

By: Isaac

H.B. No. 300

A BILL TO BE ENTITLED

AN ACT

relating to an alternative system of public education governance that enhances school accountability, local control, and family empowerment in the educational system.

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

SECTION 1. The Education Code is amended by adding Title 7 to read as follows:

TITLE 7. ALTERNATIVE PUBLIC EDUCATION GOVERNANCE SYSTEM

CHAPTER 2100. LEGISLATIVE FINDINGS AND INTENT; DEFINITIONS

Sec. 2100.001. ALTERNATIVE PUBLIC EDUCATION GOVERNANCE SYSTEM TO MINIMIZE STATE-LEVEL COMMAND AND CONTROL. (a) The legislature finds that:

(1) it is necessary to create an alternative public education governance system that independent school districts and charter schools may voluntarily adopt and that:

(A) allows schools, school districts, and educators the local control and freedom to decide how to use and allocate available resources to address the educational needs and capabilities of students; and

(B) empowers families through a variety of means to hold schools accountable for their performance or lack of performance;

(2) the alternative system should combine:

(A) freedom for school operators to locally

1 determine, in an accountability plan subject to limited and
2 well-defined state approval, the goal for each school, the
3 appropriate measurable academic milestones that students in each
4 grade should achieve while proceeding toward the goal, and the
5 academic assessments used to determine whether the milestones are
6 met;

7 (B) broad flexibility in the curriculum, choice
8 of educational methods, and use of available resources to achieve
9 the goals and milestones;

10 (C) a practical mechanism that allows families to
11 change the goal of or the operator of a school when a majority of
12 families at the school consider it necessary; and

13 (D) practical mechanisms for providing
14 meaningful choice to families regarding which school a child
15 attends that include:

16 (i) access to licensed education advisors
17 who have the knowledge necessary to assist families in choosing a
18 school and whose business practices are regulated by the state; and

19 (ii) assurance that for students who attend
20 a school subject to this title, the full allotment of public funding
21 attributable to the student will follow the student to that school;
22 and

23 (3) to protect the freedom that school operators and
24 educators need in using their best judgment to successfully address
25 the educational needs and capabilities of students, the alternative
26 system should not rely on state-level command and control to
27 protect against misjudgments or failure by schools, school

districts, or educators to achieve their educational mission but must instead rely on:

(A) practical mechanisms for:

(i) providing families with meaningful choices among public schools;

(ii) allowing families at a school, when a majority consider it necessary, to change the goal or the operator of the school; and

(iii) reporting the academic and fiscal performance of schools; and

(B) state involvement in:

(i) creating and maintaining a system of certification to ensure that the goal chosen for a school will, when achieved, have prepared each student for the next stage of life, whether that is further formal education, meaningful employment and participation in the civic life of the community, or both;

(ii) determining whether the certified goal and measurable academic milestones locally chosen for a school are properly aligned;

(iii) administering the local process through which families may hold schools accountable when a measurable milestone has not been met; and

(iv) determining whether third-party school management organizations, as described by Chapter 2102, that seek to operate a public school under this title have the financial resources necessary to do so successfully.

(b) The legislature also finds that under any approach to

education in the public schools, safeguarding the health and safety of students and other persons affected by the operation of public schools is paramount, and for that reason it is appropriate that provisions of this code designed to protect health and safety apply in relation to the public schools operating under this title. Accordingly, it is the intent of the legislature that whenever it is necessary to do so, the commissioner of education choice shall exercise the commissioner's rulemaking authority to ensure that rules adopted by a governmental entity under a health and safety statute designed for primary and secondary schools apply in an appropriate and effective manner in relation to public schools operating under this title.

Sec. 2100.002. DEFINITIONS. In this title:

(1) "Agency" means the Texas Education Agency.

(2) "Commissioner" means the commissioner of education choice.

(3) "Division" means the Texas Education Choice Division.

CHAPTER 2101. TEXAS EDUCATION CHOICE DIVISION

Sec. 2101.001. TEXAS EDUCATION CHOICE DIVISION. (a) The Texas Education Choice Division is established within the agency.

(b) The agency shall provide staff support and facilities necessary to enable the division to perform the division's duties under this title, including:

(1) administrative assistance and services to the division, including budget planning and purchasing;

(2) personnel, financial, and ministerial services;

1 and

2 (3) computer equipment and support.

3 (c) Notwithstanding Subsection (b), the commissioner has
4 the authority to employ and dismiss the division personnel whose
5 duties involve implementing this title under the direction of the
6 commissioner.

7 Sec. 2101.002. APPLICATION OF SUNSET ACT. The division is
8 subject to Chapter 325, Government Code (Texas Sunset Act). Unless
9 continued in existence as provided by that chapter, the division is
10 abolished and this title expires September 1, 2025.

11 Sec. 2101.003. COMMISSIONER OF EDUCATION CHOICE. (a) The
12 division is administered and governed by the commissioner of
13 education choice.

14 (b) Except as otherwise provided by this title, the
15 commissioner of education choice exercises all executive authority
16 for the division, including the authority to adopt rules that this
17 title authorizes or requires to be adopted. The commissioner of
18 education may provide advice, research, and comment regarding the
19 adoption of rules by the commissioner of education choice.

20 (c) The governor, with the advice and consent of the senate,
21 shall appoint the commissioner of education choice. The
22 commissioner serves for a two-year term that expires February 1 of
23 each odd-numbered year.

24 (d) The governor shall appoint the commissioner without
25 regard to the race, color, disability, sex, religion, or national
26 origin of the appointee.

27 (e) The commissioner, with the advice of the commissioner of

1 education, shall develop and implement policies that clearly
2 separate the respective responsibilities of the division and the
3 other components of the agency.

4 Sec. 2101.004. DIVISION FUNDING. The agency shall identify
5 the pro rata amount of the agency's administrative budget,
6 including federal funds, that can be associated with independent
7 school districts and charter schools that have adopted the Families
8 First system under Sections 2102.002 and 2102.003, and use that
9 funding for division operations. If additional funding for
10 division operations is required, the legislature may only
11 appropriate to the agency for that purpose:

12 (1) out of the Foundation School Program allotment for
13 public schools operating under this title, as determined under
14 Subchapter F, Chapter 2102, an amount not to exceed 0.3 percent of
15 that allotment; and

16 (2) amounts the state receives as gifts or grants for
17 the purpose of administering this title.

18 CHAPTER 2102. FAMILIES FIRST: ALTERNATIVE PUBLIC EDUCATION

19 GOVERNANCE SYSTEM

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 2102.001. DEFINITIONS. In this chapter:

22 (1) "Accountability plan" means the plan required for
23 each Families First school that contains the goal, academic
24 milestones, and academic assessment mechanisms for the school.

25 (2) "Families First school" means a public school
26 operated under this title by a school management organization
27 subject to the approved accountability plan for the school.

1 (3) "Families First system" means the alternative
2 system of governance for primary and secondary education described
3 and governed by this title.

4 (4) "School management organization" means the
5 independent school district or other organization that operates a
6 Families First school under this title.

7 Sec. 2102.002. VOLUNTARY ADOPTION OF FAMILIES FIRST SYSTEM
8 BY INDEPENDENT SCHOOL DISTRICT. (a) An independent school
9 district may adopt the Families First system by:

10 (1) submitting to the division an accountability plan
11 for each district school in accordance with Subchapter B and
12 receiving plan approval for each district school under that
13 subchapter; and

14 (2) after receiving plan approval for each district
15 school, adopting the Families First system through a vote by the
16 board of trustees.

