

Amend CSSB 127 (senate committee printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 12 and 13), add the following appropriately numbered new SECTION to the bill:

SECTION _____. The heading to Section 12.101, Education Code, is amended to read as follows:

Sec. 12.101. AUTHORIZATION FOR LICENSE.

(2) In existing SECTION 1 of the bill, strike the recital (page 1, lines 13-15), and substitute "Section 12.101, Education Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (e) and (f) to read as follows:"

(3) In existing SECTION 1 of the bill, between the recital and amended Section 12.101(b), Education Code (page 1, between lines 15 and 16), insert the following:

(a) In accordance with this subchapter, the State Board of Education may issue [~~grant~~] a license [~~charter~~] on the application of an eligible entity for an open-enrollment charter school to operate in a facility of a commercial or nonprofit entity, an eligible entity, or a school district, including a home-rule school district. In this subsection, "eligible entity" means:

(1) an institution of higher education as defined under Section 61.003;

(2) a private or independent institution of higher education as defined under Section 61.003;

(3) an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)); or

(4) a governmental entity.

(4) In existing SECTION 1 of the bill, in amended Section 12.101(b), Education Code (page 1, line 17), strike "grant a charter" and substitute "issue [~~grant~~] a license [~~charter~~]".

(5) In existing SECTION 1 of the bill, in amended Section 12.101(b), Education Code (page 1, line 22), strike "may not grant [~~a total of~~]" and substitute "may not issue [~~grant a total of~~]".

(6) In existing SECTION 1 of the bill, in amended Section 12.101(b), Education Code (page 1, line 23), strike "10 new [~~215~~] charters for an" and substitute "10 new licenses [~~215 charters~~] for

an".

(7) In existing SECTION 1 of the bill, in amended Section 12.101(b), Education Code (page 1, line 24), strike "number of charters equal" and substitute "number of licenses equal".

(8) In existing SECTION 1 of the bill, strike added Sections 12.101(b-1) and (b-2), Education Code (page 1, lines 27-50), and substitute the following:

(d) An educator employed by a school district before the effective date of a license [~~charter~~] for an open-enrollment charter school operated at a school district facility may not be transferred to or employed by the open-enrollment charter school over the educator's objection.

(e) A license holder is subject to any law applicable to a charter holder.

(f) The commissioner shall adopt rules for applying for a license, notification of a license application, the form and content of a license, the basis and a procedure for modification or revocation of license, and any other rules necessary for the issuance and administration of licenses under this subchapter. A rule adopted under this subsection must, to the greatest extent practicable, be consistent with a provision of this subchapter or a rule adopted under this subchapter for the same purpose as applicable to a charter.

(9) In the recital to existing SECTION 2 of the bill (page 1, line 52), strike "Section 12.1011" and substitute "Sections 12.1011 and 12.10111".

(10) In existing SECTION 2 of the bill, in the heading to added Section 12.1011, Education Code (page 1, line 53), strike "GRANT OF CHARTERS" and substitute "ISSUANCE OF LICENSES".

(11) In existing SECTION 2 of the bill, in added Section 12.1011(a), Education Code (page 1, line 55), strike "may grant under Section 12.101 a charter" and substitute "may issue under Section 12.101 a license".

(12) In existing SECTION 2 of the bill, in added Section 12.1011(a), Education Code (page 1, line 59), strike "grant more than two new charters" and substitute "issue more than two new licenses".

(13) In existing SECTION 2 of the bill, in added Section 12.1011(a), Education Code (page 1, line 61), strike "A charter granted" and substitute "A license issued".

(14) In existing SECTION 2 of the bill, in added Section 12.1011(b), Education Code (page 2, line 5), strike "charter is granted" and substitute "license is issued".

(15) Between existing SECTIONS 2 and 3 of the bill (page 2, between lines 14 and 15), insert the following:

Sec. 12.10111. AUTHORIZATION FOR CHARTER. (a) The State Board of Education may grant a charter for an open-enrollment charter school to a license holder under Section 12.101 if:

(1) the open-enrollment charter school for which the license has been issued has been assigned an acceptable performance rating as provided by Subchapter C, Chapter 39, for any two of the preceding three school years;

(2) no campus operating under the license has been assigned an unacceptable performance rating as provided by Subchapter C, Chapter 39, for any two of the three preceding school years or such a campus has been closed; and

(3) the license holder satisfies generally accepted accounting standards of fiscal management.

