered under
14 Section 39.023(a) or (c) if the district demonstrates that the
15 students of the teacher demonstrated satisfactory performance or
16 improved academic growth on that assessment instrument.

17 (g) If an educator is not retained under Subsection (f), the
18 educator may be assigned to another position in the district.

19 (h) If the commissioner orders alternative management under
20 this section, the [~~Sec. 39.1327. MANAGEMENT OF CERTAIN~~
21 ~~ACADEMICALLY UNACCEPTABLE CAMPUSES. (a) A campus may be subject~~
22 ~~to this section if the campus has been identified as academically~~
23 ~~unacceptable under Section 39.132 and the commissioner orders~~
24 ~~alternative management under Section 39.1324(d), (e), or (f).~~

25 ~~[(b) The]~~ commissioner shall solicit proposals from
26 qualified ~~[nonprofit]~~ entities to assume management of a campus
27 subject to this section or may appoint to assume management of a

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

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

13 [~~(1) provide the campus a one-year waiver under this~~
14 ~~section, and~~

15 [~~(2)~~] require the district to contract for the
16 appropriate technical assistance.

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

24 (k) [~~(e)~~] To qualify for consideration as a managing entity
25 under this section, the entity must submit a proposal that provides
26 information relating to the entity's management and leadership team
27 that will participate in management of the campus under

1 consideration, including information relating to individuals that
2 have:

3 (1) documented success in whole school interventions
4 that increased the educational and performance levels of students
5 in [~~academically unacceptable~~] campuses in which the campus
6 performance was below any standard under Section 39.054(d);

7 (2) a proven record of effectiveness with programs
8 assisting low-performing students;

9 (3) a proven ability to apply research-based school
10 intervention strategies;

11 (4) a proven record of financial ability to perform
12 under the management contract; and

13 (5) any other experience or qualifications the
14 commissioner determines necessary.

15 (1) [~~(f)~~] In selecting a managing entity under this
16 section, the commissioner shall give preference to a qualified
17 [~~nonprofit~~] entity that:

18 (1) meets any qualifications under this section; and

19 (2) has documented success in educating students from
20 similar demographic groups and with similar educational needs as
21 the students who attend the campus that is to be operated by a
22 managing entity under this section.

23 (m) [~~(g)~~] The school district may negotiate the term of a
24 management contract for not more than five years with an option to
25 renew the contract. The management contract must include a
26 provision describing the district's responsibilities in supporting
27 the operation of the campus. The commissioner shall approve the

1 contract before the contract is executed and, as appropriate, may
2 require the district, as a term of the contract, to support the
3 campus in the same manner as the district was required to support
4 the campus before the execution of the management contract.

5 (n) [~~(h)~~] A management contract under this section shall
6 include provisions approved by the commissioner that require the
7 managing entity to demonstrate improvement in campus performance,
8 including negotiated performance measures. The performance
9 measures must be consistent with the priorities of this chapter.
10 The commissioner shall evaluate a managing entity's performance on
11 the first and second anniversaries of the date of the management
12 contract. If the evaluation fails to demonstrate improvement as
13 negotiated under the contract by the first anniversary of the date
14 of the management contract, the district may terminate the
15 management contract, with the commissioner's consent, for
16 nonperformance or breach of contract and select another provider
17 from an approved list provided by the commissioner. If the
18 evaluation fails to demonstrate significant improvement, as
19 determined by the commissioner, by the second anniversary of the
20 date of the management contract, the district shall terminate the
21 management contract and select another provider from an approved
22 list provided by the commissioner or resume operation of the campus
23 if approved by the commissioner. If the commissioner approves the
24 district's operation of the campus, the commissioner shall assign a
25 technical assistance team to assist the campus.

26 (o) [~~(i)~~] Notwithstanding any other provision of this code,
27 the funding for a campus operated by a managing entity must be not

1 less than the funding of the other campuses in the district on a per
2 student basis so that the managing entity receives at least the same
3 funding the campus would otherwise have received.

4 (p) [~~(j)~~] Each campus operated by a managing entity under
5 this section is subject to this chapter in the same manner as any
6 other campus in the district.

7 (q) [~~(k)~~] The commissioner may adopt rules necessary to
8 implement this section.

9 (r) [~~(l)~~] With respect to the management of a campus under
10 this section:

11 (1) a managing entity is considered to be a
12 governmental body for purposes of Chapters 551 and 552, Government
13 Code; and

14 (2) any requirement in Chapter 551 or 552, Government
15 Code, that applies to a school district or the board of trustees of
16 a school district applies to a managing entity.

17 Sec. 39.107 [~~39.133~~]. ANNUAL REVIEW. The commissioner
18 shall review annually the performance of a district or campus
19 subject to this subchapter to determine the appropriate actions to
20 be implemented under this subchapter. The commissioner must review
21 at least annually the performance of a district for which the
22 accreditation status or rating has been lowered due to insufficient
23 [~~unacceptable~~] student performance and may not raise the
24 accreditation status or rating until the district has demonstrated
25 improved student performance. If the review reveals a lack of
26 improvement, the commissioner shall increase the level of state
27 intervention and sanction unless the commissioner finds good cause

1 for maintaining the current status.

2 Sec. 39.108 [~~39.1331~~]. ACQUISITION OF PROFESSIONAL
3 SERVICES. In addition to other interventions and sanctions
4 authorized under this subchapter [~~Sections 39.131 and 39.132~~], the
5 commissioner may order a school district or campus to acquire
6 professional services at the expense of the district or campus to
7 address the applicable financial, assessment, data quality,
8 program, performance, or governance deficiency. The
9 commissioner's order may require the district or campus to:

10 (1) select or be assigned an external auditor, data
11 quality expert, professional authorized to monitor district
12 assessment instrument administration, or curriculum or program
13 expert; or

14 (2) provide for or participate in the appropriate
15 training of district staff or board of trustees members in the case
16 of a district, or campus staff, in the case of a campus.

17 Sec. 39.109 [~~39.134~~]. COSTS PAID BY DISTRICT. The costs of
18 providing a monitor, conservator, management team, campus
19 intervention team, technical assistance team, managing entity, or
20 service provider under this subchapter [~~Section 39.1327, or service~~
21 ~~provider under Section 39.1331~~] shall be paid by the district. If
22 the district fails or refuses to pay the costs in a timely manner,
23 the commissioner may:

24 (1) pay the costs using amounts withheld from any
25 funds to which the district is otherwise entitled; or

26 (2) recover the amount of the costs in the manner
27 provided for recovery of an overallocation of state funds under

1 Section 42.258.

2 Sec. 39.110 [~~39.135~~]. CONSERVATOR OR MANAGEMENT TEAM.

3 (a) The commissioner shall clearly define the powers and duties of
4 a conservator or management team appointed to oversee the
5 operations of the district.

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

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

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

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

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

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

26 (5) may not set a tax rate for the district; and

27 (6) may not adopt a budget for the district that

1 provides for spending a different amount, exclusive of required
2 debt service, from that previously adopted by the board of
3 trustees.

4 Sec. 39.111 [~~39.136~~]. BOARD OF MANAGERS. (a) A board of
5 managers may exercise all of the powers and duties assigned to a
6 board of trustees of a school district by law, rule, or regulation.
7 This subchapter applies to a district governed by a board of
8 managers in the same manner that this subchapter applies to any
9 other district.

10 (b) If the commissioner appoints a board of managers to
11 govern a district, the powers of the board of trustees of the
12 district are suspended for the period of the appointment and the
13 commissioner shall appoint a district superintendent.
14 Notwithstanding any other provision of this code, the board of
15 managers may amend the budget of the district.

16 (c) If the commissioner appoints a board of managers to
17 govern a campus, the powers of the board of trustees of the district
18 in relation to the campus are suspended for the period of the
19 appointment and the commissioner shall appoint a campus principal.
20 Notwithstanding any other provision of this code, the board of
21 managers may submit to the commissioner for approval amendments to
22 the budget of the district for the benefit of the campus. If the
23 commissioner approves the amendments, the board of trustees of the
24 district shall adopt the amendments.

25 (d) A conservator or a member of a management team appointed
26 to serve on a board of managers may continue to be compensated as
27 determined by the commissioner.

1 (e) At the direction of the commissioner but not later than
2 the second anniversary of the date the board of managers of a
3 district was appointed, the board of managers shall order an
4 election of members of the district board of trustees. The election
5 must be held on a uniform election date on which an election of
6 district trustees may be held under Section 41.001, Election Code,
7 that is at least 180 days after the date the election was ordered.
8 On qualification of members for office, the board of trustees
9 assumes all of the powers and duties assigned to a board of trustees
10 by law, rule, or regulation.

11 Sec. 39.112 [~~39.137~~]. [~~SPECIAL~~] CAMPUS INTERVENTION TEAM.
12 A [~~special~~] campus intervention team appointed under this
13 subchapter may consist of teachers, principals, other educational
14 professionals, and superintendents recognized for excellence in
15 their roles and appointed by the commissioner to serve as members of
16 a team.

17 Sec. 39.113 [~~39.138~~]. IMMUNITY FROM CIVIL LIABILITY. An
18 employee, volunteer, or contractor acting on behalf of the
19 commissioner under this subchapter is immune from civil liability
20 to the same extent as a professional employee of a school district
21 under Section 22.051.

22 Sec. 39.114. CAMPUS NAME CHANGE PROHIBITED. In
23 reconstituting, repurposing, or imposing any other intervention or
24 sanction on a campus under this subchapter, other than closure, the
25 commissioner may not require that the name of the campus be changed.

26 Sec. 39.115. TRANSITIONAL INTERVENTIONS AND SANCTIONS.
27 (a) During the period of transition to the accreditation system

1 established under H.B. No. 3, Acts of the 81st Legislature, Regular
2 Session, 2009, to be implemented in August 2014, the commissioner
3 may suspend assignment of accreditation statuses and performance
4 ratings for the 2011-2012 school year and, with respect to the
5 college readiness indicators under Section 39.053(c)(1)(B), for
6 the 2012-2013 school year.

7 (b) During the 2011-2012 school year and, with respect to
8 the college readiness indicators under Section 39.053(c)(1)(B),
9 the 2012-2013 school year, the commissioner shall continue to
10 implement interventions and sanctions for those districts and
11 campuses identified as having unsatisfactory performance in the
12 2010-2011 school year in accordance with the performance standards
13 applicable during the 2010-2011 school year and may increase or
14 decrease the level of interventions and sanctions based on an
15 evaluation of the district's or campus's performance.

16 (c) For purposes of determining multiple years of
17 unsatisfactory performance and required district and campus
18 interventions and sanctions under this subchapter, the performance
19 ratings and accreditation statuses issued in the 2010-2011 and
20 2012-2013 school years and, with respect to the college readiness
21 indicators under Section 39.053(c)(1)(B), the 2010-2011 and
22 2013-2014 school years, shall be considered consecutive.

23 (d) This section expires September 1, 2015.

24 SUBCHAPTER F [~~✱~~]. PROCEDURES FOR CHALLENGE OF ACCOUNTABILITY
25 DETERMINATION [~~RATING OR SANCTION~~]

26 Sec. 39.151 [~~39.301~~]. REVIEW BY COMMISSIONER:
27 ACCOUNTABILITY DETERMINATION [~~RATINGS~~]. (a) The commissioner by

1 rule shall provide a process for a school district or
2 open-enrollment charter school to challenge an agency decision made
3 under this chapter relating to an academic or financial
4 accountability rating that affects the district or school.

5 (b) The rules under Subsection (a) must provide for the
6 commissioner to appoint a committee to make recommendations to the
7 commissioner on a challenge made to an agency decision relating to
8 an academic performance rating or determination or financial
9 accountability rating. The commissioner may not appoint an agency
10 employee as a member of the committee.

11 (c) The commissioner may limit a challenge under this
12 section to a written submission of any issue identified by the
13 school district or open-enrollment charter school challenging the
14 agency decision.

15 (d) The commissioner shall make a final decision under this
16 section after considering the recommendation of the committee
17 described by Subsection (b). The commissioner's decision may not
18 be appealed under Section 7.057 or other law.

19 (e) A school district or open-enrollment charter school may
20 not challenge an agency decision relating to an academic or
21 financial accountability rating under this chapter in another
22 proceeding if the district or school has had an opportunity to
23 challenge the decision under this section.

24 Sec. 39.152 [~~39.302~~]. REVIEW BY STATE OFFICE OF
25 ADMINISTRATIVE HEARINGS: SANCTIONS. (a) A school district or
26 open-enrollment charter school that intends to challenge a decision
27 by the commissioner under this chapter to close the district or a

1 district campus or the charter school or to pursue alternative
2 management of a district campus or the charter school must appeal
3 the decision under the procedures provided for a contested case
4 under Chapter 2001, Government Code.

5 (b) A challenge to a decision under this section is under
6 the substantial evidence rule as provided by Subchapter G, Chapter
7 2001, Government Code.

8 (c) Notwithstanding other law:

9 (1) the State Office of Administrative Hearings shall
10 provide an expedited review of a challenge under this section;

11 (2) the administrative law judge shall issue a final
12 order not later than the 30th day after the date on which the
13 hearing is finally closed; and

14 (3) the decision of the administrative law judge is
15 final and may not be appealed.

16 SUBCHAPTER G. DISTINCTION DESIGNATIONS

17 Sec. 39.201. ELIGIBILITY INDICATOR FOR DISTINCTION
18 DESIGNATION. (a) A district or campus is eligible for a
19 distinction designation under this subchapter if:

20 (1) the district or campus attains a minimum
21 percentage, as determined by the commissioner, of:

22 (A) students who performed satisfactorily, as
23 determined under the college readiness performance standard under
24 Section 39.0241, on assessment instruments required under Section
25 39.023(a), (b), (c), or (1), aggregated across grade levels by
26 subject area; or

27 (B) students who met the standard for annual

1 improvement, as determined by the agency under Section 39.034, on
2 assessment instruments required under Section 39.023(a), (b), (c),
3 or (1), aggregated across grade levels by subject area, for
4 students who did not perform satisfactorily as described by
5 Paragraph (A); or

6 (2) the district or campus demonstrates a significant
7 increase as compared to the preceding school year, as determined by
8 the commissioner, in the percentage of students who performed
9 satisfactorily as described by Subdivision (1)(A) or who met the
10 standard for annual improvement as described by Subdivision (1)(B).

11 (b) The commissioner shall periodically raise the minimum
12 percentage for the eligibility for the distinction designation
13 described by Subsection (a)(1) as necessary to reach the goal of
14 achieving, by not later than the 2019-2020 school year, student
15 performance in this state, disaggregated by race, ethnicity, and
16 socioeconomic status, that ranks nationally in the top 10 states in
17 terms of college readiness.

18 (c) If college readiness performance standards are adopted
19 for science and social studies end-of-course assessment
20 instruments under Section 39.024(f), those performance standards
21 and assessment instruments apply in determining district or campus
22 eligibility under this section.

23 Sec. 39.202. ACADEMIC EXCELLENCE DISTINCTION DESIGNATION
24 FOR DISTRICTS AND CAMPUSES. (a) The commissioner shall award a
25 district or campus an academic excellence distinction designation
26 if the district or campus attains percentages of students under
27 Sections 39.201(a)(1) and (2) higher than the percentages

1 determined by the commissioner under Sections 39.201(a)(1) and (2).

2 (b) The commissioner by rule shall establish a recognized
3 and exemplary rating for the academic distinction designation under
4 this section. In establishing the recognized and exemplary
5 ratings, the commissioner shall adopt criteria for the ratings,
6 including the percentages of students under Sections 39.201(a)(1)
7 and (2). The commissioner may consider the level of increased
8 performance from school year to school year as a factor.

9 (c) The commissioner shall investigate types and amounts of
10 monetary and nonmonetary awards available to motivate districts and
11 campuses to increase the number of students who perform
12 satisfactorily, as determined under the college readiness
13 performance standard under Section 39.0241. Not later than
14 November 30, 2010, the commissioner shall provide a report based on
15 the investigation under this subsection to the governor, the
16 lieutenant governor, the speaker of the house, and the presiding
17 officers of the standing committees with primary jurisdiction over
18 public education and appropriations. The report must include
19 strategies for increasing student performance in this state to a
20 level that ranks in the top 10 states in terms of college readiness.

21 Sec. 39.203. CAMPUS DISTINCTION DESIGNATIONS. (a) The
22 commissioner shall award a campus a distinction designation if the
23 campus is ranked in the top 25 percent of campuses eligible under
24 Section 39.201 in annual improvement in student achievement, as
25 determined under Section 39.034, in English language arts,
26 mathematics, science, or social studies.

27 (b) In addition to the distinction designation described by

1 Subsection (a), the commissioner shall award a campus a distinction
2 designation if the campus demonstrates an ability to significantly
3 diminish or eliminate performance differentials between student
4 subpopulations and is ranked in the top 25 percent of campuses
5 eligible under Section 39.201 under the performance criteria
6 described by this subsection. The commissioner shall adopt rules
7 related to the distinction designation under this subsection to
8 ensure that a campus does not artificially diminish or eliminate
9 performance differentials through inhibiting the achievement of
10 the highest achieving student subpopulation.

11 (c) In addition to the distinction designations described
12 by Subsections (a) and (b), a campus that satisfies the criteria
13 developed under Section 39.204 shall be awarded a distinction
14 designation by the commissioner for the following programs or the
15 following specific categories of performance:

16 (1) academic achievement in English language arts,
17 mathematics, science, or social studies;

18 (2) fine arts;

19 (3) physical education;

20 (4) 21st Century Workforce Development program; and

21 (5) second language acquisition program.

22 (d) A campus may not be awarded a distinction designation
23 under this subchapter unless the campus is eligible under Section
24 39.201 and satisfies all performance standards under Section
25 39.054(d).