17 (b) Subject to the deadline for the vote established under
18 Subsection (d), the district becomes a school management
19 organization subject to this title and each district school becomes
20 a Families First school beginning with the first school year that
21 begins after the date of the vote to adopt. Unless otherwise
22 provided by this title, the district subsequently remains a school
23 management organization subject to this title unless the district
24 revokes its adoption of the Families First system. The new status
25 of the district as a school management organization does not affect
26 the authority of the district to impose ad valorem taxes.

27 (c) An independent school district may revoke its adoption

1 of the Families First system through a vote by the board of
2 trustees. The board of trustees may vote to revoke its adoption in
3 accordance with rules adopted under Subsection (d), except that the
4 vote to revoke must be taken not later than December 1 to take
5 effect beginning with the application deadline established by the
6 commissioner for the following school year.

7 (d) The commissioner shall adopt rules specifying deadlines
8 for:

9 (1) taking action under Subsection (a) to become a
10 school management organization subject to this title beginning with
11 the next school year; and

12 (2) voting to revoke adoption of the Families First
13 system to again become fully subject to Title 2 beginning with the
14 next school year.

15 (e) An independent school district that has adopted the
16 Families First system must declare enough open seats at its schools
17 to satisfy 100 percent of the student demand in the district.

18 (f) If an independent school district revokes its adoption
19 of the Families First system, only those Families First schools for
20 which the district serves as the school management organization at
21 the time the revocation takes effect become subject to Title 2 as a
22 result of the revocation.

23 Sec. 2102.003. CONVERSION OF CHARTER SCHOOL. (a) Subject
24 to Section 2102.004, the governing body of a charter holder
25 operating one or more open-enrollment charter schools under
26 Subchapter D, Chapter 12, or college or university or junior
27 college charter schools under Subchapter E, Chapter 12, that wishes

1 to convert all of its charter schools to Families First schools may
2 do so by:

3 (1) submitting to the division for approval under
4 Subchapter B an accountability plan that meets the requirements of
5 this title for each charter school that it operates; and

6 (2) after receiving plan approval for each charter
7 school that it operates, voting to adopt the Families First system
8 and operate its schools as Families First schools under this title
9 rather than as charter schools under Chapter 12.

10 (b) The governing body must promptly inform the
11 commissioner and the commissioner of education of the vote. On
12 notifying the commissioner and the commissioner of education, the
13 governing body becomes a school management organization in relation
14 to its operation of each charter school and each charter school
15 becomes a Families First school beginning with the first school
16 year that begins after the date of notification under this
17 subsection.

18 (c) A charter school may be converted to a Families First
19 school under this section without regard to whether the charter
20 school is located within the boundaries of an independent school
21 district that has adopted the Families First system. The charter
22 school is a public school but is not considered to be a school of the
23 school district within which any physical campus or administrative
24 office of the charter school is located. However, the funding
25 mechanisms of Subchapter F fully apply in relation to the charter
26 school, including the requirement that Title 2 funding attributable
27 to a student follows the student to the charter school without

1 regard to whether the funding derives from the state or from local
2 tax dollars collected by the school district within which the
3 student resides.

4 (d) A school management organization that previously
5 operated its schools as charter schools under Chapter 12 may revoke
6 adoption of the Families First system and revert to operation under
7 Chapter 12 through a vote by its governing body, provided that at
8 the time the vote is taken the organization qualifies to operate
9 charter schools under Chapter 12. The governing body may vote to
10 revoke adoption in accordance with rules adopted under Subsection
11 (e), except that the vote to revoke must be taken not later than
12 December 1 to take effect beginning with the application deadline
13 established by the commissioner for the following school year.

14 (e) The commissioner shall adopt rules specifying deadlines
15 for:

16 (1) taking action under Subsections (a) and (b) to
17 become a school management organization subject to this title
18 beginning with the next school year; and

19 (2) voting to revoke adoption of the Families First
20 system to again operate schools as charter schools fully subject to
21 Chapter 12 beginning with the next school year.

22 Sec. 2102.004. SCHOOL MANAGEMENT ORGANIZATION OTHER THAN
23 INDEPENDENT SCHOOL DISTRICT: FINANCIAL AND GOVERNANCE STANDARDS
24 AND ACCOUNTABILITY PLAN. (a) The commissioner by rule shall adopt
25 financial and governance standards that an organization other than
26 an independent school district must meet to become a school
27 management organization eligible to operate a Families First school

1 under an approved accountability plan. The standards must be
2 designed to ensure that a school management organization has the
3 financial resources and governance system necessary to operate a
4 Families First school.

5 (b) Rules adopted under Subsection (a) must provide that:

6 (1) the charter holder of one or more open-enrollment
7 charter schools under Chapter 12 that wishes to convert its charter
8 schools to Families First schools is considered to meet the
9 financial and governance standards if the commissioner of education
10 certifies to the commissioner of education choice that the charter
11 holder is in good standing under Chapter 12 at the time of
12 conversion; and

13 (2) a governmental entity that is allowed to operate a
14 charter school under Chapter 12 is considered to be an organization
15 that meets the financial and governance standards, without regard
16 to whether the governmental entity is operating a charter school
17 under Chapter 12.

18 (c) On certification by the commissioner that the
19 organization meets the financial and governance standards and on
20 approval by the commissioner of the organization's proposed
21 accountability plan for a specific Families First school or a type
22 of school, the organization is a school management organization
23 eligible to:

24 (1) open and operate a Families First school, if it is
25 to be a new school, without regard to whether the school will be
26 located within the boundaries of an independent school district
27 that has adopted the Families First system; and

1 (2) compete to operate a Families First school, if it
2 is an existing Families First school for which an accountability
3 trigger has been pulled under Subchapter E.

4 (d) A new school opened under this section is a public
5 school but is not considered to be a school of the independent
6 school district within which any physical campus or administrative
7 office of the school is located. However, the funding mechanisms of
8 Subchapter F fully apply in relation to the school, including the
9 requirement that Title 2 funding attributable to a student follows
10 the student to the school without regard to whether the funding
11 derives from the state or from local tax dollars collected by the
12 school district within which the student resides.

13 (e) The commissioner by rule shall establish deadlines for
14 taking actions under this section to operate a new school as a
15 Families First school during the subsequent school year.

16 Sec. 2102.005. STATE ORGANIZATION. (a) Except as provided
17 by Subsection (d), the division is the exclusive state regulatory
18 agency responsible for state involvement in matters relating to
19 public education in Families First schools. The extent of the
20 division's involvement is prescribed by this title.

21 (b) A school management organization operating a Families
22 First school is not subject to the authority of or rules adopted by
23 the commissioner of education, the State Board of Education, or the
24 agency except:

25 (1) as specifically provided by this title;

26 (2) under a provision of this code that specifically
27 states the actions of the commissioner of education, the State

1 Board of Education, or the agency taken under that provision apply
2 to Families First schools; or

3 (3) as specifically provided by rules adopted by the
4 commissioner under this title.

5 (c) The agency, as the single state education agency for
6 purposes of federal funding, remains responsible for administering
7 federal funds that, under this title and federal law, will be used
8 by or in connection with a Families First school.

9 (d) The commissioner of education choice may adopt rules as
10 provided by this subsection that make specified rules or forms of
11 the agency, the commissioner of education, or the State Board of
12 Education applicable to Families First schools. In an order
13 adopting a rule under this subsection, the commissioner must
14 specifically find that:

15 (1) the rules or forms that are made applicable:

16 (A) are designed to implement a provision of
17 Title 2 that is specifically made applicable to Families First
18 schools by Section 2102.007 or 2102.253; or

19 (B) address health and safety; and

20 (2) it is administratively efficient and consistent
21 with the provisions of this title to have those rules or forms apply
22 to Families First schools.

23 (e) The commissioner of education choice may describe a rule
24 or form of the agency, the commissioner of education, or the State
25 Board of Education made applicable under Subsection (d) by
26 referencing a specific existing rule or form or by referencing
27 rules or forms adopted under a specified provision of law.