(b) For purposes of Subsection (a), a license holder is considered to have failed to satisfy generally accepted accounting standards of fiscal management if, after consideration of all information required for determining whether those standards have been satisfied, the commissioner, in accordance with commissioner rule, determines that:

(1) the open-enrollment charter school for which the license has been issued is insolvent as a result of the recovery of over-allocated state funds under Section 42.258(a); or

(2) there is a material weakness in the school's annual financial audit.

(c) Notwithstanding Section 12.101, the State Board of Education may grant a charter for an open-enrollment charter school to an applicant for a charter that has operated one or more charter schools in another state and, as determined by the commissioner in accordance with commissioner rule, has performed well under

federal accountability and other appropriate academic and financial criteria.

(d) A charter holder may establish one or more new open-enrollment charter school campuses under a charter without applying for authorization if:

(1) each open-enrollment charter school campus operating under the charter has been assigned an acceptable performance rating as provided by Subchapter C, Chapter 39, for the two preceding school years;

(2) the charter holder satisfies standards of fiscal solvency and financial accountability established by commissioner rule;

(3) the charter holder provides written notice, in the time, manner, and form provided by commissioner rule, to the State Board of Education and the commissioner of the establishment of any campus under this subsection; and

(4) not later than the 90th day after the date the charter holder provides written notice under Subdivision (3), the commissioner does not provide written notice to the charter holder disapproving a new campus under this section.

(e) For purposes of Subsection (d), an open-enrollment charter school campus rated as academically acceptable or higher under Subchapter D, Chapter 39, as that subchapter existed January 1, 2009, for the 2009-2010 or 2010-2011 school year is considered to have been assigned an acceptable performance rating for the applicable school year. This subsection expires January 1, 2015.

SECTION _____. Section 12.1012, Education Code, is amended by adding Subdivision (7) to read as follows:

(7) "License holder" means the entity to which a license is granted under this subchapter.

(16) In existing SECTION 3 of the bill, in added Section 12.110(e), Education Code (page 2, line 18), between "applying for a" and "charter", insert "license or".

(17) In existing SECTION 3 of the bill, in added Section 12.110(e), Education Code (page 2, line 21), strike "proposed charter holder" and substitute "applicant".

(18) In SECTION 4 of the bill, in amended Section 12.1101,

Education Code (page 2, line 30), strike "Section 12.101(b-1)" and substitute "Section 12.10111(d)".

(19) In existing SECTION 10 of the bill, in added Section 12.117(c), Education Code (page 4, lines 65-66), strike "charter is granted" and substitute "license is issued".

(20) Between existing SECTIONS 13 and 14 of the bill (page 5, between lines 37 and 38), add the following appropriately numbered new SECTION to the bill:

SECTION _____. Section 12.156, Education Code, is amended to read as follows:

Sec. 12.156. APPLICABILITY OF CERTAIN PROVISIONS. (a) Except as otherwise provided by this subchapter, Subchapter D applies to a college or university charter school or junior college charter school as though the college or university charter school or junior college charter school, as applicable, were issued a license or granted a charter under that subchapter.

(b) A license issued or charter granted under this subchapter is not considered for purposes of the limit on the number of open-enrollment charter schools imposed by Section 12.101(b).

(21) Between existing SECTIONS 14 and 15 of the bill (page 5, between lines 39 and 40), add the following appropriately numbered new SECTION to the bill:

SECTION _____. The amendment of Subchapter D, Chapter 12, Education Code, by this Act, does not affect the status of a charter granted under Subchapter D, Chapter 12, Education Code, before the effective date of this Act and the implementation of licensing under Subchapter D, Chapter 12, Education Code, in accordance with this Act.

(22) Renumber SECTIONS of the bill appropriately.