26 Sec. 39.204. CAMPUS DISTINCTION DESIGNATION CRITERIA;
27 COMMITTEES. (a) The commissioner by rule shall establish:

1 (1) standards for considering campuses for
2 distinction designations under Section 39.203(c); and

3 (2) methods for awarding distinction designations to
4 campuses.

5 (b) In adopting rules under this section, the commissioner
6 shall establish a separate committee to develop criteria for each
7 distinction designation under Section 39.203(c).

8 (c) Each committee established under this section must
9 include:

10 (1) individuals who practice as professionals in the
11 content area relevant to the distinction designation, as
12 applicable;

13 (2) individuals with subject matter expertise in the
14 content area relevant to the distinction designation;

15 (3) educators with subject matter expertise in the
16 content area relevant to the distinction designation; and

17 (4) community leaders, including leaders from the
18 business community.

19 (d) For each committee, the governor, lieutenant governor,
20 and speaker of the house of representatives may each appoint a
21 person described by each subdivision of Subsection (c).

22 (e) In developing criteria for distinction designations
23 under this section, each committee shall:

24 (1) identify a variety of indicators for measuring
25 excellence; and

26 (2) consider categories for distinction designations,
27 with criteria relevant to each category, based on:

1 (A) the level of a program, whether elementary
2 school, middle or junior high school, or high school; and

3 (B) the student enrollment of a campus.

4 SUBCHAPTER H [~~F~~]. ADDITIONAL REWARDS

5 Sec. 39.231 [~~39.111~~]. RECOGNITION AND REWARDS. The State
6 Board of Education shall develop a plan for recognizing and
7 rewarding school districts and campuses that are rated as exemplary
8 or recognized under Subchapter G and for developing a network for
9 sharing proven successful practices statewide and regionally. The
10 reward may be used to provide educators with summer stipends to
11 develop curricula based on the cited successful strategies. The
12 educators may copyright the curricula they develop.

13 Sec. 39.232 [~~39.112~~]. EXCELLENCE EXEMPTIONS. (a) Except
14 as provided by Subsection (b), a school campus or district that is
15 rated exemplary under Subchapter G is exempt from requirements and
16 prohibitions imposed under this code including rules adopted under
17 this code.

18 (b) A school campus or district is not exempt under this
19 section from:

20 (1) a prohibition on conduct that constitutes a
21 criminal offense;

22 (2) requirements imposed by federal law or rule,
23 including requirements for special education or bilingual
24 education programs; or

25 (3) a requirement, restriction, or prohibition
26 relating to:

27 (A) curriculum essential knowledge and skills

1 under Section 28.002 or high school [~~minimum~~] graduation
2 requirements under Section 28.025;

3 (B) public school accountability as provided by
4 Subchapters B, C, D, E, and J [~~G~~];

5 (C) extracurricular activities under Section
6 33.081;

7 (D) health and safety under Chapter 38;

8 (E) purchasing [~~competitive bidding~~] under
9 Subchapter B, Chapter 44;

10 (F) elementary school class size limits, except
11 as provided by Subsection (d) or Section 25.112;

12 (G) removal of a disruptive student from the
13 classroom under Subchapter A, Chapter 37;

14 (H) at risk programs under Subchapter C, Chapter
15 29;

16 (I) prekindergarten programs under Subchapter E,
17 Chapter 29;

18 (J) rights and benefits of school employees;

19 (K) special education programs under Subchapter
20 A, Chapter 29; or

21 (L) bilingual education programs under
22 Subchapter B, Chapter 29.

23 (c) The agency shall monitor and evaluate deregulation of a
24 school campus or district under this section and Section 7.056.

25 (d) The commissioner may exempt an exemplary school campus
26 under Subchapter G from elementary class size limits under this
27 section if the school campus submits to the commissioner a written

1 plan showing steps that will be taken to ensure that the exemption
2 from the class size limits will not be harmful to the academic
3 achievement of the students on the school campus. The commissioner
4 shall review achievement levels annually. The exemption remains in
5 effect until the commissioner determines that achievement levels of
6 the campus have declined.

7 Sec. 39.233 [~~39.113~~]. RECOGNITION OF HIGH SCHOOL
8 COMPLETION AND SUCCESS AND COLLEGE READINESS PROGRAMS. (a) The
9 agency shall:

10 (1) develop standards for evaluating the success and
11 cost-effectiveness of high school completion and success and
12 college readiness programs implemented under Section 39.234
13 [~~39.114~~];

14 (2) provide guidance for school districts and campuses
15 in establishing and improving high school completion and success
16 and college readiness programs implemented under Section 39.234
17 [~~39.114~~]; and

18 (3) develop standards for selecting and methods for
19 recognizing school districts and campuses that offer exceptional
20 high school completion and success and college readiness programs
21 under Section 39.234 [~~39.114~~].

22 (b) The commissioner may adopt rules for the administration
23 of this section.

24 Sec. 39.234 [~~39.114~~]. HIGH SCHOOL ALLOTMENT. (a) Except
25 as provided by Subsection (b), a school district or campus must use
26 funds allocated under Section 42.2516(b)(3) to:

27 (1) implement or administer a college readiness

1 program that provides academic support and instruction to prepare
2 underachieving students for entrance into an institution of higher
3 education;

4 (2) implement or administer a program that encourages
5 students to pursue advanced academic opportunities, including
6 early college high school programs and dual credit, advanced
7 placement, and international baccalaureate courses;

8 (3) implement or administer a program that provides
9 opportunities for students to take academically rigorous course
10 work, including four years of mathematics and four years of science
11 at the high school level;

12 (4) implement or administer a program, including
13 online course support and professional development, that aligns the
14 curriculum for grades six through 12 with postsecondary curriculum
15 and expectations; or

16 (5) implement or administer other high school
17 completion and success initiatives in grades six through 12
18 approved by the commissioner.

19 (b) A school district may use funds allocated under Section
20 42.2516(b)(3) on any instructional program in grades six through 12
21 other than an athletic program if:

22 (1) the district's measure of progress toward college
23 readiness is determined exceptional by a standard set [~~district is~~
24 ~~recognized as exceptional~~] by the commissioner [~~under the academic~~
25 ~~accountability indicator adopted under Section 39.051(b)(13)~~]; and

26 (2) the district's completion rates for grades nine
27 through 12 [~~meet or~~] exceed completion rate standards required by

1 the commissioner to achieve a status of accredited under Section
2 39.051 [~~rating of exemplary under Section 39.072~~].

3 (b-1) Subsection (b) applies beginning with the 2008-2009
4 school year. This subsection expires September 1, 2009.

5 (c) An open-enrollment charter school is entitled to an
6 allotment under this section in the same manner as a school
7 district.

8 (d) The commissioner shall adopt rules to administer this
9 section, including rules related to the permissible use of funds
10 allocated under this section to an open-enrollment charter school.

11 Sec. 39.235 [~~39.115~~]. HIGH SCHOOL INNOVATION GRANT
12 INITIATIVE. (a) From funds appropriated for that purpose, the
13 commissioner may establish a grant program under which grants are
14 awarded to secondary campuses and school districts to support:

15 (1) the implementation of innovative high school
16 improvement programs that are based on the best available research
17 regarding high school reform, dropout prevention, and preparing
18 students for postsecondary coursework or employment;

19 (2) enhancing education practices that have been
20 demonstrated by significant evidence of effectiveness; and

21 (3) the alignment of grants and programs to the
22 strategic plan adopted under Section 39.407 [~~39.357~~].

23 (b) Before awarding a grant under this section, the
24 commissioner may require a campus or school district to:

25 (1) obtain local matching funds; or

26 (2) meet other conditions, including developing a
27 personal graduation plan under Section 28.0212 for each student

1 enrolled at the campus or in a district high school.

2 (c) The commissioner may:

3 (1) accept gifts, grants, or donations from a private
4 foundation to implement a grant program under this section; and

5 (2) coordinate gifts, grants, or donations with other
6 available funding to implement a grant program under this section.

7 (d) The commissioner may use funds appropriated under this
8 section to support technical assistance services for school
9 districts and open-enrollment charter schools to implement a high
10 school improvement program under this section.

11 Sec. 39.236 [~~39.116~~]. INITIATIVE FOR RETAINING QUALITY
12 EDUCATORS. Notwithstanding Section 39.106(b) [~~39.1324(b)~~], a
13 school district, to assist in preventing dropouts and disruptions
14 that may result from certain mandatory sanctions, may retain at a
15 campus a principal who has been employed at the campus as a
16 principal during the [~~two-year~~] period described by Section
17 39.106(a) [~~39.1324(a)~~] if the students enrolled at the campus have
18 demonstrated a pattern of significant academic improvement.

19 SUBCHAPTER I [~~E~~]. SUCCESSFUL SCHOOL AWARDS

20 Sec. 39.261 [~~39.091~~]. CREATION OF SYSTEM. The Texas
21 Successful Schools Awards System is created to recognize and reward
22 those schools and school districts that demonstrate progress or
23 success in achieving the education goals of the state.

24 Sec. 39.262 [~~39.092~~]. TYPES OF AWARDS. (a) The governor
25 may present a financial award to the schools or districts that the
26 commissioner determines have demonstrated the highest levels of
27 sustained success or the greatest improvement in achieving the

1 education goals. For each student in average daily attendance,
2 each of those schools or districts is entitled to an amount set for
3 the award for which the school or district is selected by the
4 commissioner, subject to any limitation set by the commissioner on
5 the total amount that may be awarded to a school or district.

6 (b) The governor may present proclamations or certificates
7 to additional schools and districts determined to have met or
8 exceeded the education goals.

9 (c) The commissioner may establish additional categories of
10 awards and award amounts for a school or district determined to be
11 successful under Subsection (a) or (b) that are contingent on the
12 school's or district's involvement with paired, lower-performing
13 schools.

14 Sec. 39.263 [~~39.093~~]. AWARDS. (a) The criteria that the
15 commissioner shall use to select successful schools and districts
16 must be related to the goals in Section 4.002 and must include
17 consideration of performance on the student achievement [~~academic~~
18 ~~excellence~~] indicators adopted under Section 39.053(c) and
19 consideration of the distinction designation criteria prescribed
20 by or developed under Subchapter G [~~39.051~~].

21 (b) For purposes of selecting schools and districts under
22 Section 39.262(a) [~~39.092(a)~~], each school's performance shall be
23 compared to state standards and to its previous performance.

24 (c) [~~(b)~~] The commissioner shall select annually schools
25 and districts qualified to receive successful school awards for
26 their performance and report the selections to the governor and the
27 State Board of Education.

1 (d) [~~(c)~~] The agency shall notify each school district of
2 the manner in which the district or a school in the district may
3 qualify for a successful school award.

4 Sec. 39.264 [~~39.094~~]. USE OF AWARDS. (a) In determining
5 the use of a monetary award received under this subchapter, a school
6 or district shall give priority to academic enhancement purposes.
7 The award may not be used for any purpose related to athletics, and
8 it may not be used to substitute for or replace funds already in the
9 regular budget for a school or district.

10 (b) The campus-level committee established under Section
11 11.253 shall determine the use of the funds awarded to a school
12 under this subchapter. The professional staff of the district
13 shall determine the use of the funds awarded to the school district
14 under this subchapter.

15 Sec. 39.265 [~~39.095~~]. FUNDING. The award system may be
16 funded by donations, grants, or legislative appropriations. The
17 commissioner may solicit and receive grants and donations for the
18 purpose of making awards under this subchapter. A small portion of
19 the award funds may be used by the commissioner to pay for the costs
20 associated with sponsoring a ceremony to recognize or present
21 awards to schools or districts under this subchapter. The
22 donations, grants, or legislative appropriations shall be
23 accounted for and distributed by the agency. The awards are subject
24 to audit requirements established by the State Board of Education.

25 Sec. 39.266 [~~39.096~~]. CONFIDENTIALITY. All information
26 and reports received by the commissioner under this subchapter from
27 schools or school districts deemed confidential under Chapter 552,

1 Government Code, are confidential and may not be disclosed in any
2 public or private proceeding.

3 SUBCHAPTER J. PARENT AND EDUCATOR REPORTS

4 Sec. 39.301. ADDITIONAL PERFORMANCE INDICATORS:

5 REPORTING. (a) In addition to the indicators adopted under
6 Section 39.053, the commissioner shall adopt indicators of the
7 quality of learning for the purpose of preparing reports under this
8 chapter. The commissioner biennially shall review the indicators
9 for the consideration of appropriate revisions.

10 (b) Performance on the indicators adopted under this
11 section shall be evaluated in the same manner provided for
12 evaluation of the student achievement indicators under Section
13 39.053(b).

14 (c) Indicators for reporting purposes must include:

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

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

22 (3) for students who have failed to perform
23 satisfactorily, under each performance standard under Section
24 39.0241, on an assessment instrument required under Section
25 39.023(a) or (c), the numerical progress of those students grouped
26 by percentage on subsequent assessment instruments required under
27 those sections, aggregated by grade level and subject area;

1 (4) the percentage of students, aggregated by grade
2 level, provided accelerated instruction under Section 28.0211(c),
3 the results of assessment instruments administered under that
4 section, the percentage of students promoted through the grade
5 placement committee process under Section 28.0211, the subject of
6 the assessment instrument on which each student failed to perform
7 satisfactorily under each performance standard under Section
8 39.0241, and the performance of those students in the school year
9 following that promotion on the assessment instruments required
10 under Section 39.023;

11 (5) the percentage of students exempted, by exemption
12 category, from the assessment program generally applicable under
13 this chapter;

14 (6) the percentage of students of limited English
15 proficiency exempted from the administration of an assessment
16 instrument under Sections 39.027(a)(3) and (4);

17 (7) the percentage of students in a special education
18 program under Subchapter A, Chapter 29, assessed through assessment
19 instruments developed or adopted under Section 39.023(b);

20 (8) the measure of progress toward college readiness;

21 (9) the measure of progress toward dual language
22 proficiency under Section 39.034(b), for students of limited
23 English proficiency, as defined by Section 29.052;

24 (10) the percentage of students who enroll and begin
25 instruction at an institution of higher education in the school
26 year following high school graduation; and

27 (11) the percentage of students who successfully

1 complete the first year of instruction at an institution of higher
2 education without needing a developmental education course.

3 (d) Performance on the indicators described by Section
4 39.053(c) and Subsections (c)(3), (4), and (9) must be based on
5 longitudinal student data that is disaggregated by the bilingual
6 education or special language program, if any, in which students of
7 limited English proficiency, as defined by Section 29.052, are or
8 former students of limited English proficiency were enrolled. If a
9 student described by this subsection is not or was not enrolled in
10 specialized language instruction, the number and percentage of
11 those students shall be provided.

12 (e) Section 39.055 applies in evaluating indicators
13 described by Subsection (c).

14 Sec. 39.302. REPORT TO DISTRICT: COMPARISONS FOR ANNUAL
15 PERFORMANCE ASSESSMENT. (a) The agency shall report to each
16 school district the comparisons of student performance made under
17 Section 39.034.

18 (b) To the extent practicable, the agency shall combine the
19 report of comparisons with the report of the student's performance
20 on assessment instruments under Section 39.023.

21 Sec. 39.303. REPORT TO PARENTS. (a) The school district a
22 student attends shall provide a record of the comparisons made
23 under Section 39.034 and provided to the district under Section
24 39.302 in a written notice to the student's parent or other person
25 standing in parental relationship.

26 (b) For a student who failed to perform satisfactorily as
27 determined by the commissioner under Section 39.0241(a) on an

1 assessment instrument administered under Section 39.023(a), (c),
2 or (l), the school district shall include in the notice specific
3 information relating to access to online educational resources at
4 the appropriate assessment instrument content level, including
5 educational resources described by Section 32.252(b)(2) and
6 assessment instruments questions and answers released under
7 Section 39.023(e).

8 Sec. 39.304. TEACHER REPORT CARD. Each school district
9 shall prepare a report of the comparisons made under Section 39.034
10 and provided to the district under Section 39.302 and provide the
11 report at the beginning of the school year to each teacher for
12 incoming students who were assessed on an assessment instrument
13 under Section 39.023.

14 Sec. 39.305 [39.052]. CAMPUS REPORT CARD. (a) Each school
15 year, the agency shall prepare and distribute to each school
16 district a report card for each campus. The campus report cards
17 must be based on the most current data available disaggregated by
18 student groups. Campus performance must be compared to previous
19 campus and district performance, current district performance, and
20 state established standards[, and comparable campus group
21 performance].

22 (b) The report card shall include the following
23 information:

24 (1) where applicable, the student achievement
25 indicators described by Section 39.053(c) and the reporting
26 indicators described by Sections 39.301(c)(1) through (4)
27 [academic excellence indicators adopted under Sections

1 ~~39.051(b)(1) through (10)]~~;

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

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

5 (4) the district's instructional expenditures ratio
6 and instructional employees ratio computed under Section 44.0071,
7 and the statewide average of those ratios, as determined by the
8 commissioner.

9 (c) The commissioner shall adopt rules requiring
10 dissemination of the information required under Subsection (b)(4)
11 and appropriate class size and student performance portions of
12 campus report cards annually to the parent, guardian, conservator,
13 or other person having lawful control of each student at the campus.
14 On written request, the school district shall provide a copy of a
15 campus report card to any other party.