1 Sec. 2102.006. AUTHORITY AND CONTROL OVER AND
2 RESPONSIBILITY FOR OPERATION OF FAMILIES FIRST SCHOOL. A Families
3 First school is operated by a school management organization. The
4 school management organization operating a Families First school
5 has authority and control over and responsibility for all aspects
6 of the school's operations, including the following:

7 (1) the name of the school;

8 (2) human resources practices at the school, such as
9 matters relating to hiring, firing, compensation, assessment, and
10 professional development;

11 (3) required credentials for teachers and other
12 employees or volunteers at the school;

13 (4) curriculum and instructional materials;

14 (5) pedagogical methods;

15 (6) class sizes;

16 (7) calendars and schedules;

17 (8) time on task and time spent by students at a
18 physical location, online, or otherwise as part of the learning
19 process;

20 (9) facilities management;

21 (10) transportation;

22 (11) procurement; and

23 (12) food and beverage service.

24 Sec. 2102.007. APPLICABILITY OF TITLE 2. (a) A Families
25 First school has the powers granted to schools under Title 2 to the
26 extent that the exercise of those powers is consistent with this
27 title. Otherwise, a provision of Title 2 does not apply to any

aspect of the operation of a Families First school, including an aspect listed in Section 2102.006, unless:

(1) this title specifically provides that the provision applies;

(2) the provision of Title 2 specifically provides that it applies to a Families First school; or

(3) the commissioner adopts a rule making the provision applicable because the commissioner determines that the provision concerns health and safety.

(b) The following provisions of Title 2 apply to the operation of a Families First school:

(1) Subchapter C, Chapter 11, and Section 11.155, if the operator of the school is a school district;

(2) Sections 11.002, 11.151, 11.1511(a), (b)(1), (2), (4), (6), (7), (8), (9), (10), (11), (12), and (15), and (c), 11.1512, 11.1513(a)(1) and (2), (b), (f), (g), and (i), 11.152, 11.153, 11.154, 11.1541, 11.156, 11.157, 11.158, 11.160, 11.161, 11.165, 11.166, 11.167, 11.168, 11.169, 11.170, 11.178, and 11.201(a), (b), and (e);

(3) Subchapters A, C, and F, Chapter 13, if the operator of the school is a school district;

(4) Sections 22.004, 22.005, 22.006, and 22.011, Subchapters B, C, and D, Chapter 22, and Section 22.901;

(5) Subchapter A, Chapter 25, Sections 25.040, 25.085, 25.086, 25.087, 25.088, 25.089, 25.090, 25.091, 25.093, 25.094, 25.095, 25.0951, and 25.0952, and Subchapters E and Z, Chapter 25;

(6) Chapter 26, other than Section 26.003;

1 (7) Subchapter A, Chapter 29, Sections 29.083, 29.151,
2 29.152, 29.153, 29.159, Subchapters I and L, Chapter 29, and
3 Sections 29.901 and 29.916;

4 (8) Subchapters D and F, Chapter 33, and Sections
5 33.901 and 33.904;

6 (9) Sections 34.001, 34.005, 34.007, 34.008, 34.009,
7 and 34.015; and

8 (10) Subchapters A and B, Chapter 38.

9 Sec. 2102.008. CHARTER SCHOOLS THAT DO NOT CONVERT TO
10 FAMILIES FIRST SCHOOLS. (a) Except as provided by Section
11 2102.003, this title does not affect an open-enrollment charter
12 school, including a school located in an independent school
13 district that has adopted the Families First system.

14 (b) This title does not affect the ability to open and
15 operate a new open-enrollment charter school under Chapter 12,
16 including a new school located in an independent school district
17 that has adopted the Families First system.

18 Sec. 2102.009. STATUS OF EXISTING EMPLOYMENT CONTRACTS.
19 (a) This section applies to an employment contract under Chapter 21
20 between an independent school district and a classroom teacher, as
21 defined by Section 5.001, or a principal, librarian, nurse,
22 counselor, or other person that has been entered into before the
23 school district adopts the Families First system and that will
24 according to the contract's terms be in effect after the school
25 district adopts the Families First system.

26 (b) The contract remains in effect and governed by Chapter
27 21 and other necessarily applicable provisions of Title 2 during

1 the period of the contract. However, all matters concerning the
2 duties, methods, and working conditions of the employee relating to
3 the operation of a Families First school that are not necessarily
4 governed by the provisions of the contract are governed by this
5 title.

6 Sec. 2102.010. MEMBERSHIP IN TEACHER RETIREMENT SYSTEM OF
7 TEXAS. (a) An employee of a school management organization
8 operating a Families First school who otherwise qualifies for
9 membership in the Teacher Retirement System of Texas shall be
10 covered under the system in the same manner and to the same extent a
11 qualified employee employed by an independent school district
12 operating under Title 2 is covered.

13 (b) For each employee of a school management organization
14 that is not an independent school district, the school management
15 organization is responsible for making any contribution to the
16 Teacher Retirement System of Texas that an independent school
17 district that employed the employee would be responsible for
18 making, and the state is responsible for making contributions to
19 the same extent it would be legally responsible if the employee were
20 a school district employee.

21 Sec. 2102.011. TRANSPARENCY IN OPERATION: APPLICABILITY OF
22 OPEN MEETINGS AND PUBLIC INFORMATION LAWS. (a) With respect to the
23 operation of a Families First school, the governing body of a school
24 management organization is considered to be a governmental body for
25 purposes of Chapters 551 and 552, Government Code.

26 (b) With respect to the operation of a Families First
27 school, any requirement in Chapter 551 or 552, Government Code, or

another law that concerns open meetings or the availability of information, that applies to an independent school district, the board of trustees of an independent school district, or public school students at a school operated by an independent school district under Title 2 applies to the school management organization operating a Families First school, the governing body of that school management organization, or students attending the Families First school.

Sec. 2102.012. APPLICABILITY OF LAWS RELATING TO LOCAL GOVERNMENT RECORDS. (a) With respect to the operation of a Families First school by a school management organization that is not a governmental entity, the school management organization is considered to be a local government for purposes of Subtitle C, Title 6, Local Government Code, and Subchapter J, Chapter 441, Government Code.

(b) Records of the Families First school and records of the school management organization that relate to the Families First school are government records for all purposes under state law.

(c) Any requirement in Subtitle C, Title 6, Local Government Code, or Subchapter J, Chapter 441, Government Code, that applies to an independent school district, the board of trustees of an independent school district, or an officer or employee of an independent school district applies to a Families First school that is not operated by an independent school district, to the school management organization operating the Families First school and the governing body of the school management organization, and to an officer or employee of the school management organization, except

1 that the records of a Families First school that ceases to operate
2 shall be transferred in the manner prescribed by Subsection (d).

3 (d) The records of a Families First school that ceases to
4 operate shall be transferred in the manner specified by the
5 commissioner to a custodian designated by the commissioner. The
6 commissioner may designate any appropriate entity to serve as
7 custodian, including the division, a regional education service
8 center, or an independent school district. In designating a
9 custodian, the commissioner shall ensure that the transferred
10 records, including student and personnel records, are transferred
11 to a custodian capable of:

12 (1) maintaining the records;

13 (2) making the records readily accessible to students,
14 parents, former school employees, and other persons entitled to
15 access; and

16 (3) complying with applicable state or federal law
17 restricting access to the records.

18 (e) If the school management organization operating a
19 Families First school that ceases to operate or an officer or
20 employee of such a school refuses to transfer school records in the
21 manner specified by the commissioner under Subsection (d), the
22 commissioner may ask the attorney general to petition a court for
23 recovery of the records. If the court grants the petition, the
24 court shall award attorney's fees and court costs to the state.