16 Sec. 39.306 [~~39.053~~]. PERFORMANCE REPORT. (a) Each board
17 of trustees shall publish an annual report describing the
18 educational performance of the district and of each campus in the
19 district that includes uniform student performance and descriptive
20 information as determined under rules adopted by the commissioner.
21 The annual report must also include:

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

25 (2) information indicating the district's
26 accreditation status and identifying each district campus awarded a
27 distinction designation under Subchapter G or considered a

1 low-performing campus under Subchapter E [~~the performance rating~~
2 ~~for the district as provided under Section 39.072(a) and the~~
3 ~~performance rating of each campus in the district as provided under~~
4 ~~Section 39.072(c)];~~

5 (3) the district's current special education
6 compliance status with the agency;

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

11 (5) information concerning school violence prevention
12 and violence intervention policies and procedures that the district
13 is using to protect students; [~~and~~]

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

18 (7) information received under Section 51.403(e) for
19 each high school campus in the district, presented in a form
20 determined by the commissioner.

21 (b) Supplemental information to be included in the reports
22 shall be determined by the board of trustees. Performance
23 information in the annual reports on the indicators described by
24 Sections 39.053 and 39.301 [~~established under Section 39.051~~] and
25 descriptive information required by this section shall be provided
26 by the agency.

27 (c) The board of trustees shall hold a hearing for public

1 discussion of the report. The board of trustees shall give notice
2 of the hearing to property owners in the district and parents of and
3 other persons standing in parental relation to~~[, guardians,~~
4 ~~conservators, and other persons having lawful control of]~~ a
5 district student. The notification must include notice to a
6 newspaper of general circulation in the district and notice to
7 electronic media serving the district. After the hearing the
8 report shall be widely disseminated within the district in a manner
9 to be determined under rules adopted by the commissioner.

10 (d) The report must also include a comparison provided by
11 the agency of:

12 (1) the performance of each campus to its previous
13 performance and to state-established standards; and

14 (2) the performance of each district to its previous
15 performance and to state-established standards~~[, and~~

16 ~~[(3) the performance of each campus or district to~~
17 ~~comparable improvement]~~.

18 (e) The report may include the following information:

19 (1) student information, including total enrollment,
20 enrollment by ethnicity, socioeconomic status, and grade groupings
21 and retention rates;

22 (2) financial information, including revenues and
23 expenditures;

24 (3) staff information, including number and type of
25 staff by sex ~~[gender]~~, ethnicity, years of experience, and highest
26 degree held, teacher and administrator salaries, and teacher
27 turnover;

1 (4) program information, including student enrollment
2 by program, teachers by program, and instructional operating
3 expenditures by program; and

4 (5) the number of students placed in a disciplinary
5 alternative education program under Chapter 37.

6 (f) The commissioner [~~State Board of Education~~] by rule
7 shall authorize the combination of this report with other reports
8 and financial statements and shall restrict the number and length
9 of reports that school districts, school district employees, and
10 school campuses are required to prepare.

11 (g) The report must include a statement of the amount, if
12 any, of the school district's unencumbered surplus fund balance as
13 of the last day of the preceding fiscal year and the percentage of
14 the preceding year's budget that the surplus represents.

15 Sec. 39.307 [~~39.054~~]. USES OF PERFORMANCE REPORT. The
16 information required to be reported under Section 39.306 [~~39.053~~]
17 shall be:

18 (1) the subject of public hearings or meetings
19 required under Sections 11.252, 11.253, and 39.306 [~~39.053~~];

20 (2) a primary consideration in school district and
21 campus planning; and

22 (3) a primary consideration of:

23 (A) the State Board of Education in the
24 evaluation of the performance of the commissioner;

25 (B) the commissioner in the evaluation of the
26 performance of the directors of the regional education service
27 centers;

1 (C) the board of trustees of a school district in
2 the evaluation of the performance of the superintendent of the
3 district; and

4 (D) the superintendent in the evaluation of the
5 performance of the district's campus principals.

6 Sec. 39.308 [~~39.055~~]. ANNUAL AUDIT OF DROPOUT RECORDS;
7 REPORT. (a) The commissioner shall develop a process for auditing
8 school district dropout records electronically. The commissioner
9 shall also develop a system and standards for review of the audit or
10 use systems already available at the agency. The system must be
11 designed to identify districts that are at high risk of having
12 inaccurate dropout records and that, as a result, require on-site
13 monitoring of dropout records.

14 (b) If the electronic audit of a school district's dropout
15 records indicates that a district is not at high risk of having
16 inaccurate dropout records, the district may not be subject to
17 on-site monitoring under this subsection.

18 (c) If the risk-based system indicates that a school
19 district is at high risk of having inaccurate dropout records, the
20 district is entitled to an opportunity to respond to the
21 commissioner's determination before on-site monitoring may be
22 conducted. The district must respond not later than the 30th day
23 after the date the commissioner notifies the district of the
24 commissioner's determination. If the district's response does not
25 change the commissioner's determination that the district is at
26 high risk of having inaccurate dropout records or if the district
27 does not respond in a timely manner, the commissioner shall order

1 agency staff to conduct on-site monitoring of the district's
2 dropout records.

3 (d) [~~(e)~~] The commissioner shall notify the board of
4 trustees of a school district of any objection the commissioner has
5 to the district's dropout data, any violation of sound accounting
6 practices or of a law or rule revealed by the data, or any
7 recommendation by the commissioner concerning the data. If the
8 data reflect that a penal law has been violated, the commissioner
9 shall notify the county attorney, district attorney, or criminal
10 district attorney, as appropriate, and the attorney general.

11 (e) The commissioner is entitled to access to all district
12 records the commissioner considers necessary or appropriate for the
13 review, analysis, or approval of district dropout data.

14 SUBCHAPTER K [~~H~~]. REPORTS BY TEXAS EDUCATION AGENCY

15 Sec. 39.331 [~~39.181~~]. GENERAL REQUIREMENTS. (a) Each
16 report required by this subchapter must:

17 (1) unless otherwise specified, contain summary
18 information and analysis only, with an indication that the agency
19 will provide the data underlying the report on request;

20 (2) specify a person at the agency who may be contacted
21 for additional information regarding the report and provide the
22 person's telephone number; and

23 (3) identify other sources of related information,
24 indicating the level of detail and format of information that may be
25 obtained, including the availability of any information on the
26 Texas Education Network.

27 (b) Each component of a report required by this subchapter

1 must:

2 (1) identify the substantive goal underlying the
3 information required to be reported;

4 (2) analyze the progress made and longitudinal trends
5 in achieving the underlying substantive goal;

6 (3) offer recommendations for improved progress in
7 achieving the underlying substantive goal; and

8 (4) identify the relationship of the information
9 required to be reported to state education goals.

10 (c) Unless otherwise provided, each report required by this
11 subchapter is due not later than December 1 of each even-numbered
12 year.

13 (d) Subsections (a) and (b) apply to any report required by
14 statute that the agency or the State Board of Education must prepare
15 and deliver to the governor, lieutenant governor, speaker of the
16 house of representatives, or legislature.

17 (e) Unless otherwise provided by law, any report required by
18 statute that the agency or the State Board of Education must prepare
19 and deliver to the governor, lieutenant governor, speaker of the
20 house of representatives, or legislature may be combined, at the
21 discretion of the commissioner, with a report required by this
22 subchapter.

23 Sec. 39.332 [~~39.182~~]. COMPREHENSIVE ANNUAL REPORT.

24 (a) Not later than December 1 of each year, the agency shall
25 prepare and deliver to the governor, the lieutenant governor, the
26 speaker of the house of representatives, each member of the
27 legislature, the Legislative Budget Board, and the clerks of the

1 standing committees of the senate and house of representatives with
2 primary jurisdiction over the public school system a comprehensive
3 report covering the preceding school year and containing the
4 information described by Subsection (b).[+]

5 (b)(1) The report must contain an evaluation of the
6 achievements of the state educational program in relation to the
7 statutory goals for the public education system under Section
8 4.002.[+]

9 (2) The report must contain an evaluation of the
10 status of education in the state as reflected by:

11 (A) the student achievement [~~academic~~
12 ~~excellence~~] indicators described by [~~adopted under~~] Section 39.053
13 [~~39.051~~]; and

14 (B) the reporting indicators described by
15 Section 39.301.

16 (3) The report must contain a summary compilation of
17 overall student performance on academic skills assessment
18 instruments required by Section 39.023 with the number and
19 percentage of students exempted from the administration of those
20 instruments and the basis of the exemptions, aggregated by grade
21 level, subject area, campus, and district, with appropriate
22 interpretations and analysis, and disaggregated by race,
23 ethnicity, gender, and socioeconomic status.[+]

24 (4) The report must contain a summary compilation of
25 overall performance of students placed in a disciplinary
26 alternative education program established under Section 37.008 on
27 academic skills assessment instruments required by Section 39.023

1 with the number of those students exempted from the administration
2 of those instruments and the basis of the exemptions, aggregated by
3 district, grade level, and subject area, with appropriate
4 interpretations and analysis, and disaggregated by race,
5 ethnicity, gender, and socioeconomic status. [✓]

6 (5) The report must contain a summary compilation of
7 overall performance of students at risk of dropping out of school,
8 as defined by Section 29.081(d), on academic skills assessment
9 instruments required by Section 39.023 with the number of those
10 students exempted from the administration of those instruments and
11 the basis of the exemptions, aggregated by district, grade level,
12 and subject area, with appropriate interpretations and analysis,
13 and disaggregated by race, ethnicity, gender, and socioeconomic
14 status. [✓]

15 (6) The report must contain an evaluation of the
16 correlation between student grades and student performance on
17 academic skills assessment instruments required by Section
18 39.023. [✓]

19 (7) The report must contain a statement of the dropout
20 rate of students in grade levels 7 through 12, expressed in the
21 aggregate and by grade level, and a statement of the completion
22 rates of students for grade levels 9 through 12. [✓]

23 (8) The report must contain a statement of:

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

26 (B) the completion rate of students who enter
27 grade level 9 and graduate, including students who require more

1 than four years to graduate;

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

5 (D) the completion rate of students who enter
6 grade level 9 and receive a high school equivalency certificate,
7 including students who require more than four years to receive a
8 certificate; and

9 (E) the number and percentage of all students who
10 have not been accounted for under Paragraph (A), (B), (C), or
11 (D).[+]

12 (9) The report must contain a statement of the
13 projected cross-sectional and longitudinal dropout rates for grade
14 levels 9 through 12 for the next five years, assuming no state
15 action is taken to reduce the dropout rate.[+]

16 (10) The report must contain a description of a
17 systematic, measurable plan for reducing the projected
18 cross-sectional and longitudinal dropout rates to five percent or
19 less for the 1997-1998 school year.[+]

20 (11) The report must contain a summary of the
21 information required by Section 29.083 regarding grade level
22 retention of students and information concerning:

23 (A) the number and percentage of students
24 retained; and

25 (B) the performance of retained students on
26 assessment instruments required under Section 39.023(a).[+]

27 (12) The report must contain information, aggregated

1 by district type and disaggregated by race, ethnicity, gender, and
2 socioeconomic status, on:

3 (A) the number of students placed in a
4 disciplinary alternative education program established under
5 Section 37.008;

6 (B) the average length of a student's placement
7 in a disciplinary alternative education program established under
8 Section 37.008;

9 (C) the academic performance of students on
10 assessment instruments required under Section 39.023(a) during the
11 year preceding and during the year following placement in a
12 disciplinary alternative education program; and

13 (D) the dropout rates of students who have been
14 placed in a disciplinary alternative education program established
15 under Section 37.008. [+]

16 (13) The report must contain a list of each school
17 district or campus that does not satisfy performance standards,
18 with an explanation of the actions taken by the commissioner to
19 improve student performance in the district or campus and an
20 evaluation of the results of those actions. [+]

21 (14) The report must contain an evaluation of the
22 status of the curriculum taught in public schools, with
23 recommendations for legislative changes necessary to improve or
24 modify the curriculum required by Section 28.002. [+]

25 (15) The report must contain a description of all
26 funds received by and each activity and expenditure of the
27 agency. [+]

1 (16) The report must contain a summary and analysis of
2 the instructional expenditures ratios and instructional employees
3 ratios of school districts computed under Section 44.0071. [+]

4 (17) The report must contain a summary of the effect of
5 deregulation, including exemptions and waivers granted under
6 Section 7.056 or 39.232. [~~39.112~~]

7 (18) The report must contain a statement of the total
8 number and length of reports that school districts and school
9 district employees must submit to the agency, identifying which
10 reports are required by federal statute or rule, state statute, or
11 agency rule, and a summary of the agency's efforts to reduce overall
12 reporting requirements. [+]

13 (19) The report must contain a list of each school
14 district that is not in compliance with state special education
15 requirements, including:

16 (A) the period for which the district has not
17 been in compliance;

18 (B) the manner in which the agency considered the
19 district's failure to comply in determining the district's
20 accreditation status; and

21 (C) an explanation of the actions taken by the
22 commissioner to ensure compliance and an evaluation of the results
23 of those actions. [+]

24 (20) The report must contain a comparison of the
25 performance of open-enrollment charter schools and school
26 districts on the student achievement [~~academic excellence~~]
27 indicators described by Section 39.053(c), the reporting

1 indicators described by Section 39.301(c), [~~specified in Section~~
2 ~~39.051(b)~~] and the accountability measures adopted under Section
3 39.053(i) [~~39.051(g)~~], with a separately aggregated comparison of
4 the performance of open-enrollment charter schools predominantly
5 serving students at risk of dropping out of school, as described
6 [~~defined~~] by Section 29.081(d), with the performance of school
7 districts. [+]

8 (21) The report must contain a summary of the
9 information required by Section 38.0141 regarding student health
10 and physical activity from each school district. [+]

11 (22) The report must contain a summary compilation of
12 overall student performance under the assessment system developed
13 to evaluate the longitudinal academic progress as required by
14 Section 39.027(e), disaggregated by bilingual education or special
15 language program instructional model, if any. [+and]

16 (23) The report must contain any additional
17 information considered important by the commissioner or the State
18 Board of Education.

19 (c) [~~(b)~~] In reporting the information required by
20 Subsection (b)(3) or (4) [~~(a)(3) or (4)~~], the agency may separately
21 aggregate the performance data of students enrolled in a special
22 education program under Subchapter A, Chapter 29.

23 (d) [~~(b-1)~~] In reporting the information required by
24 Subsections (b)(3), (5), and (7) [~~(a)(3), (5), and (7)~~], the agency
25 shall separately aggregate the longitudinal performance data of all
26 students identified as students of limited English proficiency, as
27 defined by Section 29.052, or former students of limited English

1 proficiency, disaggregated by bilingual education or special
2 language program instructional model, if any, in which the students
3 are or were enrolled.

4 (e) [~~(e)~~] Each report must contain the most recent data
5 available.

6 Sec. 39.333 [~~39.183~~]. REGIONAL AND DISTRICT LEVEL REPORT.
7 The agency shall prepare and deliver to the governor, the
8 lieutenant governor, the speaker of the house of representatives,
9 each member of the legislature, the Legislative Budget Board, and
10 the clerks of the standing committees of the senate and house of
11 representatives with primary jurisdiction over the public school
12 system a regional and district level report covering the preceding
13 two school years and containing:

14 (1) a summary of school district compliance with the
15 student/teacher ratios and class-size limitations prescribed by
16 Sections 25.111 and 25.112, including:

17 (A) the number of campuses and classes at each
18 campus granted an exception from Section 25.112; and

19 (B) for [~~the performance rating under Subchapter~~
20 ~~D of~~] each campus granted an exception from Section 25.112, a
21 statement of whether the campus has been awarded a distinction
22 designation under Subchapter G or has been identified as a
23 low-performing campus under Subchapter E;

24 (2) a summary of the exemptions and waivers granted to
25 campuses and school districts under Section 7.056 or 39.232
26 [~~39.112~~] and a review of the effectiveness of each campus or
27 district following deregulation;

1 (3) an evaluation of the performance of the system of
2 regional education service centers based on the indicators adopted
3 under Section 8.101 and client satisfaction with services provided
4 under Subchapter B, Chapter 8;

5 (4) an evaluation of accelerated instruction programs
6 offered under Section 28.006, including an assessment of the
7 quality of such programs and the performance of students enrolled
8 in such programs; and

9 (5) the number of classes at each campus that are
10 currently being taught by individuals who are not certified in the
11 content areas of their respective classes.

12 Sec. 39.334 [~~39.184~~]. TECHNOLOGY REPORT. The agency shall
13 prepare and deliver to the governor, the lieutenant governor, the
14 speaker of the house of representatives, each member of the
15 legislature, the Legislative Budget Board, and the clerks of the
16 standing committees of the senate and house of representatives with
17 primary jurisdiction over the public school system a technology
18 report covering the preceding two school years and containing
19 information on the status of the implementation of and revisions to
20 the long-range technology plan required by Section 32.001,
21 including the equity of the distribution and use of technology in
22 public schools.

23 Sec. 39.335 [~~39.185~~]. INTERIM REPORT. Not later than
24 December 1 of each odd-numbered year, the agency shall prepare and
25 deliver to the governor, the lieutenant governor, the speaker of
26 the house of representatives, each member of the legislature, the
27 Legislative Budget Board, and the clerks of the standing committees

1 of the senate and house of representatives with primary
2 jurisdiction over the public school system an interim report
3 containing, for the previous school year, the information required
4 by Section 39.333(2) [~~39.183(2)~~].

5 SUBCHAPTER L [~~J~~]. NOTICE OF PERFORMANCE

6 Sec. 39.361 [~~39.251~~]. NOTICE IN STUDENT GRADE REPORT. The
7 first written notice of a student's performance that a school
8 district gives during a school year as required by Section
9 28.022(a)(2) must include [~~the following information~~]:

10 (1) a statement of whether the campus at which the
11 student is enrolled has been awarded a distinction designation
12 under Subchapter G or has been identified as a low-performing
13 campus under Subchapter E [~~the most recent performance rating of~~
14 ~~the campus at which the student is enrolled, as determined under~~
15 ~~Section 39.072~~]; and

16 (2) an explanation of the significance of the
17 information provided under Subdivision (1) [~~a definition and~~
18 ~~explanation of each performance rating described by Section~~
19 ~~39.072(a)~~].

20 Sec. 39.362 [~~39.252~~]. NOTICE ON DISTRICT WEBSITE. Not
21 later than the 10th day after the first day of instruction of each
22 school year, a school district that maintains an Internet website
23 shall make the following information available to the public on the
24 website:

25 (1) the information contained in the most recent
26 campus report card for each campus in the district [~~as determined~~]
27 under Section 39.305 [~~39.052~~];

1 (2) the information contained in the most recent
2 performance report for the district[~~, as determined~~] under Section
3 39.306 [~~39.053~~];

4 (3) the most recent accreditation status [~~performance~~
5 ~~rating~~] of the district[~~, as determined~~] under Section 39.052
6 [~~39.072~~]; and

7 (4) a definition and explanation of each accreditation
8 status under [~~performance rating described by~~] Section 39.051,
9 based on commissioner rule adopted under that section [~~39.072(a)~~].

10 SUBCHAPTER M [~~L~~]. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE

11 Sec. 39.401 [~~39.351~~]. DEFINITION. In this subchapter,
12 "council" means the High School Completion and Success Initiative
13 Council.

14 Sec. 39.402 [~~39.352~~]. HIGH SCHOOL COMPLETION AND SUCCESS
15 INITIATIVE COUNCIL. (a) The High School Completion and Success
16 Initiative Council is established to identify strategic priorities
17 for and make recommendations to improve the effectiveness,
18 coordination, and alignment of high school completion and college
19 and workforce readiness efforts.

20 (b) The council is composed of:

21 (1) the commissioner of education;

22 (2) the commissioner of higher education; and

23 (3) seven members appointed by the commissioner of
24 education.

25 (c) In making appointments required by Subsection (b)(3),
26 the commissioner of education shall appoint:

27 (1) three members from a list of nominations provided

1 by the governor;

2 (2) two members from a list of nominations provided by
3 the lieutenant governor; and

4 (3) two members from a list of nominations provided by
5 the speaker of the house of representatives.

6 (d) In making nominations under Subsection (c), the
7 governor, lieutenant governor, and speaker of the house of
8 representatives shall nominate persons who have distinguished
9 experience in:

10 (1) developing and implementing high school reform
11 strategies; and

12 (2) promoting college and workforce readiness.

13 Sec. 39.403 [~~39.353~~]. TERMS. Members of the council
14 appointed under Section 39.402(b)(3) [~~39.352(b)(3)~~] serve terms of
15 two years and may be reappointed for additional terms.

16 Sec. 39.404 [~~39.354~~]. PRESIDING OFFICER. The commissioner
17 of education serves as the presiding officer of the council.

18 Sec. 39.405 [~~39.355~~]. COMPENSATION AND REIMBURSEMENT. A
19 member of the council is not entitled to compensation for service on
20 the council but is entitled to reimbursement for actual and
21 necessary expenses incurred in performing council duties.

22 Sec. 39.406 [~~39.356~~]. COUNCIL STAFF AND FUNDING.

23 (a) Except as otherwise provided, staff members of the agency,
24 with the assistance of the Texas Higher Education Coordinating
25 Board, shall provide administrative support for the council.

26 (b) Funding for the administrative and operational expenses
27 of the council shall be provided by appropriation to the agency for

1 that purpose and by gifts, grants, and donations solicited and
2 accepted by the agency for that purpose.

3 Sec. 39.407 [~~39.357~~]. STRATEGIC PLAN. (a) The council
4 shall adopt a strategic plan under this subchapter to:

5 (1) specify strategies to identify, support, and
6 expand programs to improve high school completion rates and college
7 and workforce readiness;

8 (2) establish specific goals with which to measure the
9 success of the strategies identified under Subdivision (1) in
10 improving high school completion rates and college and workforce
11 readiness;

12 (3) identify strategies for alignment and
13 coordination of federal and other funding sources that may be
14 pursued for high school reform, dropout prevention, and preparation
15 of students for postsecondary coursework or employment; and

16 (4) identify key objectives for appropriate research
17 and program evaluation conducted as provided by this subchapter.

18 (b) The commissioner of education and the commissioner of
19 higher education shall adopt rules as necessary to administer the
20 strategic plan adopted by the council under this section.

21 (c) The commissioner of education or the commissioner of
22 higher education may not, in a manner inconsistent with the
23 strategic plan, spend money, award a grant, or enter into a contract
24 in connection with a program relating to high school success and
25 completion.

26 Sec. 39.408 [~~39.358~~]. ELIGIBILITY CRITERIA FOR CERTAIN
27 GRANT PROGRAMS. A school district or campus is eligible to

1 participate in programs under Sections 21.4541, 29.095, 29.096,
2 29.097, and 29.098 if the district or campus exhibited during each
3 of the three preceding school years characteristics that strongly
4 correlate with high dropout rates.

5 Sec. 39.409 [~~39.359~~]. PRIVATE FOUNDATION PARTNERSHIPS.

6 (a) The commissioner of education or the commissioner of higher
7 education, as appropriate, and the council may coordinate with
8 private foundations that have made a substantial investment in the
9 improvement of high schools in this state to maximize the impact of
10 public and private investments.

11 (b) A private foundation is not required to obtain the
12 approval of the appropriate commissioner or the council under
13 Subsection (a) before allocating resources to a school in this
14 state.

15 Sec. 39.410 [~~39.360~~]. GRANT PROGRAM EVALUATION. (a) The
16 commissioner of education shall annually set aside not more than
17 five percent of the funds appropriated for high school completion
18 and success to contract for the evaluation of programs supported by
19 grants approved under this subchapter. In awarding a contract
20 under this subsection, the commissioner shall consider centers for
21 education research established under Section 1.005.

22 (b) A person who receives a grant approved under this
23 subchapter must consent to an evaluation under this section as a
24 condition of receiving the grant.

25 (c) The commissioner shall ensure that an evaluation
26 conducted under this section includes an assessment of whether
27 student achievement has improved. Results of the evaluation shall

1 be provided through the online clearinghouse of information
2 relating to the best practices of campuses and school districts
3 established under Section 7.009.

4 Sec. 39.411 [~~39.361~~]. COUNCIL RECOMMENDATIONS. (a) Based
5 on the strategic plan adopted under this subchapter [~~section~~], the
6 council shall make recommendations to the commissioner of education
7 or the commissioner of higher education, as applicable, for the use
8 of federal and state funds appropriated or received for high school
9 reform, college readiness, and dropout prevention, including
10 grants awarded under Sections 21.4511, 21.4541, 29.095-29.098,
11 29.917, 29.919, and 39.235 [~~39.115~~].

12 (b) The council shall include recommendations under this
13 section for:

- 14 (1) key elements of program design;
15 (2) criteria for awarding grants and evaluating
16 programs;
17 (3) program funding priorities; and
18 (4) program evaluation as provided by this subchapter.

19 (c) The commissioner of education or the commissioner of
20 higher education, as applicable, shall consider the council's
21 recommendations and based on those recommendations may award grants
22 to school districts, open-enrollment charter schools, institutions
23 of higher education, regional education service centers, and
24 nonprofit organizations to meet the goals of the council's
25 strategic plan.

26 (d) The commissioner of education or the commissioner of
27 higher education, as applicable:

1 (1) is not required under this section to allocate
2 funds to a program or initiative recommended by the council; and

3 (2) may not initiate a program funded under this
4 section that does not conform to the recommended use of funds as
5 provided under Subsections (a) and (b).

6 Sec. 39.412 [~~39.362~~]. FUNDING PROVIDED TO SCHOOL
7 DISTRICTS. From funds appropriated, the commissioner of education
8 may provide funding to school districts to permit a school district
9 to obtain technical assistance in preparing a grant proposal for a
10 grant program administered under this subchapter.

11 Sec. 39.413 [~~39.363~~]. FUNDING FOR CERTAIN PROGRAMS.
12 (a) From funds appropriated, the Texas Higher Education
13 Coordinating Board shall allocate \$8.75 million each year to
14 establish mathematics, science, and technology teacher preparation
15 academies under Section 21.462 and implement and administer the
16 program under Section 29.098.

17 (b) The Texas Higher Education Coordinating Board shall
18 establish mathematics, science, and technology teacher preparation
19 academies under Section 21.462 and implement and administer the
20 program under Section 29.098 in a manner consistent with the goals
21 of this subchapter and the goals in "Closing the Gaps," the state's
22 master plan for higher education.

23 Sec. 39.414 [~~39.364~~]. PRIVATE FUNDING. The commissioner of
24 education or the commissioner of higher education, as appropriate,
25 may accept gifts, grants, or donations to fund a grant administered
26 under this subchapter.

27 Sec. 39.415 [~~39.365~~]. REPORTS. (a) Not later than

1 December 1 of each even-numbered year, the agency shall prepare and
2 deliver a report to the legislature that recommends any statutory
3 changes the council considers appropriate to promote high school
4 completion and college and workforce readiness.

5 (b) Not later than March 1 and September 1 of each year, the
6 commissioner of education shall prepare and deliver a progress
7 report to the presiding officers of the standing committees of each
8 house of the legislature with primary jurisdiction over public
9 education, the Legislative Budget Board, and the Governor's Office
10 of Policy and Planning on:

11 (1) the implementation of Sections 7.031, 21.4511,
12 21.4541, 21.462, 28.008(d-1), 28.0212(d), 29.095-29.098, 29.911,
13 29.917-29.919, and 39.235 [~~39.115~~] and this subchapter;

14 (2) the programs supported by grants approved under
15 this subchapter; and

16 (3) the alignment of grants and programs to the
17 strategic plan adopted under Section 39.407 [~~39.357~~].

18 Sec. 39.416 [~~39.366~~]. RULES. The commissioner of education
19 and the commissioner of higher education shall adopt rules as
20 necessary to administer this subchapter and any programs under the
21 authority of the commissioner of education or the commissioner of
22 higher education and the council under this subchapter.

23 SECTION 57. Subsection (b), Section 42.002, Education Code,
24 is amended to read as follows:

25 (b) The Foundation School Program consists of:

26 (1) two tiers that in combination provide for:

27 (A) sufficient financing for all school

1 districts to provide a basic program of education that is rated
2 accredited [~~academically acceptable or higher~~] under Section
3 39.052 [~~39.072~~] and meets other applicable legal standards; and

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

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

7 SECTION 58. Section 51.3062, Education Code, is amended by
8 adding Subsections (i-1) and (q-1) to read as follows:

9 (i-1) The commissioner of higher education may by rule
10 require an institution of higher education to adopt uniform
11 standards for the placement of a student under this section.

12 (q-1) A student who has completed a recommended or advanced
13 high school program as determined under Section 28.025 and
14 demonstrated the performance standard for college readiness as
15 provided by Section 39.024 on the Algebra II and English III
16 end-of-course assessment instruments is exempt from the
17 requirements of this section with respect to those content areas.
18 The commissioner of higher education by rule shall establish the
19 period for which an exemption under this subsection is valid.

20 SECTION 59. Section 51.807, Education Code, as amended by
21 Chapters 941 (H.B. 3826) and 1369 (H.B. 3851), Acts of the 80th
22 Legislature, Regular Session, 2007, is reenacted to read as
23 follows:

24 Sec. 51.807. RULEMAKING. (a) The Texas Higher Education
25 Coordinating Board may adopt rules relating to the operation of
26 admissions programs under this subchapter, including rules
27 relating to the identification of eligible students.

1 (b) The Texas Higher Education Coordinating Board, after
2 consulting with the Texas Education Agency, by rule shall establish
3 standards for determining for purposes of this subchapter:

4 (1) whether a private high school is accredited by a
5 generally recognized accrediting organization; and

6 (2) whether a person completed a high school
7 curriculum that is equivalent in content and rigor to the
8 curriculum requirements established under Section 28.025 for the
9 recommended or advanced high school program.

10 SECTION 60. Chapter 61, Education Code, is amended by
11 adding Subchapter T-1 to read as follows:

12 SUBCHAPTER T-1. CAREER AND TECHNICAL EDUCATION

13 Sec. 61.861. DEVELOPMENT OF MATHEMATICS AND SCIENCE COURSES
14 FOR HIGH-DEMAND OCCUPATIONS. (a) The commissioner of higher
15 education and the commissioner of education, in consultation with
16 the comptroller and the Texas Workforce Commission, may award a
17 grant in an amount not to exceed \$1 million to an institution of
18 higher education to develop advanced mathematics and science
19 courses to prepare high school students for employment in a
20 high-demand occupation. The commissioner of higher education, the
21 commissioner of education, the comptroller, and the Texas Workforce
22 Commission shall jointly determine what is considered a high-demand
23 occupation for purposes of this subchapter.

24 (b) An institution of higher education shall work in
25 partnership with at least one independent school district and a
26 business entity in developing a course for purposes of this
27 section.

1 (c) A course developed for purposes of this section must:

2 (1) provide content that enables a student to develop
3 the relevant and critical skills needed to be prepared for
4 employment or additional training in a high-demand occupation;

5 (2) incorporate college and career readiness skills as
6 part of the curriculum;

7 (3) be offered for dual credit; and

8 (4) satisfy a mathematics or science requirement under
9 the recommended or advanced high school program as determined under
10 Section 28.025.

11 (d) An institution of higher education shall periodically
12 review and revise the curriculum for a course developed for
13 purposes of this section to accommodate changes in industry
14 standards for the high-demand occupation.

15 Sec. 61.862. GRANT APPLICATION CRITERIA. The commissioner
16 of higher education and the commissioner of education, in
17 consultation with the comptroller and the Texas Workforce
18 Commission, shall establish application criteria for a grant under
19 this subchapter and in making an award shall give priority to
20 courses that:

21 (1) will prepare students for high-demand, high-wage,
22 and high-skill occupations and further postsecondary study;

23 (2) may be transferred as college credit to multiple
24 institutions of higher education; and

25 (3) are developed as part of a sequence of courses that
26 includes statewide availability of the instructional materials and
27 training for the courses at a nominal cost to public educational

1 institutions in this state.

2 Sec. 61.863. USE OF FUNDS. An institution of higher
3 education may use funds awarded under this section to develop, in
4 connection with a course described by Section 61.861:

5 (1) curriculum;

6 (2) assessments;

7 (3) instructional materials, including
8 technology-based supplemental materials; or

9 (4) professional development programs for secondary
10 grade-level teachers teaching a course described by Section 61.861.

11 Sec. 61.864. REVIEW OF COURSES. Courses developed for
12 which a grant is awarded under this subchapter shall be reviewed by
13 the commissioner of higher education and the commissioner of
14 education, in consultation with the comptroller and the Texas
15 Workforce Commission, once every four years to determine whether
16 the course:

17 (1) is being used by public educational institutions
18 in this state;

19 (2) prepares high school students with the skills
20 necessary for employment in the high-demand occupation and further
21 postsecondary study; and

22 (3) satisfies a mathematics or science requirement for
23 the recommended or advanced high school program as determined under
24 Section 28.025.

25 Sec. 61.865. MATCHING CONTRIBUTION REQUIRED. An
26 institution of higher education awarded a grant under this
27 subchapter must obtain from one or more business entities in the

1 industry for which students taking courses developed under Section
2 61.861 are training, in a total amount equal to the amount of the
3 state grant:

4 (1) gifts, grants, or donations of funds; or

5 (2) contributions of property that may be used in
6 providing the courses.

7 Sec. 61.866. LIMITATION ON TOTAL AMOUNT OF GRANTS. In any
8 state fiscal biennium, the total amount of grants awarded under
9 this subchapter may not exceed \$10 million.

10 Sec. 61.867. FUNDING OF GRANTS. The commissioner of higher
11 education shall administer this section using available
12 appropriations and gifts, grants, and donations made for the
13 purposes of this subchapter.

14 SECTION 61. Subsection (c), Section 302.006, Labor Code, is
15 amended to read as follows:

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

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

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

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

27 (A) within the attendance zone of a public school

1 campus considered low-performing under Section 39.102 [~~39.132~~],
2 Education Code; or

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

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

7 SECTION 62. The following provisions of the Education Code
8 are repealed:

9 (1) Subsections (e), (f), and (g), Section 39.034; and

10 (2) Section 44.011.

11 SECTION 63. (a) Not later than December 1, 2010, the Texas
12 Education Agency shall prepare and deliver to the governor, the
13 lieutenant governor, the speaker of the house of representatives,
14 each member of the legislature, the clerks of the standing
15 committees of the senate and the house of representatives with
16 primary jurisdiction over public education, and the Legislative
17 Budget Board a transition plan containing the information described
18 by Subsections (b) and (c) of this section.

19 (b) The transition plan referred to in Subsection (a) of
20 this section must contain a detailed description of the process the
21 commissioner of education will use to develop and implement this
22 Act, including:

23 (1) the timeline;

24 (2) the means by which public school educators who are
25 representative of this state and other stakeholders, including
26 parents of public primary and secondary school students, and
27 business and community leaders, will be included in the process to

1 develop and implement this Act, in accordance with Subdivision
2 (11), Subsection (b), Section 7.055, Education Code;

3 (3) the resources required to implement this Act,
4 including resources that may be required by districts and campuses;

5 (4) the scope and sequence of tasks that must be
6 accomplished to implement this Act; and

7 (5) the use of the standard rulemaking process to
8 adopt any procedures necessary to implement this Act.

9 (c) Except as provided by this subsection, the transition
10 plan referred to in Subsection (a) of this section must provide for
11 the implementation during the 2011-2012 school year of changes made
12 by this Act to the accreditation and academic accountability
13 system. The assignment of accreditation statuses and any other
14 academic accountability designations under this Act must be
15 implemented beginning with the 2012-2013 school year.