25 Sec. 2102.013. IMMUNITY FROM LIABILITY. In matters related
26 to the operation of a Families First school, the Families First
27 school and the school management organization operating the school

1 are immune from liability to the same extent as an independent
2 school district, and the employees and volunteers of the
3 organization or school are immune from liability to the same extent
4 as independent school district employees and volunteers. A member
5 of the governing body of the school management organization is
6 immune from liability to the same extent as an independent school
7 district trustee.

8 [Sections 2102.014-2102.050 reserved for expansion]

9 SUBCHAPTER B. ACCOUNTABILITY PLANS

10 Sec. 2102.051. ACCOUNTABILITY PLAN REQUIRED. The school
11 management organization operating a Families First school must
12 operate the school under an accountability plan for the school that
13 has been approved by the commissioner under this subchapter.
14 Public funds may not be disbursed to a school management
15 organization to operate a Families First school that does not have
16 an approved accountability plan.

17 Sec. 2102.052. DIVISION ADMINISTRATION OF ACCOUNTABILITY
18 PLAN PROCESS. (a) The division administers the accountability
19 plan process. The process includes the appointment of certification
20 panels for the approval of school goals and third-party
21 authorization agents for the approval of measurable academic
22 milestones.

23 (b) The commissioner may adopt guidelines and provide
24 information to help school management organizations and entities
25 that want to become school management organizations prepare and
26 submit accountability plans. The commissioner shall adopt rules
27 specifying:

1 (1) the required form for an accountability plan;

2 (2) the deadlines by which an accountability plan or
3 plan amendment must be submitted to become effective by the next
4 school application deadline;

5 (3) the deadlines by which the commissioner must
6 approve or disapprove an accountability plan or plan amendment,
7 with the plan or plan amendment considered automatically approved
8 if the commissioner does not act on or before the deadline;

9 (4) the composition of and procedures governing
10 certification panels;

11 (5) the process for selecting, compensating,
12 contracting with, and monitoring the performance of third-party
13 authorization agents; and

14 (6) the manner in which approved accountability plans
15 are made available to the general public.

16 (c) In adopting deadlines for accountability plan
17 submission and approval, the commissioner shall ensure that school
18 management organizations and entities that want to become school
19 management organizations have a reasonable time after plan
20 disapproval to submit amendments that remedy deficiencies in the
21 plan.

22 Sec. 2102.053. CONTENT OF ACCOUNTABILITY PLAN. (a) The
23 accountability plan for a Families First school must contain:

24 (1) the goal for the school;

25 (2) for each grade level at the school, academic
26 milestones that measure progress toward accomplishment of the goal;

27 (3) the academic assessments that will be used to

1 determine whether the school is meeting its academic milestones for
2 each grade level at the school; and

3 (4) the process and standards that the school will use
4 to certify the school's teachers.

5 (b) The accountability plan of a school to be operated as a
6 neighborhood school under Section 2102.105 must include geographic
7 boundaries of the neighborhood, but only for informational
8 purposes. If a school to be operated as a neighborhood school will
9 additionally be designated as a geographic zone school under
10 Section 2102.105(e), the accountability plan must also include the
11 boundaries of the zone for informational purposes. The
12 commissioner, a certification panel, and a third-party
13 authorization agent may not consider the suitability of the
14 boundaries of the neighborhood or zone, if applicable, during the
15 accountability plan approval process.

16 Sec. 2102.054. GOALS. (a) The goal of a school, as stated
17 in its accountability plan, is the ultimate objective of the
18 school. For purposes of its accountability plan, a school has one
19 stated goal. The accountability plan goal must be stated in a way
20 that is comprehensible to families of students and prospective
21 students.

22 (b) This subchapter does not prohibit a school from having
23 other stated goals for purposes other than its approved
24 accountability plan.

25 Sec. 2102.055. APPROVAL OF GOALS: CERTIFICATION PANELS
26 GENERALLY. (a) The division shall administer a system of
27 certification panels to review and approve the goal of each school

1 as stated in the school's accountability plan.

2 (b) Each certification panel is composed of seven members
3 appointed by the commissioner. The commissioner shall appoint two
4 or more certification panels to approve the accountability plan
5 goal of elementary schools, two or more certification panels to
6 approve the accountability plan goal of middle and junior high
7 schools, and a sufficient number of certification panels to approve
8 the accountability plan goal of high schools.

9 Sec. 2102.056. COMPOSITION AND DUTIES OF CERTIFICATION
10 PANELS FOR ELEMENTARY, MIDDLE, AND JUNIOR HIGH SCHOOLS. (a) The
11 commissioner shall appoint four middle or junior high school
12 principals and three members of the public to each elementary
13 school certification panel. In approving or disapproving the
14 accountability plan goal chosen for an elementary school, the panel
15 shall determine whether the goal is an appropriate goal considering
16 the need to prepare graduates of the school for the middle and
17 junior high schools the graduates are likely to attend. When a panel
18 approves or disapproves a goal, the panel shall state the reasons
19 for its approval or disapproval in writing.

20 (b) The commissioner shall appoint four high school
21 principals and three members of the public to each middle and junior
22 high school certification panel. In approving or disapproving the
23 accountability plan goal chosen for a middle or junior high school,
24 the panel shall determine whether the goal is an appropriate goal
25 considering the need to prepare graduates of the school for the high
26 schools the graduates are likely to attend. When a panel approves
27 or disapproves a goal, the panel shall state the reasons for its

1 approval or disapproval in writing.

2 Sec. 2102.057. COMPOSITION AND DUTIES OF CERTIFICATION
3 PANELS FOR HIGH SCHOOLS. (a) The commissioner shall appoint
4 certification panels of seven persons comprising an appropriate
5 combination of employers and providers of postsecondary
6 credentials in a field or fields described by the proposed goal in
7 an accountability plan submitted for a high school. For example, a
8 certification panel responsible for approving a goal that consists
9 only of having a stated percentage of graduates:

10 (1) admitted to a four-year university might be
11 composed of seven persons with admissions responsibilities at a
12 four-year university;

13 (2) admitted to a four-year university and a stated
14 percentage admitted to a community college might be composed of
15 seven persons, four of whom have admissions responsibilities at a
16 four-year university and three of whom have admissions
17 responsibilities at a community college; and

18 (3) admitted to a four-year university and a stated
19 percentage either employed in a specified field or industry or
20 obtaining a postsecondary credential relevant to that field or
21 industry might be composed of seven persons, two of whom have
22 admissions responsibilities at a four-year university, three of
23 whom have relevant connections to employers in the specified field
24 or industry, and two of whom have relevant connections to providers
25 of postsecondary credentials in the specified field or industry.

26 (b) A certification panel approving the accountability plan
27 goal of a high school shall certify that the goal for the school is

appropriate for:

(1) the type or types of postsecondary credentials or institutions of higher education, if any, contemplated by the goal; and

(2) employment within a specified field or industry, if contemplated by the goal.

(c) As part of making its determination under Subsection (b), the panel shall estimate the expected net economic value of obtaining any contemplated postsecondary credential or course of study at an institution of higher education by:

(1) determining the arithmetic mean of tuition, fees, and other required fees and expenses paid to providers of the contemplated postsecondary credentials or courses of study at an institution of higher education;

(2) determining the present value of the average expected increase in wages received as a result of obtaining the credential or completing the postsecondary course of study; and

(3) subtracting the amount determined under Subdivision (1) from the amount determined under Subdivision (2).

(d) The panel may not approve the goal if the panel derives a net negative expected economic value under Subsection (c).

(e) The school management organization operating a high school must publish the amount determined by the certification panel under Subsection (c) in its approved accountability plan for the school.

(f) When a panel approves or disapproves a goal, the panel shall state the reasons for its approval or disapproval in writing.