16 (d) In conjunction with the transition plan prepared and
17 delivered under this section, the commissioner of education shall
18 provide for an equivalence of a performance rating, accreditation
19 status, distinction designation, or performance indicator, as
20 applicable, for each statutory performance rating or performance
21 indicator that is superseded by this Act.

22 SECTION 64. To the extent of any conflict, the reenactment
23 by this Act of Section 51.807, Education Code, prevails over
24 another Act of the 81st Legislature, Regular Session, 2009,
25 relating to nonsubstantive additions to and corrections in enacted
26 codes.

27 SECTION 65. (a) Except as provided by Subsections (b) and

1 (c) of this section, this Act applies beginning with the 2009-2010
2 school year.

3 (b) Subsection (c-3), Section 28.002, Education Code, as
4 added by this Act, applies beginning with the 2011-2012 school
5 year.

6 (c) Subchapter E, Chapter 39, Education Code, as amended by
7 this Act, applies as provided by the transition plan adopted by the
8 commissioner of education under Section 39.115, Education Code, as
9 added by this Act.

10 SECTION 66. Notwithstanding any other provision of this
11 Act, the commissioner of education may immediately apply any
12 provisions related to interventions and sanctions under Subchapter
13 E, Chapter 39, Education Code, as amended by this Act, to
14 interventions and sanctions under Subchapter G, Chapter 39,
15 Education Code, as that law existed prior to amendment by this Act.

16 SECTION 67. This Act does not make an appropriation. This
17 Act takes effect only if a specific appropriation for the
18 implementation of the Act is provided in a general appropriations
19 act of the 81st Legislature.

20 SECTION 68. Except as provided by Section 67 of this Act,
21 this Act takes effect immediately if it receives a vote of
22 two-thirds of all the members elected to each house, as provided by
23 Section 39, Article III, Texas Constitution. If this Act does not
24 receive the vote necessary for immediate effect, this Act takes
25 effect September 1, 2009, except as provided by Section 67 of this
26 Act.

ADOPTED

MAY 13 2009

Atty Gen
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *James Rajin*

1 Amend C.S.H.B. No. 3 (senate committee report) as follows:

2 (1) In SECTION 30 of the bill, in amended Section
3 28.025(b-1)(1)(C), Education Code (page 13, line 54), strike
4 "eight" and substitute "six".

5 (2) In SECTION 30 of the bill, in amended Section
6 28.025(b-1)(1)(C), Education Code (page 13, line 54), strike "and"
7 and substitute "~~and~~".

8 (3) In SECTION 30 of the bill, in amended Section
9 28.025(b-1)(2), Education Code (page 13, line 57), strike the
10 period and substitute "; and".

11 (4) In SECTION 30 of the bill, immediately following amended
12 Section 28.025(b-1)(2), Education Code (page 13, between lines 57
13 and 58), insert the following:

14 (3) the curriculum requirements for the minimum,
15 recommended, and advanced high school programs under Subsection (a)
16 include a requirement that students successfully complete:

17 (A) one credit in fine arts under Section
18 28.002(a)(2)(D); and

19 (B) one credit in physical education under
20 Section 28.002(a)(2)(C).

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 13, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3 by Eissler (Relating to public school accountability, curriculum, and promotion requirements.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, As Passed 2nd House: a negative impact of (\$66,375,608) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$33,196,054)
2011	(\$33,179,554)
2012	(\$12,379,554)
2013	(\$12,479,554)
2014	(\$12,479,554)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2009
2010	(\$33,196,054)	\$0	37.0
2011	(\$22,679,554)	(\$10,500,000)	37.0
2012	(\$12,379,554)	\$0	37.0
2013	(\$12,479,554)	\$0	37.0
2014	(\$12,479,554)	\$0	37.0

Fiscal Analysis

The bill would make numerous changes to the state's public education accountability system.

Section 28 of the bill would revise current grade promotion standards and procedures. The bill would reduce requirements regarding the number of additional assessment administrations required for students who fail to pass the third grade reading assessment, the fifth grade reading and math assessments, or the eighth grade reading and math assessments from at least two opportunities to one opportunity.

Section 30 of the bill amends curriculum requirements for high school graduation and in the recommended and advanced high school programs. New curriculum requirements for the Texas

recommended program would be effective for students entering the ninth grade in the 2011-12 school year.

Section 47 of the bill would require that the TEA establish a student assessment data portal through which students, parents, school district employees, and public institutions of higher education could access individual assessment data. The bill would require that the system provide information regarding students' progress toward meeting assessment requirements for graduation, that it provide assessment data beginning from the 2007-08 school year, and that student assessment data for the prior year be made available through the system on or before the first day of school. The system would be required to enable comparisons of student performance at classroom, campus, district, and state levels.

Section 48 of the bill would require TEA to develop assessments to allow the score to indicate students' satisfactory performance relative to performance standards determined based on the provisions of the bill and growth in student achievement. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment.

Section 50 of the bill would define college readiness and would require that TEA develop the Algebra II and English III EOC assessments to measure college readiness. The bill would require TEA to conduct studies to establish correlation between performance on those assessments and college readiness. The Commissioner of Education, in consultation with the Commissioner of Higher Education, would be required to use the results of those studies to establish performance standards for college readiness for the Algebra II and English III EOC assessments. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years.

TEA, in conjunction with the Texas Higher Education Coordinating Board (THECB), would be required to conduct similar studies for science and social studies EOC assessments and would be permitted to establish associated college readiness performance standards. The bill would require TEA, in conjunction with THECB, to deliver a report to the legislative leadership and the committees of the legislature with primary jurisdiction over public education by December 2012 providing analysis of the feasibility of and recommendations regarding the establishment of college readiness performance standards for science and social studies and a summary of any implementation procedures in place.

TEA and THECB would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments. TEA would be required to conduct a study of the correlation between student performance on EOC assessments and military service or workforce training, certification, or other postsecondary credentials.

TEA and THECB would be required to conduct studies correlating student performance on the English II and Algebra II EOC assessments with the standard for college readiness.

TEA and THECB would be required to conduct studies correlating student performance on the English I, English II, and Algebra I EOC assessments with satisfactory student performance on English II, English III, and Algebra II EOC assessments respectively.

TEA would be required to conduct studies correlating performance on 8th grade assessments with satisfactory student performance on English I and Algebra I EOC assessments; and for each previous year tested, TEA would be required to conduct studies correlating performance on assessments with satisfactory student performance on assessments in the same content area in the subsequent year. Section 51 of the bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments. The bill would require students to retake any EOC assessments on which they fail to meet established performance standards. The bill would allow students who fail to meet the college readiness standard on Algebra II or English III EOC assessments to retake the assessments. The bill

would eliminate the use of the Texas Assessment of Academic Skills assessment instrument as an alternative assessment.

Section 55 of the bill would require TEA to determine annual improvement required each year for a student to perform satisfactorily on the fifth and eighth grade assessments and to provide that information to school districts.

Section 56 of the bill would amend provisions related to accreditation and accountability.

The bill would require the Comptroller of Public Accounts to identify school districts and campuses with resource allocation practices contributing to high student achievement and cost-effective operations. The Comptroller would be required to rank the relative performance of school districts and campuses and identify areas of improvement.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. The software would be required to provide for alerts for certain discrepancies to notify TEA. Charter schools would be required to participate in the state financial accountability system. The bill would require modifications to the calculation of dropout for state accountability purposes.

Section 56 of the bill would require TEA to award a campus a distinction designation if the campus was ranked in the top 25 percent of campuses in annual improvement in student achievement in core curriculum subjects, if a campus diminished or eliminated performance gaps among student populations, or for meeting specific criteria related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. The Commissioner would be required to establish separate committees to develop criteria for each component of the distinction designations related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. Each committee would comprise educators, professionals in the relevant field, and subject matter experts and could include appointees from the Governor, Lieutenant Governor, and Speaker of the House.

Section 56 of the bill would require the Commissioner of Education to adopt indicators of quality learning on a campus and to review indicators every two years. Performance on indicators of quality learning would be evaluated similarly to the student achievement indicators under current law. TEA would be required to report performance on the indicators of each campus in a school district through a campus report card.

Section 60 would direct the Commissioner of Higher Education, in consultation with the Comptroller and the Texas Workforce Commission (TWC), to award a grants in amounts not to exceed \$1 million to institutes of higher education to work jointly with at least one school district and business entity to develop advanced mathematics and science courses to prepare high school students for employment in high-demand occupations. The Commissioner of Higher Education, the Comptroller, and the TWC would determine which occupations would be considered high-demand. The total amount of grants awarded could not exceed \$10 million per biennium.

The bill would take effect in fiscal year 2010 unless otherwise noted.

Methodology

For Section 28, TEA estimates the reduction in retesting opportunities would yield a savings to the state of \$850,000 per year.

For Section 47, TEA estimates the cost of contracting to provide the students assessment data portal at \$1.2 million in FY2010 with \$250,000 annual maintenance costs in each subsequent year. TEA estimates these provisions would require 5.0 full time equivalent positions (FTEs) to provide help-desk functions for system users at a cost of \$354,857 in FY2010 and \$314,857 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

For Section 48, TEA estimates \$500,000 in annual cost associated with test development. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment, which is expected to result in a savings of \$200,000 per year. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6, which is expected to result in a savings of \$250,000 per year.

Section 50 would require TEA to conduct studies to establish correlation between performance on state assessments and college readiness. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years. The agency estimates the cost of these studies at \$250,000 in FY2010 and \$100,000 in FY2013. The Commissioner of Education would be required to adopt performance standards based on these studies. TEA estimates cost associated with establishing performance standards at \$175,000 in FY2010.

TEA would be required to conduct similar studies for science and social studies EOC assessments, set standards, and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012. TEA estimates the cost of conducting the studies under this section of the bill at \$250,000 in FY2010.

TEA would be required to periodically review and compare the Texas performance standards to international and national performance standards for comparable assessment instruments. The cost of administering the Programme for International Student Assessment (PISA) exam to a sample of Texas students to facilitate the comparison is estimated at \$2.3 million in FY2011.

TEA would be required to collect data through the annual administration of the TAKS assessments in grades 3 through 8 and administration of EOCs to a sufficiently large sample in order to establish performance standards. Assuming a 50 percent sample for nine EOC tests in FY2010 and 3 EOC tests in FY2011, costs for the purposes of this fiscal note are estimated at \$10.2 million in FY2010 and \$4.5 million in FY2011. The majority of those costs would be associated with the development of EOC exams on a faster schedule than that prescribed under current law. For purposes of this estimate, offsetting reductions in cost of about \$3.2 million annually would be anticipated for FY2012, FY2013, and FY2014 for test development costs that would otherwise have occurred in later years.

TEA would be required to conduct studies correlating student performance on assessments with satisfactory student performance on relevant assessments in the subsequent year at an estimated cost of \$425,000 in FY2010.

TEA would be required to update statutorily required study guides for assessments for the new standards at a one-time cost of \$10.5 million in FY2011.

Section 51 would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments at an estimated cost of \$250,000 in FY2010 and \$250,000 in FY2011. Additionally, TEA estimates that the agency would need \$100,000 in FY2010 to collect and process data relating to the correlation of student performance to military service or workforce readiness.

The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. TEA estimates the cost of this provision at \$8 million per year.

The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument, which is estimated to result in a savings of \$800,000 per year.

For Section 55, TEA estimates the cost of providing online reporting to districts associated with annual improvement required to attain certain performance standards at \$400,000 per year. Costs associated with developing the reporting system could be covered under the current assessment contract.

TEA estimates that modifications to dropout calculations would require a one-time \$20,000 cost to

modify the Public Education Information Management System and one FTE at a cost of \$89,008 in FY2010 and \$81,008 in each subsequent year inclusive of salary, benefits, and other expenses.

For Section 56, TEA estimates 2.0 FTEs would be required to provide technical assistance related to on-site monitoring associated with the provisions of the bill at a cost of \$168,925 in FY2010 and \$152,925 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

In Section 56, the Comptroller of Public Accounts would be required to rank the relative performance of school districts and campuses in resource allocation as relates to high student achievement. The Comptroller estimates the cost of implementing these provisions at \$3.7 million in FY2010 and \$975,000 in subsequent years to support initial technology costs of \$3 million, 7.0 FTEs in the first year, and 10.0 FTEs in subsequent years. Six FTEs would be required for data analysis, and 4.0 FTEs would be required for maintenance of information systems.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years. TEA estimates these provisions will require 4.0 additional FTEs at a cost of \$337,849 in FY2010 and \$305,849 in each subsequent year inclusive of salary, benefits, and other operating expenses.

In Section 56, the Commissioner would be required to establish five fifteen-member committees to develop criteria for certain distinction designations. Reimbursement costs are estimated at \$94,200 in FY2010 assuming two committee meetings per committee and dropping to \$47,100 per year in subsequent years assuming one meeting per committee per year. TEA estimates 5.0 additional FTEs at an estimated cost of \$434,880 in FY2010 and \$394,880 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to staff the committees and 7.0 additional FTEs at an estimated cost of \$600,528 in FY2010 and \$544,528 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to provide support to school districts associated with new performance standards.

TEA estimates that the addition of 24 FTEs described above would require an additional 2.5 FTEs to provide for increased central administration functions at a cost of \$211,156 in FY2010 and \$191,156 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Rent for the 26.5 total TEA FTEs is estimated at \$124,550 annually.

In Section 60, the bill limits the total amount of grants awarded to \$10 million biennially, and the Higher Education Coordinating Board estimates that 0.5 FTEs would be required to implement the provisions of the bill at a cost of \$49,601 in FY2010 and \$38,801 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Technology

TEA estimates costs associated with developing the student assessment data portal are estimated at \$1,200,000 FY 2010, and \$250,000 annually for maintenance. The update to PEIMS to accommodate new dropout computations is estimated at \$20,000 in FY 2010. The financial solvency software is estimated to cost \$799,500 in FY 2010 and \$159,900 in FYs 2011–2014. The estimated cost to update School First is \$1,313,100 in FY 2010.

The Comptroller of Public Accounts estimates initial FY2010 technology costs at \$3 million.

Local Government Impact

School districts would be required to adopt local promotion policies before the first day of school each year. Local promotion policies would include specific criteria related to student scores on required

state assessments, teacher recommendations, student grades, and other locally-determined measures. It is assumed for the purpose of this estimate that costs to develop local policies governing promotion to the next grade level would vary depending upon the nature of existing local decision-making processes and the extent of additional locally-determined criteria to be included in the district's promotion policy. It is likely that the greatest potential for local cost would be in the first year of implementation for initial development of the district's policy. It is assumed that workload and associated costs in subsequent years would be related to updating to the policy.

For students who fail to perform satisfactorily on a state-required reading or mathematics assessment, school districts would be required to provide to the student's parents and teachers with the information collected under the local promotion policy and information concerning the areas needing improvement to perform satisfactorily on the applicable assessment instruments. School districts would be directed to provide written notices of comparisons of annual performance in student achievement and information on accessing online educational resources to students failing to meet the college readiness standards. Local costs associated with notifications would vary depending upon the number of students who fail to perform satisfactorily or fail to meet college readiness standards.

A school district would be required to submit financial data to determine the school district's financial solvency and to submit a plan if analysis indicated that the school district could become insolvent over a three-year period. School districts would experience some local administrative costs to submit additional actual financial data for the month of September each year for the purpose of determining financial solvency. For districts found to face potential insolvency during a three-year period, the Agency indicates that costs to develop and implement the required financial plans would vary widely among affected districts, depending on local resources and the size of the school district.

The Agency indicates that school districts could incur some additional administrative cost to revise locally developed or vendor software systems to maintain and submit data as necessary to establish authorization for school district employees to access online student performance data through the interoperable system proposed. If necessary, costs for modification of local software systems would vary among school districts depending upon existing infrastructure and the terms of existing vendor contracts concerning software modifications necessary to comply with statutory changes.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, SD, JGM, JSp, JSc

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 8, 2009

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3 by Eissler (relating to public school accountability, curriculum, and promotion requirements.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, Committee Report 2nd House, Substituted: a negative impact of (\$66,375,608) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$33,196,054)
2011	(\$33,179,554)
2012	(\$12,379,554)
2013	(\$12,479,554)
2014	(\$12,479,554)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2009
2010	(\$33,196,054)	\$0	37.0
2011	(\$22,679,554)	(\$10,500,000)	37.0
2012	(\$12,379,554)	\$0	37.0
2013	(\$12,479,554)	\$0	37.0
2014	(\$12,479,554)	\$0	37.0

Fiscal Analysis

The bill would make numerous changes to the state's public education accountability system.

Section 28 of the bill would revise current grade promotion standards and procedures. The bill would reduce requirements regarding the number of additional assessment administrations required for students who fail to pass the third grade reading assessment, the fifth grade reading and math assessments, or the eighth grade reading and math assessments from at least two opportunities to one opportunity.

Section 30 of the bill amends curriculum requirements for high school graduation and in the recommended and advanced high school programs. New curriculum requirements for the Texas

recommended program would be effective for students entering the ninth grade in the 2011-12 school year.

Section 47 of the bill would require that the TEA establish a student assessment data portal through which students, parents, school district employees, and public institutions of higher education could access individual assessment data. The bill would require that the system provide information regarding students' progress toward meeting assessment requirements for graduation, that it provide assessment data beginning from the 2007-08 school year, and that student assessment data for the prior year be made available through the system on or before the first day of school. The system would be required to enable comparisons of student performance at classroom, campus, district, and state levels.

Section 48 of the bill would require TEA to develop assessments to allow the score to indicate students' satisfactory performance relative to performance standards determined based on the provisions of the bill and growth in student achievement. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment.

Section 50 of the bill would define college readiness and would require that TEA develop the Algebra II and English III EOC assessments to measure college readiness. The bill would require TEA to conduct studies to establish correlation between performance on those assessments and college readiness. The Commissioner of Education, in consultation with the Commissioner of Higher Education, would be required to use the results of those studies to establish performance standards for college readiness for the Algebra II and English III EOC assessments. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years.

TEA, in conjunction with the Texas Higher Education Coordinating Board (THECB), would be required to conduct similar studies for science and social studies EOC assessments and would be permitted to establish associated college readiness performance standards. The bill would require TEA, in conjunction with THECB, to deliver a report to the legislative leadership and the committees of the legislature with primary jurisdiction over public education by December 2012 providing analysis of the feasibility of and recommendations regarding the establishment of college readiness performance standards for science and social studies and a summary of any implementation procedures in place.

TEA and THECB would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments. TEA would be required to conduct a study of the correlation between student performance on EOC assessments and military service or workforce training, certification, or other postsecondary credentials.

TEA and THECB would be required to conduct studies correlating student performance on the English II and Algebra II EOC assessments with the standard for college readiness.

TEA and THECB would be required to conduct studies correlating student performance on the English I, English II, and Algebra I EOC assessments with satisfactory student performance on English II, English III, and Algebra II EOC assessments respectively.

TEA would be required to conduct studies correlating performance on 8th grade assessments with satisfactory student performance on English I and Algebra I EOC assessments; and for each previous year tested, TEA would be required to conduct studies correlating performance on assessments with satisfactory student performance on assessments in the same content area in the subsequent year. Section 51 of the bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments. The bill would require students to retake any EOC assessments on which they fail to meet established performance standards. The bill would allow students who fail to meet the college readiness standard on Algebra II or English III EOC assessments to retake the assessments. The bill

would eliminate the use of the Texas Assessment of Academic Skills assessment instrument as an alternative assessment.

Section 55 of the bill would require TEA to determine annual improvement required each year for a student to perform satisfactorily on the fifth and eighth grade assessments and to provide that information to school districts.

Section 56 of the bill would amend provisions related to accreditation and accountability.

The bill would require the Comptroller of Public Accounts to identify school districts and campuses with resource allocation practices contributing to high student achievement and cost-effective operations. The Comptroller would be required to rank the relative performance of school districts and campuses and identify areas of improvement.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. The software would be required to provide for alerts for certain discrepancies to notify TEA. Charter schools would be required to participate in the state financial accountability system. The bill would require modifications to the calculation of dropout for state accountability purposes.

Section 56 of the bill would require TEA to award a campus a distinction designation if the campus was ranked in the top 25 percent of campuses in annual improvement in student achievement in core curriculum subjects, if a campus diminished or eliminated performance gaps among student populations, or for meeting specific criteria related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. The Commissioner would be required to establish separate committees to develop criteria for each component of the distinction designations related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. Each committee would comprise educators, professionals in the relevant field, and subject matter experts and could include appointees from the Governor, Lieutenant Governor, and Speaker of the House.

Section 56 of the bill would require the Commissioner of Education to adopt indicators of quality learning on a campus and to review indicators every two years. Performance on indicators of quality learning would be evaluated similarly to the student achievement indicators under current law. TEA would be required to report performance on the indicators of each campus in a school district through a campus report card.

Section 60 would direct the Commissioner of Higher Education, in consultation with the Comptroller and the Texas Workforce Commission (TWC), to award a grants in amounts not to exceed \$1 million to institutes of higher education to work jointly with at least one school district and business entity to develop advanced mathematics and science courses to prepare high school students for employment in high-demand occupations. The Commissioner of Higher Education, the Comptroller, and the TWC would determine which occupations would be considered high-demand. The total amount of grants awarded could not exceed \$10 million per biennium.

The bill would take effect in fiscal year 2010 unless otherwise noted.

Methodology

For Section 28, TEA estimates the reduction in retesting opportunities would yield a savings to the state of \$850,000 per year.

For Section 47, TEA estimates the cost of contracting to provide the students assessment data portal at \$1.2 million in FY2010 with \$250,000 annual maintenance costs in each subsequent year. TEA estimates these provisions would require 5.0 full time equivalent positions (FTEs) to provide help-desk functions for system users at a cost of \$354,857 in FY2010 and \$314,857 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

For Section 48, TEA estimates \$500,000 in annual cost associated with test development. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment, which is expected to result in a savings of \$200,000 per year. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6, which is expected to result in a savings of \$250,000 per year.

Section 50 would require TEA to conduct studies to establish correlation between performance on state assessments and college readiness. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years. The agency estimates the cost of these studies at \$250,000 in FY2010 and \$100,000 in FY2013. The Commissioner of Education would be required to adopt performance standards based on these studies. TEA estimates cost associated with establishing performance standards at \$175,000 in FY2010.

TEA would be required to conduct similar studies for science and social studies EOC assessments, set standards, and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012. TEA estimates the cost of conducting the studies under this section of the bill at \$250,000 in FY2010.

TEA would be required to periodically review and compare the Texas performance standards to international and national performance standards for comparable assessment instruments. The cost of administering the Programme for International Student Assessment (PISA) exam to a sample of Texas students to facilitate the comparison is estimated at \$2.3 million in FY2011.

TEA would be required to collect data through the annual administration of the TAKS assessments in grades 3 through 8 and administration of EOCs to a sufficiently large sample in order to establish performance standards. Assuming a 50 percent sample for nine EOC tests in FY2010 and 3 EOC tests in FY2011, costs for the purposes of this fiscal note are estimated at \$10.2 million in FY2010 and \$4.5 million in FY2011. The majority of those costs would be associated with the development of EOC exams on a faster schedule than that prescribed under current law. For purposes of this estimate, offsetting reductions in cost of about \$3.2 million annually would be anticipated for FY2012, FY2013, and FY2014 for test development costs that would otherwise have occurred in later years.

TEA would be required to conduct studies correlating student performance on assessments with satisfactory student performance on relevant assessments in the subsequent year at an estimated cost of \$425,000 in FY2010.

TEA would be required to update statutorily required study guides for assessments for the new standards at a one-time cost of \$10.5 million in FY2011.

Section 51 would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments at an estimated cost of \$250,000 in FY2010 and \$250,000 in FY2011. Additionally, TEA estimates that the agency would need \$100,000 in FY2010 to collect and process data relating to the correlation of student performance to military service or workforce readiness.

The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. TEA estimates the cost of this provision at \$8 million per year.

The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument, which is estimated to result in a savings of \$800,000 per year.

For Section 55, TEA estimates the cost of providing online reporting to districts associated with annual improvement required to attain certain performance standards at \$400,000 per year. Costs associated with developing the reporting system could be covered under the current assessment contract.

TEA estimates that modifications to dropout calculations would require a one-time \$20,000 cost to

modify the Public Education Information Management System and one FTE at a cost of \$89,008 in FY2010 and \$81,008 in each subsequent year inclusive of salary, benefits, and other expenses.

For Section 56, TEA estimates 2.0 FTEs would be required to provide technical assistance related to on-site monitoring associated with the provisions of the bill at a cost of \$168,925 in FY2010 and \$152,925 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

In Section 56, the Comptroller of Public Accounts would be required to rank the relative performance of school districts and campuses in resource allocation as relates to high student achievement. The Comptroller estimates the cost of implementing these provisions at \$3.7 million in FY2010 and \$975,000 in subsequent years to support initial technology costs of \$3 million, 7.0 FTEs in the first year, and 10.0 FTEs in subsequent years. Six FTEs would be required for data analysis, and 4.0 FTEs would be required for maintenance of information systems.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years. TEA estimates these provisions will require 4.0 additional FTEs at a cost of \$337,849 in FY2010 and \$305,849 in each subsequent year inclusive of salary, benefits, and other operating expenses.

In Section 56, the Commissioner would be required to establish five fifteen-member committees to develop criteria for certain distinction designations. Reimbursement costs are estimated at \$94,200 in FY2010 assuming two committee meetings per committee and dropping to \$47,100 per year in subsequent years assuming one meeting per committee per year. TEA estimates 5.0 additional FTEs at an estimated cost of \$434,880 in FY2010 and \$394,880 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to staff the committees and 7.0 additional FTEs at an estimated cost of \$600,528 in FY2010 and \$544,528 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to provide support to school districts associated with new performance standards.

TEA estimates that the addition of 24 FTEs described above would require an additional 2.5 FTEs to provide for increased central administration functions at a cost of \$211,156 in FY2010 and \$191,156 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Rent for the 26.5 total TEA FTEs is estimated at \$124,550 annually.

In Section 60, the bill limits the total amount of grants awarded to \$10 million biennially, and the Higher Education Coordinating Board estimates that 0.5 FTEs would be required to implement the provisions of the bill at a cost of \$49,601 in FY2010 and \$38,801 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Technology

TEA estimates costs associated with developing the student assessment data portal are estimated at \$1,200,000 FY 2010, and \$250,000 annually for maintenance. The update to PEIMS to accommodate new dropout computations is estimated at \$20,000 in FY 2010. The financial solvency software is estimated to cost \$799,500 in FY 2010 and \$159,900 in FYs 2011–2014. The estimated cost to update School First is \$1,313,100 in FY 2010.

The Comptroller of Public Accounts estimates initial FY2010 technology costs at \$3 million.

Local Government Impact

School districts would be required to adopt local promotion policies before the first day of school each year. Local promotion policies would include specific criteria related to student scores on required

state assessments, teacher recommendations, student grades, and other locally-determined measures. It is assumed for the purpose of this estimate that costs to develop local policies governing promotion to the next grade level would vary depending upon the nature of existing local decision-making processes and the extent of additional locally-determined criteria to be included in the district's promotion policy. It is likely that the greatest potential for local cost would be in the first year of implementation for initial development of the district's policy. It is assumed that workload and associated costs in subsequent years would be related to updating to the policy.

For students who fail to perform satisfactorily on a state-required reading or mathematics assessment, school districts would be required to provide to the student's parents and teachers with the information collected under the local promotion policy and information concerning the areas needing improvement to perform satisfactorily on the applicable assessment instruments. School districts would be directed to provide written notices of comparisons of annual performance in student achievement and information on accessing online educational resources to students failing to meet the college readiness standards. Local costs associated with notifications would vary depending upon the number of students who fail to perform satisfactorily or fail to meet college readiness standards.

A school district would be required to submit financial data to determine the school district's financial solvency and to submit a plan if analysis indicated that the school district could become insolvent over a three-year period. School districts would experience some local administrative costs to submit additional actual financial data for the month of September each year for the purpose of determining financial solvency. For districts found to face potential insolvency during a three-year period, the Agency indicates that costs to develop and implement the required financial plans would vary widely among affected districts, depending on local resources and the size of the school district.

The Agency indicates that school districts could incur some additional administrative cost to revise locally developed or vendor software systems to maintain and submit data as necessary to establish authorization for school district employees to access online student performance data through the interoperable system proposed. If necessary, costs for modification of local software systems would vary among school districts depending upon existing infrastructure and the terms of existing vendor contracts concerning software modifications necessary to comply with statutory changes.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, JSp, JGM, JSc

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 5, 2009

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3 by Eissler (relating to public school accountability, curriculum, and promotion requirements.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, As Engrossed: a negative impact of (\$81,580,874) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$45,050,898)
2011	(\$36,529,976)
2012	(\$26,834,678)
2013	(\$38,071,958)
2014	(\$26,821,958)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2009
2010	(\$45,050,898)	\$0	45.5
2011	(\$36,529,976)	\$0	46.5
2012	(\$26,834,678)	\$0	48.5
2013	(\$27,571,958)	(\$10,500,000)	49.5
2014	(\$26,821,958)	\$0	49.5

Fiscal Analysis

The bill would make numerous changes to the state's public education accountability system.

The bill would revise current grade promotion standards and procedures. The bill would reduce requirements regarding the number of additional assessment administrations required for students who fail to pass the third grade reading assessment, the fifth grade reading and math assessments, or the eighth grade reading and math assessments from at least two opportunities to one opportunity.

The bill amends curriculum requirements for high school graduation. New curriculum requirements would be effective for students entering the ninth grade in the 2011-12 school year.

The bill would require that the TEA establish a secure Internet web site through which students and parents could access individual assessment data and authorized school district employees could access individual assessment data for students in the district. The bill would require that the site provide information regarding students' progress toward meeting assessment requirements for graduation and that it provide assessment data beginning from the 2007-08 school year. The system would be required to enable comparisons of student performance at classroom, campus, district, and state levels.

The bill would require TEA to develop assessments to allow the score to indicate students' college readiness and growth in student achievement and would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6.

The bill would define college readiness and would require that TEA develop Algebra II and English III EOC assessments to measure college readiness. Before FY2013, the bill would require TEA to conduct studies to establish correlation between performance on those assessments and college readiness. The Commissioner of Education, in consultation with the Commissioner of Higher Education, would be required to use the results of those studies to establish performance standards for college readiness for the Algebra II and English III EOC assessments. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012 providing analysis of the feasibility of and recommendations regarding the establishment of college readiness performance standards for science and social studies.

TEA would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments.

TEA would be required to conduct studies correlating student performance on the English I, English II, and Algebra I EOC assessments with satisfactory student performance on English II, English III, and Algebra II EOC assessments respectively.

TEA would be required to conduct studies correlating performance on 8th grade assessments with satisfactory student performance on English I and Algebra I EOC assessments; and for each previous year tested, TEA would be required to conduct studies correlating performance on assessments with satisfactory student performance on assessments in the subsequent year.

The bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments. The bill would allow students to retake any EOC assessments on which they fail to meet certain standards. The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument as an alternative assessment.

The bill would require TEA to determine annual improvement required each year for a student to perform satisfactorily on the fifth and eighth grade assessments and to provide that information to school districts.

The bill would amend provisions related to accreditation and accountability. The bill would modify the calculation of dropout for state accountability purposes.

The bill would require the Comptroller of Public Accounts to identify school districts and campuses with resource allocation practices contributing to high student achievement and cost-effective operations. The Comptroller would be required to rank the relative performance of school districts and campuses and identify areas of improvement.

The bill would require TEA to develop a process for projecting future financial solvency of school

districts and would be required to develop a software template for school districts to use in submitting data to TEA. The software would be required to provide for alerts for certain discrepancies to notify TEA. Charter schools would be required to participate in the state financial accountability system.

The bill would require TEA to award a campus a distinction designation if the campus was ranked in the top 25 percent of campuses in annual improvement in student achievement, if a campus diminished or eliminated performance gaps among student populations, or for meeting specific criteria related to academic achievement in core curriculum areas, fine arts, physical education, the 21st Century workforce development program, a second language acquisition program, or achievement in placing graduates in institutions of higher education. TEA would be required to conduct a study of the feasibility of establishing distinction designations for other purposes and to implement additional distinction designations based on the results of the study. The Commissioner would be required to establish separate committees to develop criteria for each component of the distinction designations related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. Each committee would comprise educators, professionals in the relevant field, and subject matter experts and could include appointees from the Governor, Lieutenant Governor, and Speaker of the House.

The bill would direct the Commissioner of Higher Education, in consultation with the Comptroller and the Texas Workforce Commission (TWC), to award a grants in amounts not to exceed \$1 million to institutes of higher education to work jointly with at least one school district and business entity to develop advanced mathematics and science courses to prepare high school students for employment in high-demand occupations. The Commissioner of Higher Education, the Comptroller, and the TWC would determine which occupations would be considered high-demand. The total amount of grants awarded could not exceed \$10 million per biennium.

The bill would require the State Board of Education (SBOE) to review the Texas Essential Knowledge and Skills (TEKS) standards for Career and Technology Education (CTE) courses every time THECB updates the inventory of courses.

The bill would establish a Select Committee on Closing the Gaps in Public Education to develop and adopt a state plan aimed at closing achievement gaps. The bill would establish the composition of the 19-member committee to include members of the legislature, the Commissioners of Public and Higher Education, a member of the State Board of Education, and members of the education and business communities. The bill would entitle members of the committee to reimbursement of expenses associated with participation in committee activities by the appropriate legislative chamber or from funds appropriated to the committee. The committee would be required to adopt and publish reports annually beginning January 1, 2011.

The bill would require the Texas Education Agency (TEA) to establish an alternative assessment methods pilot project in six public schools in the state. The pilot period would conclude at the end of FY2013.

The bill would require that a percentage of school counselors be interviewed as part of an on-site accreditation investigation to determine compliance with requirements established in the bill with regard to counselor workload.

The bill would require school districts to report to TEA certain data regarding participation in the minimum high school program.

The bill would require the Comptroller of Public Accounts (CPA) to establish and administer the Jobs and Education for Texans (JET) Grant program to provide grants to public junior colleges and public technical institutes, and would establish and administer GR Account—Jobs and Education for Texans (JET) Grant, which could receive legislative appropriations, interest earnings, gifts, grants, and donations from public and private sources for facilitating this program. The bill would authorize the Comptroller to award grants for innovative and successful programs, grants for career and technical education programs, and scholarships for public junior college or public technical institute students.

The bill would allow for a home-rule school district or campus charter school to be exempt from the

state accountability and assessment system if the Commissioner approves an alternative accountability system submitted by the district or charter.

The bill would establish the Dallas Independent School District (ISD) Education Improvement Commission to review various aspects of Dallas ISD operations.

The bill would require the Commissioner to contract for a study of the accountability system and to deliver a report of the results to the Governor, the Lieutenant Governor, the Speaker of the House, and the presiding officers of the standing committees on public education in each chamber by December 1, 2012.

The bill would establish a Career and Technical Education Course Review Task Force to make recommendations regarding approval of courses submitted for evaluation under Texas Education Code, Section 28.027.

The bill would take effect in fiscal year 2010 unless otherwise noted.

Methodology

TEA estimates the reduction in retesting opportunities would yield a savings to the state of \$850,000 per year.