1 Sec. 2102.058. MILESTONES. (a) A milestone for a grade
2 level at a school is a precisely defined, quantifiable measurement
3 of progress toward the goal as measured by an assessment listed or
4 approved under Section 2102.060.

5 (b) The milestone for the final grade level at a school must
6 be directly related to the goal for the school.

7 Sec. 2102.059. APPROVAL OF MILESTONES; THIRD-PARTY
8 AUTHORIZATION AGENTS. (a) The commissioner shall select one or
9 more third-party authorization agents to approve or disapprove all
10 milestones in accountability plans. A third-party authorization
11 agent may approve or disapprove the milestones in an accountability
12 plan only after the goal in the accountability plan has been
13 approved by a certification panel.

14 (b) A third-party authorization agent may not review for
15 approval or disapproval the locally chosen goal approved by a
16 certification panel. The authorization agent may only determine
17 whether:

18 (1) each milestone for each grade level is a
19 reasonably appropriate benchmark, that is objectively measurable
20 with an approved assessment, for progress at that grade level
21 toward the goal; or

22 (2) for the final grade level of a school, the
23 milestone is a reasonably appropriate proxy for the goal that is
24 objectively measurable with an approved assessment.

25 (c) When a third-party authorization agent approves or
26 disapproves an academic milestone, the agent shall state the
27 reasons for its approval or disapproval in writing.

1 Sec. 2102.060. ASSESSMENTS. (a) The following assessments
2 are approved for use in accountability plans for Families First
3 schools:

4 (1) State of Texas Assessments of Academic Readiness
5 (STAAR) or any successor assessment instrument adopted under
6 Section 39.023(a);

7 (2) SAT;

8 (3) ACT;

9 (4) PSAT/NMSQT;

10 (5) Stanford Achievement Test (SAT-9 or SAT-10);

11 (6) Iowa Test of Basic Skills (ITBS);

12 (7) National Assessment of Educational Progress
13 (NAEP);

14 (8) Independent School Entrance Exam (ISEE);

15 (9) Secondary School Admission Test (SSAT);

16 (10) EXPLORE;

17 (11) PLAN;

18 (12) International Baccalaureate Exams (IB);

19 (13) Advanced Placement Exams (AP); and

20 (14) Programme for International Student Assessment
21 (PISA).

22 (b) The commissioner by rule may approve and publish
23 additional assessments that are considered acceptable methods to
24 determine a Families First school's progress in meeting the
25 academic milestones for various grade levels. To be acceptable for
26 use in an accountability plan, an assessment must be determined by
27 the commissioner to be statistically comparable to an assessment

1 listed in Subsection (a).

2 (c) The commissioner shall approve each assessment
3 contained in an accountability plan if the assessment is listed in
4 Subsection (a) or in the rule adopted under Subsection (b).

5 Sec. 2102.061. APPROVAL OF ACCOUNTABILITY PLAN. (a)
6 Subject to Subsection (b), the commissioner shall approve an
7 accountability plan on determining that:

8 (1) the accountability plan has a goal that has been
9 approved by the certification panel;

10 (2) the academic milestones and associated
11 assessments for each grade level in the school's accountability
12 plan have been approved by the third-party authorization agent;

13 (3) the assessments in the accountability plan are
14 approved for use under Section 2102.060; and

15 (4) the process and standards that the school will use
16 to certify the school's teachers are appropriate considering the
17 goal and academic milestones stated in the accountability plan.

18 (b) The commissioner may substitute the commissioner's
19 judgment for a certification panel's approval or disapproval of a
20 plan goal or a third-party authorization agent's approval or
21 disapproval of an academic milestone only if the commissioner
22 determines and states in writing that the certification panel's or
23 authorization agent's written reasons for approval or disapproval
24 are clearly erroneous. The commissioner must also state in writing
25 the specific finding of fact or reason of policy that supports the
26 commissioner's determination.

27 (c) The commissioner may decline to approve the process and

standards that a school will use to certify the school's teachers only if the commissioner determines and states in writing that the proposed process and standards are clearly inappropriate considering the goal and academic milestones in the accountability plan. The commissioner's written statement must include the commissioner's reasons and one or more specific findings of fact that support the commissioner's determination.

(d) On approval of a school's accountability plan, the process and standards for certification of the school's teachers, as described in the accountability plan, are considered to be approved by the state.

Sec. 2102.062. ACADEMIC REPORTING. (a) Each school management organization shall report to the division the results of its assessments and performance against milestones for each school that it operates, in accordance with each school's approved accountability plan, at the time specified by the commissioner but not less frequently than once each year.

(b) The commissioner shall adopt rules to ensure that the form and contents of the reports allow the division to determine how each Families First school operated by a school management organization is performing against the milestones established in that school's approved accountability plan.

(c) The commissioner shall adopt processes that allow for prompt reporting of the performance of each Families First school against:

(1) the milestones established in that school's approved accountability plan;

1 (2) the performance of comparable schools; and

2 (3) national and international norms.

3 [Sections 2102.063-2102.100 reserved for expansion]

4 SUBCHAPTER C. TYPES OF SCHOOLS; SCHOOL CHOICE AND ADMISSIONS

5 PROCESS

6 Sec. 2102.101. SCHOOL CHOICE AMONG FAMILIES FIRST SCHOOLS.

7 (a) Any student residing in this state may apply for admission to
8 any Families First school without regard to the location of the
9 school or the student's residence.

10 (b) Subject to Sections 2102.103, 2102.104, and 2102.105
11 and the admissions process prescribed by this subchapter, a student
12 may enroll at any Families First school that has open seats at the
13 grade level for which the student applies. If the school is a
14 selective school, the student must meet the established admissions
15 criteria.

16 Sec. 2102.102. TYPES OF FAMILIES FIRST SCHOOLS. (a) A
17 Families First school may be a selective school, a neighborhood
18 school, or an open school.

19 (b) A selective school or an open school may be either a
20 coeducational school or a single-sex school. A neighborhood school
21 must be a coeducational school.

22 Sec. 2102.103. SELECTIVE SCHOOLS. (a) A selective school
23 is a school with established admissions criteria for enrollment.

24 (b) Not more than 20 percent of the seats in all schools
25 operated by a school management organization may be seats in a
26 selective school, except as provided by Subsection (c).

27 (c) A school management organization that is not an

1 independent school district and that operates only one Families
2 First school may operate the school as a selective school provided
3 that enrollment is limited to not more than 200 students.

4 (d) The admissions criteria of a selective school:

5 (1) may not discriminate on the basis of income,
6 national origin, ethnicity, race, religion, or disability; and

7 (2) must be reasonably related to the school's
8 certified goal.

9 (e) The admissions criteria and admissions process must be
10 included in the selective school's accountability plan and are
11 subject to approval by the commissioner and evaluation by a third
12 party authorization agent as part of the plan approval process.

13 (f) The school management organization operating the
14 selective school determines which applicants meet the admissions
15 criteria.

16 (g) If the school management organization operating a
17 selective school is an independent school district, all timely
18 applicants for admission who reside within the district and meet
19 the admissions criteria are entitled to preference in admission
20 over applicants who reside outside the district.

21 Sec. 2102.104. OPEN SCHOOLS. (a) An open school is a
22 school:

23 (1) that does not have established admissions criteria
24 for admission; and

25 (2) for which, if there are more applicants for
26 admission than open seats at the school, admission to the school is
27 determined by an unweighted lottery.

(b) Notwithstanding Subsection (a)(2), if the school management organization operating an open school is an independent school district, all timely applicants who reside within the district are entitled to preference in admission over applicants who reside outside the district. If there are more timely in-district applicants than open seats at such a school, admission to the school is determined by an unweighted lottery among those applicants. If there are open seats at the school after all timely in-district applicants have been admitted for the school year, subsequent admissions processes for the school year may not distinguish between in-district and out-of-district applicants.