TEA estimates the cost of contracting for the development of the student assessment data portal at \$1.2 million in FY2010 and \$250,000 annually in subsequent years for maintenance. TEA estimates these provisions would require 5.0 full time equivalent positions (FTEs) at a cost of \$354,857 in FY2010 and \$314,857 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

TEA estimates \$500,000 in annual cost associated with test development. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment, which is expected to result in a savings of \$200,000 per year. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6, which is expected to result in a savings of \$250,000 per year.

The bill would require TEA to conduct studies to establish correlation between performance on state assessments and college or skilled workforce and technical readiness. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years. The agency estimates the cost of these studies at \$250,000 in FY2012 and \$100,000 every third subsequent year. The Commissioner of Education would be required to adopt performance standards based on these studies. TEA estimates cost associated with establishing performance standards at \$175,000 in FY2013.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012. TEA estimates the cost of conducting the studies under this section of the bill at \$250,000 in FY2013.

TEA would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments. The cost of administering the Programme for International Student Assessment (PISA) exam to a sample of Texas students to facilitate the comparison is estimated at \$2.3 million in FY2011.

TEA would be required to collect data through the annual administration of the TAKS assessments in grades 3 through 8 and administration of EOCs to a sufficiently large sample in order to establish performance standards. Assuming a 50 percent sample for nine EOC tests in FY2010 and 3 EOC tests in FY2011, costs for the purposes of this fiscal note are estimated at \$10.2 million in FY2010 and \$4.5 million in FY2011. The majority of those costs would be associated with the development of EOC exams on a faster schedule than that prescribed under current law. For purposes of this estimate, offsetting reductions in cost of about \$3.2 million annually would be anticipated for FY2012, FY2013,

and FY2014 are assumed for test development costs that would otherwise have occurred in later years.

TEA would be required to conduct studies correlating student performance on assessments with satisfactory student performance on relevant assessments in the subsequent year at an estimated cost of \$425,000 in FY2013.

TEA would be permitted to provide study guides for assessments. For purposes of this estimate, it is assumed that TEA would update study guides for assessments for the new standards at a one-time cost of \$10.5 million in FY2013.

The bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments at an estimated cost of \$250,000 in FY2013 and \$250,000 in FY2014.

The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. The estimated cost of this provision is \$8 million per year.

The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument, which is estimated to result in a savings of \$800,000 per year.

TEA estimates the cost of providing online reporting to districts associated with annual improvement required to attain certain performance standards at \$400,000 per year. Costs associated with developing the reporting system could be covered under the current assessment contract.

TEA estimates costs of \$20,000 in FY2010 to modify the Public Education Information Management System in association with changes to the dropout calculation. TEA estimates 1.0 FTE would be required to implement changes to the dropout calculation at a cost of \$89,008 in FY2010 and \$81,008 in each subsequent year, inclusive of salary, benefits, and other expenses.

TEA estimates 2.0 FTEs would be required to provide technical assistance related to on-site monitoring associated with the provisions of the bill at a cost of \$168,925 in FY2010 and \$152,925 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

The Comptroller of Public Accounts would be required to rank the relative performance of school districts and campuses in resource allocation as relates to high student achievement. The Comptroller estimates the cost of implementing these provisions at \$3.7 million in FY2010 and \$975,000 in subsequent years to support initial technology costs of \$3 million, 7.0 FTEs in the first year, and 10.0 FTEs in subsequent years. Six FTEs would be required for data analysis, and 4.0 FTEs would be required for maintenance of information systems.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years. TEA estimates these provisions will require 4.0 additional FTEs at a cost of \$283,081 in FY2010 and \$251,081 in subsequent years inclusive of salary, benefits, and other operating expenses.

The Commissioner would be required to establish six fifteen-member committees to develop criteria for certain distinction designations. The agency would be required to conduct a study on the feasibility of establishing additional distinction designations at a cost estimated at \$100,000 in FY2011. For purposes of this estimate, it is assumed that one additional distinction designation would be added beginning in FY2012 as a result of the study, requiring a total of seven fifteen-member committees. Reimbursement costs are estimated at \$113,040 in FY2010 assuming two committee meetings per committee and dropping to \$56,520 per year in subsequent years assuming one meeting per committee per year. TEA estimates 6.0 additional FTEs at an estimated cost of \$524,088 in FY2010 and

\$476,088 in FY2011 and 7.0 FTEs at a cost of \$560,550 in FY2012 and \$552,550 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to staff the committees. TEA estimates that 7.0 additional FTEs at an estimated cost of \$600,528 in FY2010 and \$544,528 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to provide support to school districts associated with new performance standards.

The bill limits the total amount of grants awarded for the development of advanced mathematics and science courses to \$10 million biennially, and the Higher Education Coordinating Board estimates that 0.5 FTEs would be required to implement the provisions of the bill at a cost of \$49,601 in FY2010 and \$38,801 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Estimated costs to review the TEKS for CTE courses as required by the bill are \$539,700 annually beginning in FY2011.

Estimated reimbursement costs for the Select Committee on Closing the Gaps in Public Education are \$71,592 in FY2010 and \$47,728 in each subsequent year. Costs associated with reporting requirements are estimated at \$150,000 in FY2011 and \$75,000 in each subsequent year.

TEA estimates the cost of establishing an alternative assessment methods pilot project in six public schools at \$480,000 in FY2010 and \$630,000 in each subsequent year through FY2012, including costs associated with 3.0 FTE positions.

TEA estimates that additional requirements for on-site accreditation investigations to assess counselor workload would extend travel time for each investigation at an annual cost of \$22,500 beginning in FY2010.

Additional reporting requirements related to participation in the minimum high school program would require a one-time modification of the Public Education Information Management System (PEIMS) at a cost of \$10,000 in FY2010.

For purposes of this estimate it is assumed that grants for the JET program would total \$12,500,000 per year. Any costs associated with administration of the program would be absorbed within existing resources.

TEA estimates that reviewing alternative accountability systems submitted by home-rule school districts and campus charters would require 2.0 additional FTEs in FY2010 at a cost of \$178,216, 3.0 FTEs in FY2011 at a cost of \$246,778, 4.0 FTEs in FY2012 at a cost of \$323,140, and 5.0 FTEs in each subsequent year at a cost of about \$399,000 in FY2013 and FY2014.

TEA estimates that 1.0 additional FTE would be required to provide administrative and research support for the Dallas ISD Education Improvement Commission at a cost of \$89,008 in FY2010 and \$81,008 in each subsequent year.

The required study of the accountability system is estimated to cost \$100,000 in FY2012. TEA estimates travel reimbursement costs for the Career and Technical Education Course Review Task Force at \$31,400 per year assuming one meeting for five members reviewing 10 courses annually.

TEA estimates that the addition of FTEs described above would require an additional 4 FTEs to provide for increased central administration functions at a cost of \$290,048 in FY2010 and \$262,048 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

TEA estimates rent for additional FTEs at \$164,500 in FY2010, \$169,200 in FY2011, \$178,600 in FY2012, and \$183,300 annually in FY2013 and FY2014.

Technology

TEA estimates the cost of contracting for the development of the student assessment data portal at \$1.2 million in FY2010 and \$250,000 annually in subsequent years for maintenance.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

TEA estimates costs of \$30,000 in FY2010 to modify the Public Education Information Management System in association with changes to the dropout calculation and the addition of new indicators associated with the minimum high school program.

The Comptroller of Public Accounts estimates initial FY2010 technology costs at \$3 million.

Local Government Impact

School districts would be required to adopt local promotion policies before the first day of school each year. Local promotion policies would include specific criteria related to student scores on required state assessments, teacher recommendations, student grades, and other locally-determined measures. It is assumed for the purpose of this estimate that costs to develop local policies governing promotion to the next grade level would vary depending upon the nature of existing local decision-making processes and the extent of additional locally-determined criteria to be included in the district's promotion policy. It is likely that the greatest potential for local cost would be in the first year of implementation for initial development of the district's policy. It is assumed that workload and associated costs in subsequent years would be related to updating to the policy.

For students who fail to perform satisfactorily on a state-required reading or mathematics assessment, school districts would be required to provide to the student's parents and teachers with the information collected under the local promotion policy and information concerning the areas needing improvement to perform satisfactorily on the applicable assessment instruments. School districts would be directed to provide written notices of comparisons of annual performance in student achievement and information on accessing online educational resources to students failing to meet the college readiness standards. Local costs associated with notifications would vary depending upon the number of students who fail to perform satisfactorily or fail to meet college readiness standards.

A school district would be required to submit financial data to determine the school district's financial solvency and to submit a plan if analysis indicated that the school district could become insolvent over a five-year period. School districts would experience some local administrative costs to submit additional actual financial data for the month of September each year for the purpose of determining financial solvency. For districts found to face potential insolvency during a five-year period, the Agency indicates that costs to develop and implement the required financial plans would vary widely among affected districts, depending on local resources and the size of the school district.

The Agency indicates that school districts could incur some additional administrative cost to revise locally developed or vendor software systems to maintain and submit data as necessary to establish authorization for school district employees to access online student performance data through the interoperable system proposed. If necessary, costs for modification of local software systems would vary among school districts depending upon existing infrastructure and the terms of existing vendor contracts concerning software modifications necessary to comply with statutory changes.

The bill would require some changes in district reporting through PEIMS which could result in local cost for school districts to modify existing data systems.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, JGM, JSc

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 24, 2009

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3 by Eissler (relating to public school accountability, curriculum, and promotion requirements.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, Committee Report 1st House, Substituted: a negative impact of (\$38,930,264) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$21,298,382)
2011	(\$17,631,882)
2012	(\$20,581,882)
2013	(\$26,931,882)
2014	(\$15,581,882)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2009
2010	(\$21,298,382)	\$0	37.0
2011	(\$17,631,882)	\$0	37.0
2012	(\$20,581,882)	\$0	37.0
2013	(\$16,431,882)	(\$10,500,000)	37.0
2014	(\$15,581,882)	\$0	37.0

Fiscal Analysis

The bill would make numerous changes to the state's public education accountability system.

Section 5 of the bill would revise current grade promotion standards and procedures. The bill would reduce requirements regarding the number of additional assessment administrations required for students who fail to pass the third grade reading assessment, the fifth grade reading and math assessments, or the eighth grade reading and math assessments from at least two opportunities to one opportunity.

Section 8 of the bill amends curriculum requirements for high school graduation. New curriculum requirements would be effective for students entering the ninth grade in the 2011-12 school year.

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Section 13 of the bill would require that the TEA establish a secure Internet web site through which students and parents could access individual assessment data and authorized school district employees could access individual assessment data for students in the district. The bill would require that the site provide information regarding students' progress toward meeting assessment requirements for graduation and that it provide assessment data beginning from the 2007-08 school year. The system would be required to enable comparisons of student performance at classroom, campus, district, and state levels.

Section 15 of the bill would require TEA to develop assessments to allow the score to indicate students' college readiness and growth in student achievement and would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6.

Section 17 of the bill would define college readiness and would require that TEA develop Algebra II and English III EOC assessments to measure college readiness. Before FY2013, the bill would require TEA to conduct studies to establish correlation between performance on those assessments and college readiness. The Commissioner of Education, in consultation with the Commissioner of Higher Education, would be required to use the results of those studies to establish performance standards for college readiness for the Algebra II and English III EOC assessments. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012 providing analysis of the feasibility of and recommendations regarding the establishment of college readiness performance standards for science and social studies.

TEA would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments.

TEA would be required to conduct studies correlating student performance on the English I, English II, and Algebra I EOC assessments with satisfactory student performance on English II, English III, and Algebra II EOC assessments respectively.

TEA would be required to conduct studies correlating performance on 8th grade assessments with satisfactory student performance on English I and Algebra I EOC assessments; and for each previous year tested, TEA would be required to conduct studies correlating performance on assessments with satisfactory student performance on assessments in the subsequent year.

Section 18 of the bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments. The bill would allow students to retake any EOC assessments on which they fail to meet certain standards. The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument as an alternative assessment.

Section 22 of the bill would require TEA to determine annual improvement required each year for a student to perform satisfactorily on the fifth and eighth grade assessments and to provide that information to school districts.

Section 23 of the bill would amend provisions related to accreditation and accountability. The bill would modify the calculation of dropout for state accountability purposes.

The bill would require the Comptroller of Public Accounts to identify school districts and campuses with resource allocation practices contributing to high student achievement and cost-effective operations. The Comptroller would be required to rank the relative performance of school districts and campuses and identify areas of improvement.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. The software would be required to provide for alerts for certain discrepancies to notify TEA. Charter schools would be required to participate in the state financial accountability system.

Section 23 of the bill would require TEA to award a campus a distinction designation if the campus was ranked in the top 25 percent of campuses in annual improvement in student achievement, if a campus diminished or eliminated performance gaps among student populations, or for meeting specific criteria related to academic achievement in core curriculum areas, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. The Commissioner would be required to establish separate committees to develop criteria for each component of the distinction designations related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. Each committee would comprise educators, professionals in the relevant field, and subject matter experts and could include appointees from the Governor, Lieutenant Governor, and Speaker of the House.

Section 26 would direct the Commissioner of Higher Education, in consultation with the Comptroller and the Texas Workforce Commission (TWC), to award a grants in amounts not to exceed \$1 million to institutes of higher education to work jointly with at least one school district and business entity to develop advanced mathematics and science courses to prepare high school students for employment in high-demand occupations. The Commissioner of Higher Education, the Comptroller, and the TWC would determine which occupations would be considered high-demand. The total amount of grants awarded could not exceed \$10 million per biennium.

The bill would take effect in fiscal year 2010 unless otherwise noted.

Methodology

For Section 5, TEA estimates the reduction in retesting opportunities would yield a savings to the state of \$850,000 per year.

For Sections 13, TEA estimates the cost of contracting for the development of the student assessment data portal at \$1.2 million in FY2010 and \$250,000 annually in subsequent years for maintenance. TEA estimates these provisions would require 5.0 full time equivalent positions (FTEs) at a cost of \$354,857 in FY2010 and \$314,857 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

For Section 15, TEA estimates \$500,000 in annual cost associated with test development. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment, which is expected to result in a savings of \$200,000 per year. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6, which is expected to result in a savings of \$250,000 per year.

Section 17 would require TEA to conduct studies to establish correlation between performance on state assessments and college or skilled workforce and technical readiness. TEA would be required to continue studies correlating the Algebra II and English III EOC assessments with the college readiness performance standards every three years. The agency estimates the cost of these studies at \$250,000 in FY2012 and \$100,000 every third subsequent year. The Commissioner of Education would be required to adopt performance standards based on these studies. TEA estimates cost associated with establishing performance standards at \$175,000 in FY2013.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2012. TEA estimates the cost of conducting the studies under this section of the bill at \$250,000 in FY2013.

TEA would be required to periodically review and compare the Texas college readiness performance

standards to international and national performance standards for comparable assessment instruments. The cost of administering the Programme for International Student Assessment (PISA) exam to a sample of Texas students to facilitate the comparison is estimated at \$2.3 million in FY2011.

TEA would be required to conduct studies correlating student performance on assessments with satisfactory student performance on relevant assessments in the subsequent year at an estimated cost of \$425,000 in FY2013. TEA would be required to collect data through the annual administration of the TAKS assessments in grades 3 through 8 and field tests of EOCs in order to establish performance standards. Assuming that the provisions of the bill could be met with an expansion of current field testing, costs for the purposes of this fiscal note are estimated at \$5 million in FY2012. If an independent administration of the EOCs is required, TEA estimates the costs could approach \$18 million.

TEA would be required to update statutorily required study guides for assessments for the new standards at a one-time cost of \$10.5 million in FY2013.

Section 18 would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments at an estimated cost of \$250,000 in FY2013 and \$250,000 in FY2014.

The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. The estimated cost of this provision is \$8 million per year.

The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument, which is estimated to result in a savings of \$800,000 per year.

For Section 22, TEA estimates the cost of providing online reporting to districts associated with annual improvement required to attain certain performance standards at \$400,000 per year. Costs associated with developing the reporting system could be covered under the current assessment contract.

For Section 23, TEA estimates costs of \$20,000 in FY2010 to modify the Public Education Information Management System in association with changes to the dropout calculation. TEA estimates 1.0 FTE would be required to implement changes to the dropout calculation at a cost of \$89,008 in FY2010 and \$81,008 in each subsequent year, inclusive of salary, benefits, and other expenses.

TEA estimates 2.0 FTEs would be required to provide technical assistance related to on-site monitoring associated with the provisions of the bill at a cost of \$168,925 in FY2010 and \$152,925 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

The Comptroller of Public Accounts would be required to rank the relative performance of school districts and campuses in resource allocation as relates to high student achievement. The Comptroller estimates the cost of implementing these provisions at \$3.7 million in FY2010 and \$975,000 in subsequent years to support initial technology costs of \$3 million, 7.0 FTEs in the first year, and 10.0 FTEs in subsequent years. Six FTEs would be required for data analysis, and 4.0 FTEs would be required for maintenance of information systems.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years. TEA estimates these provisions will require 4.0 additional FTEs at a cost of \$283,081 in FY2010 and \$251,081 in subsequent years inclusive of salary, benefits, and other operating expenses.

In Section 23, the Commissioner would be required to establish five fifteen-member committees to develop criteria for certain distinction designations. Reimbursement costs are estimated at \$94,200 in FY2010 assuming two committee meetings per committee and dropping to \$47,100 per year in subsequent years assuming one meeting per committee per year. TEA estimates 5.0 additional FTEs at an estimated cost of \$439,626 in FY2010 and \$399,626 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to staff the committees and 7.0 additional FTEs at an estimated cost of \$600,528 in FY2010 and \$544,528 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to provide support to school districts associated with new performance standards.