(c) Notwithstanding Subsections (a) and (b), any sibling of an existing student at an open school and any child of a teacher or employee at an open school is entitled to enroll in the school if:

(1) the school has open seats at the grade level for which the sibling or child of a teacher or employee applies; and

(2) the sibling or child of a teacher or employee is not disqualified from admission for a reason such as school safety or discipline.

(d) If there are more siblings and children of teachers and employees at the open school who are entitled to enroll under Subsection (c) who have made timely application to enroll than open seats at the school, admission to the school is determined by an unweighted lottery among those children, with siblings having priority over the children of teachers and employees in the process.

Sec. 2102.105. NEIGHBORHOOD SCHOOLS. (a) A neighborhood

1 school is a school:

2 (1) that does not have established admissions criteria
3 for admission; and

4 (2) for which, if there are more applicants for
5 admission than open seats at the school, admission to the school is
6 by a weighted lottery that assigns weights to applicants so that an
7 applicant's probability of admission increases with the proximity
8 of the applicant's residence to the school.

9 (b) Notwithstanding Subsection (a)(2), if the school
10 management organization operating a neighborhood school is an
11 independent school district, all timely applicants who reside
12 within the district are entitled to preference in admission over
13 applicants who reside outside the district. If there are more
14 timely in-district applicants than open seats at such a school,
15 admission to the school is determined by a weighted lottery among
16 those applicants that assigns weights so that an applicant's
17 probability of admission increases with the proximity of the
18 applicant's residence to the school. If there are open seats at the
19 school after all timely in-district applicants have been admitted
20 for the school year, subsequent admissions processes for the school
21 year may not distinguish between in-district and out-of-district
22 applicants.

23 (c) Notwithstanding Subsections (a) and (b), any sibling of
24 an existing student at a neighborhood school and any child of a
25 teacher or employee at a neighborhood school is entitled to enroll
26 in the school if:

27 (1) the school has open seats at the grade level for

1 which the sibling or child of a teacher or employee applies; and

2 (2) the sibling or child of a teacher or employee is
3 not disqualified from admission for a reason such as school safety
4 or discipline.

5 (d) If there are more siblings and children of teachers and
6 employees at the neighborhood school who are entitled to enroll
7 under Subsection (c) who have made timely application to enroll
8 than open seats at the school, admission to the school is determined
9 by an unweighted lottery among those children, with siblings having
10 priority over the children of teachers and employees in the
11 process.

12 (e) If the school management organization operating a
13 neighborhood school is an independent school district, the district
14 may additionally designate the neighborhood school as a geographic
15 zone school and designate boundaries of the zone for purposes of
16 this subsection. A student who resides within the designated zone
17 and ranks the school as the student's first preference in
18 accordance with Section 2102.107(c) is entitled to attend the
19 school, subject to the same conditions and processes applicable to
20 a sibling of an existing student under Subsections (c) and (d). A
21 student entitled to attend a school under this subsection has the
22 same priority as a sibling of an existing student.

23 Sec. 2102.106. APPLICATION AND ADMISSIONS PROCESS. The
24 division shall organize and administer a unified statewide
25 application system for all students who wish to apply to a Families
26 First school. The division shall incorporate into the system a
27 unified statewide admissions process for students who will enroll

1 in a Families First school.

2 Sec. 2102.107. APPLICATION AND ADMISSIONS PROCESS: OPEN
3 SCHOOLS AND NEIGHBORHOOD SCHOOLS. (a) This section applies only to
4 open schools and neighborhood schools.

5 (b) On or before the capacity declaration deadline, a date
6 established by the commissioner, each Families First school shall
7 declare to the division the number of open seats available at each
8 grade level for the upcoming school year.

9 (c) On or before the application deadline, a date
10 established by the commissioner, each student who wishes to apply
11 to a Families First school must submit an application through the
12 statewide unified application system. The division shall require
13 each student seeking admission to a Families First school to submit
14 applications to at least three Families First schools through the
15 system and to rank the schools in order of preference.

16 (d) The division shall match students with schools
17 according to rules adopted by the division, taking into account,
18 among other factors, school capacity and the preference rankings of
19 the students.

20 (e) On or before the admission notification deadline, a date
21 established by the commissioner but not later than the 30th day
22 after the application deadline, the division shall inform each
23 Families First school of its list of admitted students.

24 Sec. 2102.108. APPLICATION AND ADMISSIONS PROCESS:
25 SELECTIVE SCHOOLS. (a) This section applies only to selective
26 schools.

27 (b) On or before the capacity declaration deadline

1 established under Section 2102.107, each selective Families First
2 school shall declare to the division the number of open seats
3 available at each grade level for the upcoming school year.

4 (c) The selective school shall establish an application
5 deadline for the school that is not later than the application
6 deadline established under Section 2102.107. On or before a
7 selective school's application deadline, each student who wishes to
8 apply to the selective school must submit an application to the
9 school. The selective school is responsible for entering the
10 application information into the statewide unified application
11 system not later than the application deadline established under
12 Section 2102.107.

13 (d) A selective school is responsible for administering its
14 own admissions process in compliance with the admissions criteria
15 described in its approved accountability plan.

16 (e) Not later than the 14th calendar day before the
17 admission notification deadline established under Section
18 2102.107, a selective school must provide a list of admitted
19 students and a rank-ordered list of students on the waiting list to
20 the division. The division will use this information for purposes
21 of the matching process under Section 2102.107.

22 Sec. 2102.109. ENROLLMENT PROCESS; SUPPLEMENTAL SCHOOL
23 ADMISSIONS PROCESS. (a) After receiving the list of admitted
24 students from the division, each Families First school shall
25 contact each admitted student and ask the student to sign an
26 enrollment commitment. Once a student has enrolled in a school, the
27 student may not enroll in another Families First school for the

1 upcoming school year.

2 (b) All enrollments must be completed by the enrollment
3 deadline, a date established by the commissioner that may not be
4 later than the 30th day after the date of the admission notification
5 deadline.

6 (c) An admitted student who does not enroll by the
7 enrollment deadline will be placed back into the division's school
8 matching system and will participate in a supplemental matching
9 process conducted by the division.

10 (d) The division shall conduct a supplemental admissions
11 process on a day-to-day rolling basis as needed to admit students
12 who are entering the state's public education system and students
13 who wish to change to a different school. The supplemental
14 admissions process is conducted in the same manner as the standard
15 admissions process under Section 2102.107, including the
16 declaration of open seats, application submission, the matching
17 process, and enrollment.

18 [Sections 2102.110-2102.150 reserved for expansion]

19 SUBCHAPTER D. EDUCATION ADVISORS

20 Sec. 2102.151. DEFINITION. In this subchapter, "education
21 advisor" means a person who advises and assists families regarding
22 education decisions, including school choice decisions, that the
23 family will make for children in the family who will attend a
24 primary or secondary school in this state.

25 Sec. 2102.152. LICENSE REQUIREMENT. (a) An education
26 advisor must be licensed under this subchapter to:

27 (1) receive payment under this subchapter; or

1 (2) advertise the person's services as an education
2 advisor.

3 (b) The division shall design and administer the licensing
4 process. The process must include:

5 (1) a way to ensure that licensed education advisors
6 are knowledgeable about the matters they must understand to
7 properly advise and assist families;

8 (2) relevant required continuing education for
9 license holders; and

10 (3) standards of ethics prescribed by the commissioner
11 that ensure licensed education advisors put the interests of the
12 families and students they advise ahead of other interests.

13 Sec. 2102.153. ENGAGING AN EDUCATION ADVISOR. (a) A family
14 may engage a licensed education advisor by signing a separate
15 contract with the advisor for each student in the family regarding
16 whom the advisor will provide advice and assistance. The contract
17 must be a form contract approved by the division.

18 (b) The term of the contract may not exceed one year.

19 Sec. 2102.154. REPORT. (a) A licensed education advisor
20 shall report to the division each contract entered into by the
21 advisor under Section 2102.153. The report must include the
22 information that the commissioner requires by rule.

23 (b) Information in a report under this section that
24 identifies or tends to identify the student or the student's family
25 is confidential.

26 Sec. 2102.155. AMOUNT AND PAYMENT OF FEE. (a) The base fee
27 for the one-year term of the contract is \$200 per student, although

1 the commissioner shall prescribe a supplemental fee schedule based
2 on the category of student regarding whom the advisor advises and
3 assists a family. The commissioner shall base the categories of the
4 supplemental fee schedule on the categories described or referenced
5 by Subchapter F for purposes of assigning weights to students to
6 determine the amount of Foundation School Program funds that are
7 attributable to each student. In designing the fee schedule, the
8 commissioner shall ensure that:

9 (1) licensed education advisors are paid more to
10 advise and assist families regarding students in categories with
11 characteristics that indicate greater effort will be required to
12 properly place the students; and

13 (2) the fee schedule does not depend on the school in
14 which a student enrolls, so that the schedule does not create
15 incentives to place a student in a school or program for which the
16 student is not well-suited.

17 (b) With regard to who pays the fees of a licensed education
18 advisor and the source of the fees, if the student enrolls at:

19 (1) a Families First school, the school shall pay the
20 licensed education advisor's fee out of the Foundation School
21 Program funds that the school receives for that student under
22 Subchapter F; or

23 (2) a private, parochial, or public school that is not
24 described by Subdivision (1):

25 (A) the school or school district may but is not
26 required to pay the licensed education advisor's fee;

27 (B) the amount of the fee paid, if any, may not

1 exceed the amount established under Subsection (a); and

2 (C) if the school is a public school operated by
3 an independent school district that has not adopted the Families
4 First system and the school decides to pay the fee, the district
5 shall pay the fee out of the district's Foundation School Program
6 funds.

7 (c) For providing advice and assistance as an education
8 advisor, a licensed education advisor may not receive payment or
9 reimbursement of expenses from a family member of an advised
10 student, a school, a school officer or employee, a school
11 management organization or an officer or employee of the
12 organization, or another person interested in which school a
13 student attends.

14 (d) If the commissioner finds in a contested case under
15 Chapter 2001, Government Code, that a licensed education advisor
16 received payment or reimbursement of expenses in violation of
17 Subsection (c):

18 (1) the commissioner shall revoke the license of the
19 education advisor; and

20 (2) the education advisor shall pay to the state an
21 amount equal to the amount of all fees the education advisor
22 received under Subsection (b) for services performed during the
23 calendar year in which the violation occurred.

24 Sec. 2102.156. CORPORATE FORM PROHIBITED. (a) An
25 education advisor must operate as a sole proprietorship or organize
26 with one or more other education advisors in a partnership. An
27 education advisor or group of education advisors may not organize

1 in a corporate form, including in a limited liability corporate or
2 professional limited liability corporate form.

3 (b) This section does not prohibit an education advisor from
4 contracting with a corporate entity to provide the education
5 advisor with goods and services the education advisor uses in
6 performing the education advisor's responsibilities under this
7 subchapter.

8 [Sections 2102.157-2102.200 reserved for expansion]

9 SUBCHAPTER E. ACCOUNTABILITY TRIGGERS

10 Sec. 2102.201. TYPES OF ACCOUNTABILITY TRIGGERS. (a) The
11 pulling of an accountability trigger starts a process managed by
12 the division that allows but does not require the families of
13 students at a Families First school to change the school management
14 organization that will operate the school beginning with the
15 subsequent school year.

16 (b) There are two types of accountability triggers: the
17 state trigger and the family trigger.

18 Sec. 2102.202. STATE TRIGGER. (a) In this section:

19 (1) "Assessment" means the testing or other assessment
20 mechanism that, under the approved accountability plan for a
21 Families First school, is used to measure how a grade level at the
22 school performed in meeting its milestone.

23 (2) "Milestone" means the milestone for a grade level
24 at a Families First school under the school's approved
25 accountability plan.

26 (b) The division shall ensure that the results of each
27 assessment for each grade level at each Families First school are

1 promptly sent to the division. The commissioner shall pull the
2 state trigger for a Families First school when the results of the
3 assessments for any grade level at the school show that the school
4 failed to meet its milestone for that grade level.

5 (c) The division shall ensure that a school is accountable
6 under Subsection (b) only for the assessment of students who spent
7 at least 90 calendar days at the school during the school year,
8 except that for a student who did not spend at least 90 calendar
9 days at any one Families First school during the school year, the
10 first Families First school at which the student was enrolled
11 during the school year is responsible for the student's assessment
12 results under Subsection (b).

13 Sec. 2102.203. EFFECT OF PULLING STATE TRIGGER. (a) When
14 the commissioner pulls the state trigger for a school, the division
15 shall promptly start the process under which the families of
16 students at the school may but are not required to change the school
17 management organization that will operate the school beginning with
18 the subsequent school year.

19 (b) The division shall ensure that:

20 (1) the school management organization currently
21 operating the school and other school management organizations that
22 are qualified to operate the school are:

23 (A) promptly notified that the state trigger has
24 been pulled for the school; and

25 (B) invited to compete for the right to operate
26 the school subject to the school's current approved accountability
27 plan goal;

1 (2) the families of students at the school and their
2 licensed education advisors are promptly notified that the state
3 trigger has been pulled and of:

4 (A) the families' role and choices in the
5 subsequent decision-making process;

6 (B) the procedures and deadlines that will apply
7 to the process; and

8 (C) the time, place, and agenda of any meetings
9 that are part of the process;

10 (3) the procedures and deadlines allow time for a
11 qualified school management organization to be in place operating
12 the school during the subsequent school year;

13 (4) a qualified and disinterested person will preside
14 over any meeting at which decisions are made;

15 (5) each family has one vote for each student who is
16 currently enrolled at the school;

17 (6) there is a procedure to determine how a family's
18 vote is cast if the parents or guardians in the family disagree; and

19 (7) the procedures include instant runoff voting so
20 that the decision on which school management organization will
21 operate the school can be made with a single round of voting.

22 (c) The school management organization chosen by the
23 families to operate the school continues to operate the school from
24 year to year subject to the accountability trigger process and this
25 title.

26 Sec. 2102.204. FAMILY TRIGGER. (a) The family trigger for
27 a Families First school may be pulled for any reason, including a

1 desire to consider changing the operator of the school to a
2 different school management organization or a desire to change the
3 goal of the school or some other aspect of the school's approved
4 accountability plan.

5 (b) A family trigger is pulled by a petition sent to the
6 division signed by the families of at least 50 percent of the
7 students at the school that specifies the change or changes that the
8 families are contemplating.

9 (c) The commissioner shall establish the deadlines by which
10 a family trigger must be pulled to make a change for the subsequent
11 school year. The deadlines must ensure that families who disagree
12 with any change to the approved accountability plan have sufficient
13 time to find and enroll the student in a different school.

14 Sec. 2102.205. EFFECT OF PULLING FAMILY TRIGGER. (a) If a
15 petition under Section 2102.204 proposes a change in the school
16 management organization that operates the school, Sections
17 2102.203(b) and (c) apply as if the commissioner had pulled the
18 state trigger, except that:

19 (1) the school management organization currently
20 operating the school and other school management organizations that
21 are qualified to operate the school may propose an approved
22 accountability plan that has a different goal than the current goal
23 for the school; and

24 (2) the commissioner shall conform the procedures and
25 deadlines as necessary to allow families to make a timely informed
26 choice regarding any proposed changes to the goal.