TEA estimates that the addition of 24.0 FTEs described above would require an additional 2.5 FTEs to provide for increased central administration functions at a cost of \$211,156 in FY2010 and \$191,156 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

TEA estimates rent for the 26.5 FTEs at \$126,900 annually.

In Section 26, the bill limits the total amount of grants awarded to \$10 million biennially, and the Higher Education Coordinating Board estimates that 0.5 FTEs would be required to implement the provisions of the bill at a cost of \$49,601 in FY2010 and \$38,801 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Technology

For Sections 13, TEA estimates the cost of contracting for the development of the student assessment data portal at \$1.2 million in FY2010 and \$250,000 annually in subsequent years for maintenance.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

TEA estimates costs of \$20,000 in FY2010 to modify the Public Education Information Management System in association with changes to the dropout calculation.

The Comptroller of Public Accounts estimates initial FY2010 technology costs at \$3 million.

Local Government Impact

School districts would be required to adopt local promotion policies before the first day of school each year. Local promotion policies would include specific criteria related to student scores on required state assessments, teacher recommendations, student grades, and other locally-determined measures. It is assumed for the purpose of this estimate that costs to develop local policies governing promotion to the next grade level would vary depending upon the nature of existing local decision-making processes and the extent of additional locally-determined criteria to be included in the district's promotion policy. It is likely that the greatest potential for local cost would be in the first year of implementation for initial development of the district's policy. It is assumed that workload and associated costs in subsequent years would be related to updating to the policy.

For students who fail to perform satisfactorily on a state-required reading or mathematics assessment, school districts would be required to provide to the student's parents and teachers with the information collected under the local promotion policy and information concerning the areas needing improvement to perform satisfactorily on the applicable assessment instruments. School districts would be directed to provide written notices of comparisons of annual performance in student achievement and information on accessing online educational resources to students failing to meet the college readiness standards. Local costs associated with notifications would vary depending upon the number of students who fail to perform satisfactorily or fail to meet college readiness standards.

A school district would be required to submit financial data to determine the school district's financial solvency and to submit a plan if analysis indicated that the school district could become insolvent over a five-year period. School districts would experience some local administrative costs to submit additional actual financial data for the month of September each year for the purpose of determining financial solvency. For districts found to face potential insolvency during a five-year period, the Agency indicates that costs to develop and implement the required financial plans would vary widely among affected districts, depending on local resources and the size of the school district.

The Agency indicates that school districts could incur some additional administrative cost to revise locally developed or vendor software systems to maintain and submit data as necessary to establish authorization for school district employees to access online student performance data through the interoperable system proposed. If necessary, costs for modification of local software systems would vary among school districts depending upon existing infrastructure and the terms of existing vendor contracts concerning software modifications necessary to comply with statutory changes.

Source Agencies: 701 Central Education Agency, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

LBB Staff: JOB, JSp, JGM, JSc

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 16, 2009

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3 by Eissler (Relating to public school accountability, curriculum, and promotion requirements.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, As Introduced: a negative impact of (\$63,622,195) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$25,377,487)
2011	(\$38,244,708)
2012	(\$18,576,617)
2013	(\$17,674,004)
2014	(\$17,393,455)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from General Revenue Fund 1	Probable Savings/ (Cost) from Foundation School Fund 193	Probable Savings/ (Cost) from Wrkforce Commission Fed 5026	Change in Number of State Employees from FY 2009
2010	(\$25,377,487)	\$0	\$0	46.0
2011	(\$27,744,708)	(\$10,500,000)	\$0	46.0
2012	(\$18,576,617)	\$0	\$0	46.0
2013	(\$17,674,004)	\$0	(\$100,000)	46.0
2014	(\$17,393,455)	\$0	\$0	46.0

Fiscal Analysis

The bill would make numerous changes to the state's public education accountability system.

Section 7 of the bill would revise current grade promotion standards and procedures. The bill would reduce requirements regarding the number of additional assessment administrations required for students who fail to pass the third grade reading assessment, the fifth grade reading and math assessments, or the eighth grade reading and math assessments from at least two opportunities to one opportunity.

Section 8 of the bill amends curriculum requirements for high school graduation and establishes three

high school programs—the advanced high school program, the Texas Diploma, and the standard high school program. New curriculum requirements for the Texas Diploma would be effective for students entering the ninth grade in the 2011-12 school year. School districts would be required to provide a college readiness endorsement on the transcript of students completing the advanced high school program or the Texas Diploma who demonstrate college readiness on the Algebra II and English III End-of-Course (EOC) assessments. School districts would be required to provide a post-secondary readiness endorsement on the transcript of students completing the advanced high school program or the Texas Diploma who complete coursework and receive a certificate required for employment in a high-skill, high-demand, high-wage occupation.

Section 12 of the bill would require that the Texas Education Agency (TEA) provide access through an Internet portal to general student assessment data and secure access to individual student assessment data. Section 13 of the bill would require that the TEA establish a secure Internet web site through which students and parents could access individual assessment data and authorized school district employees could access individual assessment data for students in the district. The bill would require that the site provide information regarding students' progress toward meeting assessment requirements for graduation and that it provide assessment data beginning from the 2007-08 school year. The system would be required to enable comparisons of student performance at classroom, campus, district, and state levels.

Section 15 of the bill would require TEA to develop assessments to allow the score to indicate students' college readiness and growth in student achievement and would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6.

Section 17 of the bill would define college readiness and skilled workforce and technical readiness and would require that TEA develop the Algebra II and English III EOC assessments to measure college readiness and the Algebra I and English III EOC assessments to measure skilled workforce and technical readiness. The bill would require TEA to conduct studies to establish correlation between performance on those assessments and college or skilled workforce and technical readiness. The Commissioner of Education, in consultation with the Commissioner of Higher Education, would be required to use the results of those studies to establish performance standards for college readiness for the Algebra II and English III EOC assessments and for skilled workforce and technical readiness for the Algebra I and English III EOC assessments. TEA would be required to continue studies correlating the Algebra I, Algebra II, and English III EOC assessments with the respective readiness performance standards every two years.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2010 providing analysis of the feasibility of and recommendations regarding the establishment of college readiness performance standards for science and social studies.

TEA would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments.

TEA would be required to conduct studies correlating student performance on the English I, English II, and Algebra I EOC assessments with satisfactory student performance on English II, English III, and Algebra II EOC assessments respectively.

TEA would be required to conduct studies correlating performance on 8th grade assessments with satisfactory student performance on English I and Algebra I EOC assessments; and for each previous year tested, TEA would be required to conduct studies correlating performance on assessments with satisfactory student performance on assessments in the subsequent year.

The bill would establish an alternative performance standard of post-secondary readiness for students in the Texas Diploma or advanced high school programs who take Algebra II and English III EOC assessments. A student would demonstrate post-secondary readiness if the student received a certificate required for employment in a high-demand, high-wage, and high-skill occupation. The bill

would require the Texas Workforce Commissioner in consultation with the Texas Workforce Investment Council to develop a list of such occupations for approval by the Commissioner of Education and to review the list every four years.

Section 18 of the bill would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments. The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument as an alternative assessment.

Section 21 of the bill would require TEA to determine annual improvement required each year for a student to perform satisfactorily on the fifth and eighth grade assessments and to provide that information to school districts.

Section 23 of the bill would recodify and amend provisions related to accreditation.

Section 25 of the bill would require the Comptroller of Public Accounts to identify school districts and campuses with resource allocation practices contributing to high student achievement and cost-effective operations. The Comptroller would be required to rank the relative performance of school districts and campuses and identify areas of improvement.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. The software would be required to provide for alerts for certain discrepancies to notify TEA. Charter schools would be required to participate in the state financial accountability system.

Section 47 of the bill would require TEA to award a campus a distinction designation if the campus was ranked in the top 25 percent of campuses in annual improvement in student achievement, if a campus diminished or eliminated performance gaps among student populations, or for meeting specific criteria related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. The Commissioner would be required to establish separate committees to develop criteria for each component of the distinction designations related to academic achievement, fine arts, physical education, the 21st Century workforce development program, or a second language acquisition program. Each committee would comprise educators, professionals in the relevant field, and subject matter experts and could include appointees from the Governor, Lieutenant Governor, and Speaker of the House.

Section 57 of the bill would require the Commissioner of Education to adopt indicators of quality learning on a campus and to review indicators every two years. Performance on indicators of quality learning would be evaluated similarly to the student achievement indicators under current law. TEA would be required to report performance on the indicators of each campus in a school district through a campus report card by August 1 of each year.

Section 80 would direct the Commissioner of Higher Education, in consultation with the Comptroller and the Texas Workforce Commission (TWC), to award a grants in amounts not to exceed \$1 million to institutes of higher education to work jointly with at least one school district and business entity to develop advanced mathematics and science courses to prepare high school students for employment in high-demand occupations. The Commissioner of Higher Education, the Comptroller, and the TWC would determine which occupations would be considered high-demand. The total amount of grants awarded could not exceed \$10 million per biennium.

The bill would take effect in fiscal year 2010 unless otherwise noted.

Methodology

For Section 7, TEA estimates the reduction in retesting opportunities would yield a savings to the state of \$850,000 per year.

For Section 8, TEA estimates the one-time cost of updating the Texas Records Exchange to accommodate the changes to the transcript at \$30,000 in fiscal year 2010.

For Sections 12 and 13, TEA estimates the cost of hardware, software, and professional services associated with providing access to assessment data to meet the requirements of the bill at \$3.0 million FY2010, \$4.2 million in FY2011, \$2.7 million in 2012, and about \$1.5 million in FY2013 and FY2014. TEA estimates these provisions would require 10.0 full time equivalent positions (FTEs) at a cost of \$874,000 in FY2010 and \$801,000 in each subsequent year, inclusive of salary, benefits, and other operating expenses. Five of these FTE positions would be added to perform information technology-related functions, and five would be added to the Assessments staff.

For Section 15, TEA estimates \$500,000 in annual cost associated with test development. The bill would allow that TEA not be required to release test items and answers from assessments administered to students for the purpose of retaking the assessment, which is expected to result in a savings of \$200,000 per year. The bill would eliminate the testing of students with limited English proficiency in Spanish in grade 6, which is expected to result in a savings of \$250,000 per year.

Section 17 would require TEA to conduct studies to establish correlation between performance on state assessments and college or skilled workforce and technical readiness. TEA would be required to continue studies correlating the Algebra I, Algebra II, and English III EOC assessments with the respective readiness performance standards every two years. The agency estimates the cost of these studies at \$250,000 in FY2010 and \$100,000 per year in FY2011 and FY2013. The Commissioner of Education would be required to adopt performance standards based on these studies. TEA estimates cost associated with establishing performance standards at \$175,000 in FY2010.

TEA would be required to conduct similar studies for science and social studies EOC assessments and deliver a report to the committees of the legislature with primary jurisdiction over public education by December 2010. TEA estimates the cost of conducting the studies under this section of the bill at \$250,000 in FY2010.

TEA would be required to periodically review and compare the Texas college readiness performance standards to international and national performance standards for comparable assessment instruments. TEA estimates the cost of administering the Programme for International Student Assessment (PISA) exam to a sample of Texas students to facilitate the comparison at \$2.3 million in FY2011.

TEA would be required to conduct studies correlating student performance on assessments with satisfactory student performance on relevant assessments in the subsequent year at an estimated cost of \$425,000 in FY2010. TEA would need to administer field tests of all EOC assessments at a cost of \$5 million in FY2011 as part of required data gathering.

TEA would be required to update statutorily required study guides for assessments for the new standards at a one-time cost of \$10.5 million in FY2011.

The Texas Workforce Commission (TWC) currently maintains a database of industry certifications and estimates the cost of updating the database to produce the required list of high-demand, high-wage, high-skilled occupations at \$100,000 in federal funds in FY2013.

Section 18 would require TEA to develop, in consultation with the Higher Education Coordinating Board, senior-level English language and mathematics accelerated instruction courses for students who do not demonstrate the college readiness standards on the Algebra II or English III EOC assessments at an estimated cost of \$250,000 in FY2010 and \$250,000 in FY2011.

The bill would allow students to retake any EOC assessments on which they fail to perform satisfactorily. TEA estimates the cost of this provision at \$8 million per year.

The bill would eliminate the use of the Texas Assessment of Academic Skills assessment instrument, which is estimated to result in a savings of \$800,000 per year.

For Section 21, TEA estimates the cost of providing online reporting to districts associated with

annual improvement required to attain certain performance standards at \$400,000 per year. Costs associated with developing the reporting system could be covered under the current assessment contract.

For Section 23, TEA estimates 2.0 FTEs would be required to provide technical assistance related to on-site monitoring associated with the provisions of the bill at a cost of \$176,000 in FY2010 and \$161,000 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

In Section 25, the Comptroller of Public Accounts would be required to rank the relative performance of school districts and campuses in resource allocation as relates to high student achievement. The Comptroller estimates the cost of implementing these provisions at \$3.7 million in FY2010 and \$975,000 in subsequent years to support initial technology costs of \$3 million, 7.0 FTEs in the first year, and 10.0 FTEs in subsequent years. Six FTEs would be required for data analysis, and 4.0 FTEs would be required for maintenance of information systems.

The bill would require charter schools to participate in the state financial accountability system. TEA estimates the cost of associated system modifications at \$1.3 million in FY2010.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years. TEA estimates these provisions will require 4.0 additional FTEs at a cost of \$352,000 in FY2010 and \$322,000 in subsequent years inclusive of salary, benefits, and other operating expenses.

In Section 47, the Commissioner would be required to establish five fifteen-member committees to develop criteria for certain distinction designations. Reimbursement costs are estimated at \$94,200 in FY2010 assuming two committee meetings per committee and dropping to \$47,100 per year in subsequent years assuming one meeting per committee per year. TEA estimates 5.0 additional FTEs at an estimated cost of \$453,000 in FY2010 and \$416,000 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to staff the committees and 7.0 additional FTEs at an estimated cost of \$626,000 in FY2010 and \$573,000 in subsequent years, inclusive of salary, benefits, and other operating expenses, would be required to provide support to school districts associated with new performance standards.

For Section 57, TEA would be required to report performance on the indicators of each campus in a school district through a campus report card by August 1 of each year and estimates that the shortened deadline would require 5.0 additional FTEs at a cost of \$455,000 in FY2010 and \$418,000 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

TEA estimates that the addition of 33.0 FTEs described above would require an additional 2.5 FTEs to provide for increased central administration functions at a cost of \$220,000 in FY2010 and \$201,000 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

In Section 80, the bill limits the total amount of grants awarded to \$10 million biennially, and the Higher Education Coordinating Board estimates that 0.5 FTEs would be required to implement the provisions of the bill at a cost of \$49,601 in FY2010 and \$38,801 in each subsequent year, inclusive of salary, benefits, and other operating expenses.

Technology

For Section 8, TEA estimates the one-time cost of updating the Texas Records Exchange to accommodate the changes to the transcript at \$30,000 in fiscal year 2010.

For Sections 12 and 13, TEA estimates the cost of hardware, software, and professional services associated with providing access to assessment data to meet the requirements of the bill at \$3.0 million FY2010, \$4.2 million in FY2011, \$2.7 million in 2012, and about \$1.5 million in FY2013 and FY2014.

The bill would require TEA to develop a process for projecting future financial solvency of school districts and would be required to develop a software template for school districts to use in submitting data to TEA. TEA estimates the cost of developing and maintaining the software at \$800,000 in FY2010 and \$160,000 in subsequent years.

The Comptroller of Public Accounts estimates initial FY2010 technology costs at \$3 million.

Local Government Impact

School districts would be required to adopt local promotion policies before the first day of school each year. Local promotion policies would include specific criteria related to student scores on required state assessments, teacher recommendations, student grades, and other locally-determined measures. It is assumed for the purpose of this estimate that costs to develop local policies governing promotion to the next grade level would vary depending upon the nature of existing local decision-making processes and the extent of additional locally-determined criteria to be included in the district's promotion policy. It is likely that the greatest potential for local cost would be in the first year of implementation for initial development of the district's policy. It is assumed that workload and associated costs in subsequent years would be related to updating to the policy.

For students who fail to perform satisfactorily on a state-required reading or mathematics assessment, school districts would be required to provide to the student's parents and teachers with the information collected under the local promotion policy and information concerning the areas needing improvement to perform satisfactorily on the applicable assessment instruments. School districts would be directed to provide written notices of comparisons of annual performance in student achievement and information on accessing online educational resources to students failing to meet the college readiness standards. Local costs associated with notifications would vary depending upon the number of students who fail to perform satisfactorily or fail to meet college readiness standards.

School districts would be required to provide a college or postsecondary readiness endorsement on high school transcripts. The Texas Education Agency estimates the cost per school district or open-enrollment charter school to update locally-developed or vendor software systems to provide a college or postsecondary readiness indicator on the high school transcript to be \$1,000 per district, for an estimated statewide cost approaching \$1.2 million for approximately 1,200 school districts and open-enrollment charter schools.

A school district would be required to submit financial data to determine the school district's financial solvency and to submit a plan if analysis indicated that the school district could become insolvent over a five-year period. School districts would experience some local administrative costs to submit additional actual financial data for the month of September each year for the purpose of determining financial solvency. For districts found to face potential insolvency during a five-year period, the Agency indicates that costs to develop and implement the required financial plans would vary widely among affected districts, depending on local resources and the size of the school district.

The Agency indicates that school districts could incur some additional administrative cost to revise locally developed or vendor software systems to maintain and submit data as necessary to establish authorization for school district employees to access online student performance data through the interoperable system proposed. If necessary, costs for modification of local software systems would vary among school districts depending upon existing infrastructure and the terms of existing vendor contracts concerning software modifications necessary to comply with statutory changes.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 781 Higher Education Coordinating Board, 701 Central Education Agency

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