27 (b) If a petition under Section 2102.204 proposes a change

to the school's approved accountability plan, including a change to the goal, the division shall ensure that:

(1) the families of students at the school are promptly notified of:

(A) the proposal to change the school's approved accountability plan;

(B) the families' role and choices in the subsequent decision-making process;

(C) the procedures and deadlines that will apply to the process; and

(D) the time, place, and agenda of any meetings that are part of the process;

(2) a qualified and disinterested person will preside over any meeting at which decisions are made;

(3) each family has one vote for each student who will attend the school during the subsequent school year; and

(4) there is a procedure to determine how a family's vote is cast if the parents or guardians in the family disagree.

Sec. 2102.206. OPEN MEETINGS LAW. Chapter 551, Government Code, does not apply to a meeting of the families held under Section 2102.203 or 2102.205, but the division shall ensure that notice to the families and other interested persons of any meeting held under either of those sections is timely and effective.

Sec. 2102.207. LEASE OF PHYSICAL CAMPUS AFTER CHANGE OF SCHOOL OPERATOR. (a) If the school management organization that operates a Families First school is changed under this subchapter and the physical campus of the school is owned by a governmental

1 entity, the owner shall lease the physical campus to the new school
2 management organization for:

3 (1) an amount equal to the debt service on the prorated
4 portion of outstanding indebtedness associated with the physical
5 campus; or

6 (2) if there is no outstanding indebtedness associated
7 with the physical campus, \$1 per year.

8 (b) If the school management organization that operates a
9 Families First school is changed under this subchapter and the
10 physical campus of the school is not owned by a governmental entity,
11 the owner shall lease the physical campus to the new school
12 management organization in accordance with the current lease
13 agreement if the term of the current lease agreement has not expired
14 or been terminated in accordance with the terms of the lease.

15 [Sections 2102.208-2102.250 reserved for expansion]

16 SUBCHAPTER F. FUNDING FOLLOWS THE STUDENT

17 Sec. 2102.251. DEFINITION. In this subchapter, "student"
18 means a student who attends a Families First school.

19 Sec. 2102.252. FUNDING: GENERAL PRINCIPLES. (a) Public
20 funding follows the student to the student's Families First school
21 without regard to whether the funding derives from local tax
22 dollars, state government sources of funding, or the federal
23 government.

24 (b) All public funding that can be reasonably attributed to
25 an individual student is considered direct funding.

26 (c) All public funding that cannot be reasonably attributed
27 to an individual student is considered indirect funding. The

amount of public funds that are payable to Families First schools under this chapter that represent indirect funding shall be allocated to individual students attending those schools on a pro rata basis except to the extent that a portion of those funds should be allocated to individual students on a weighted basis to preserve the intent of the funding.

(d) A student may enroll in only one school at a time. All direct funding attributed to a student and all indirect funding allocated to a student is paid to the Families First school in which the student is enrolled. If a student changes the school in which the student is enrolled during a school year, the direct and indirect funding follows the student to the new school as of the date the student changes enrollment.

(e) Public funding is distributed to Families First schools based on enrollment and not average or weighted average daily attendance, as defined by Sections 42.005 and 42.302, except to the extent that federal funding must be distributed in a different way under federal law.

Sec. 2102.253. FUNDING UNDER THE FOUNDATION SCHOOL PROGRAM AND OTHER STATE AND LOCAL FUNDING. (a) To the extent consistent with this title, the following provisions apply to the funding of Families First schools:

- (1) Chapters 41, 42, and 43;
- (2) Subchapters A and C, Chapter 44; and
- (3) Chapters 45 and 46.

(b) The commissioner of education shall recommend and the commissioner of education choice shall by rule establish the

procedures under which, for purposes of distributing Foundation School Program funds and other state and local funding, the commissioner of education choice, with the assistance of the commissioner of education, will make the most timely yet accurate estimates possible regarding:

(1) the number of students who will enroll at Families First schools;

(2) the regular program or adjusted basic allotments attributable to those students under Subchapter B, Chapter 42, based on the residence of those students and any other relevant factors under that law;

(3) the additional special allotments attributable to those students under Subchapter C, Chapter 42, based on the factors relevant under that law;

(4) the additional portion of the allotments attributable to those students under Subchapter F, Chapter 42, based on the residence of those students;

(5) the weighted or pro rata share of funds appropriated for instructional materials attributable to those students;

(6) the appropriate share attributable to those students, if any, of the school facilities allotment and the allotment for assistance with payment of existing debt under Chapter 46, based on the residence of the students; and

(7) any other state or local public funding that may fairly be attributed on a pro rata or weighted basis to individual students.

1 (c) The commissioner of education shall recommend and the
2 commissioner of education choice shall by rule establish a fair and
3 reasonable percentage that, when multiplied by actual or estimated
4 enrollment as applicable, will allow school finance formulas based
5 on average or weighted average daily attendance, as defined by
6 Sections 42.005 and 42.302, to be converted to formulas based on
7 enrollment for purposes of distributing funds under this chapter.
8 The percentage established under this subsection, when applied,
9 must be revenue neutral with respect to the total funding of all
10 schools operating under this title.

11 (d) The commissioner of education shall recommend and the
12 commissioner of education choice shall by rule establish a
13 procedure under which:

14 (1) the amount of state and local public funds that
15 follow each student under this chapter is computed based on the
16 estimates made in accordance with Subsection (b) and the percentage
17 determined under Subsection (c); and

18 (2) those amounts are transferred to the control of
19 the commissioner of education choice for distribution to Families
20 First schools in accordance with this chapter.

21 (e) The commissioner of education shall recommend and the
22 commissioner of education choice shall by rule establish a
23 procedure analogous to the procedure established under Section
24 42.253(i) that allows an adjustment, on a going forward basis, of
25 the state and local public funds payable to Families First schools
26 based on the actual amount of state and local public funds to which
27 the schools are entitled under this chapter.

1 (f) When a student's residence and/or enrolled school
2 changes in a way that would impact the amount of funding calculated
3 under this section, the enrolled school shall notify the
4 commissioner and the commissioner shall adjust amounts due under
5 this section.

6 Sec. 2102.254. FEDERAL FUNDING. The commissioner of
7 education shall establish procedures and standards based on state
8 and federal law under which federal money that can be reasonably
9 attributed to an individual student as direct funding or allocated
10 to an individual student as indirect funding is paid in accordance
11 with federal law to the Families First school in which the student
12 is enrolled.

13 Sec. 2102.255. FISCAL REPORTING. (a) A school management
14 organization shall report to the division quarterly in accordance
15 with generally accepted accounting principles regarding the fiscal
16 operations of the schools operated by the organization.

17 (b) The commissioner shall adopt rules to ensure that the
18 form and contents of the reports allow the division to determine
19 whether the school management organization is operating in
20 accordance with fiscal standards and fiscal requirements
21 established by this title or by rule of the commissioner.

22 SECTION 2. (a) As soon as possible after the effective date
23 of this Act, the governor shall appoint a person to serve as the
24 commissioner of education choice for a term expiring February 1,
25 2015.

26 (b) The Texas Education Choice Division shall ensure that
27 all necessary actions have been taken so that schools that, under

1 the choice mechanisms of Title 7, Education Code, as added by this
2 Act, will operate as Families First schools can operate as Families
3 First schools beginning with the 2014-2015 school year. To the
4 extent the commissioner of education choice considers it necessary
5 to accomplish this duty, the commissioner may adopt the
6 commissioner's initial rules as emergency rules under Section
7 2001.034, Government Code.

8 SECTION 3. This Act takes effect September 1, 2013.