

By: Villalba

H.B. No. 125

A BILL TO BE ENTITLED

AN ACT

relating to open-enrollment charter schools.

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

SECTION 1. Section 12.106, Education Code, is amended by adding Subsections (a-3), (a-4), (a-5), (a-6), and (e) to read as follows:

(a-3) In addition to the funding provided by Subsections (a) and (a-2), a charter holder who meets the eligibility requirements under Subsection (a-4) may elect to receive for the open-enrollment charter school supplemental funding for each student in average daily attendance in an amount equal to the difference between:

(1) the statewide average amount of state and local revenue, including maintenance and operations revenue and revenue for debt service, of a school district per student in average daily attendance; and

(2) the amount of funding per student in average daily attendance to which the charter holder is entitled under Subsections (a) and (a-2).

(a-4) A charter holder is eligible to receive supplemental funding under Subsection (a-3) if:

(1) for a charter holder for whom at least 50 percent of enrolled students for the current year are economically disadvantaged, as determined by the agency, the percentage of the charter holder's economically disadvantaged students who achieved

the college readiness performance standard on two or more assessment instruments administered under Section 39.023(a) or (c) exceeded the percentage of all economically disadvantaged students in the state who achieved that standard on two or more of those assessment instruments for at least two of the last three preceding school years;

(2) for a charter holder for whom less than 50 percent of enrolled students for the current year are economically disadvantaged, as determined by the agency, the percentage of the charter holder's students who are not economically disadvantaged and who achieved the college readiness performance standard on two or more assessment instruments administered under Section 39.023(a) or (c) exceeded the percentage of all students in the state who are not economically disadvantaged and who achieved that standard on two or more of those assessment instruments for at least two of the last three preceding school years; or

(3) the charter holder has qualified for and received supplemental funding under Subdivision (1) or (2) for three consecutive school years.

(a-5) A charter holder who establishes eligibility under Subsection (a-4)(3) remains eligible for supplemental funding in subsequent school years and is not required for those years to satisfy the criteria described by Subsection (a-4)(1) or (2), provided that the charter holder continues to comply with the requirements imposed by Section 12.1071(c).

(a-6) In determining eligibility for supplemental funding under Subsection (a-4) for the current year, a charter holder may

elect to exclude the results on assessment instruments administered to students enrolled at a campus established two years or less before the date on which eligibility is determined if the charter holder notifies the agency of the charter holder's election not later than the date specified by the commissioner.

(e) Notwithstanding any other provision of this section, the total amount of funding per student in average daily attendance to which a charter holder who elects to receive supplemental funding under Subsection (a-3) may be entitled for an open-enrollment charter school under this section may not exceed the average amount of state and local revenue, including maintenance and operations revenue and revenue for debt service, per student in average daily attendance of the school districts located within the regional boundaries of the regional education service center within whose boundaries a majority of the charter holder's students attend school. If a charter holder's funding would exceed that amount, the amount of funding to which the charter holder would otherwise be entitled under this section shall be reduced to comply with the maximum amount of funding described by this subsection.

SECTION 2. Section [12.1071](#), Education Code, is amended by adding Subsection (c) to read as follows:

(c) A charter holder who accepts supplemental funding under Section [12.106](#)(a-3) for a school year:

(1) may not expel a student during that school year unless the expulsion is required or permitted under Chapter [37](#); and

(2) shall provide a disciplinary alternative

1 education program or juvenile justice alternative education  
2 program, as applicable, during that school year to a student for  
3 whom a school district would be required to provide the program  
4 under Chapter 37, in the manner provided by that chapter.

5 SECTION 3. Section 12.1101, Education Code, is amended to  
6 read as follows:

7 Sec. 12.1101. NOTIFICATION OF CHARTER APPLICATION OR  
8 ESTABLISHMENT OF CAMPUS. (a) The commissioner by rule shall adopt  
9 a procedure for providing notice to the following persons on  
10 receipt by the commissioner of an application for a charter for an  
11 open-enrollment charter school under Section 12.110 or of notice of  
12 the establishment of a campus as authorized under Section  
13 12.101(b-4):

14 (1) the superintendent and board of trustees of each  
15 school district within a three-mile radius of the address or  
16 intersection at ~~[from]~~ which the proposed open-enrollment charter  
17 school or campus is likely to be located ~~[draw students, as~~  
18 ~~determined by the commissioner]~~; and

19 (2) each member of the legislature who ~~[that]~~  
20 represents a ~~[the]~~ geographic area within a three-mile radius of  
21 the address or intersection at which ~~[to be served by]~~ the proposed  
22 school or campus is likely to be located ~~[, as determined by the~~  
23 ~~commissioner]~~.

24 (b) Not later than the 30th day after the date on which an  
25 applicant or charter holder acquires property intended to serve as  
26 the location of a proposed open-enrollment charter school or campus  
27 for which notice was provided under Subsection (a), the applicant

1 or charter holder shall provide notice of the address of the  
2 acquired property to:

3 (1) the superintendent and board of trustees of each  
4 school district within a three-mile radius of the property; and

5 (2) each member of the legislature who represents a  
6 geographic area within a three-mile radius of the property.

7 SECTION 4. Subchapter D, Chapter 12, Education Code, is  
8 amended by adding Sections 12.138 and 12.139 to read as follows:

9 Sec. 12.138. CONTRACTS TO OPERATE ALTERNATIVE EDUCATION  
10 PROGRAMS. (a) A charter holder who receives supplemental funding  
11 under Section 12.106(a-3) shall enter into a memorandum of  
12 understanding with the juvenile board of the county in which the  
13 majority of the charter holder's students attend school for the  
14 board to operate on behalf of the charter holder a juvenile justice  
15 alternative education program required under Section 12.1071(c) if  
16 the board has developed such a program. The board is entitled to  
17 receive all funding to which the charter holder would otherwise  
18 have been entitled for each student enrolled by the charter holder  
19 in the program.

20 (b) A charter holder who receives supplemental funding  
21 under Section 12.106(a-3) may enter into a memorandum of  
22 understanding with the board of trustees of a school district  
23 located within the regional boundaries of the regional education  
24 service center within whose boundaries the majority of the charter  
25 holder's students attend school for the district to operate on  
26 behalf of the charter holder a disciplinary alternative education  
27 program required under Section 12.1071(c). The district is entitled

1 to receive all funding to which the charter holder would otherwise  
2 have been entitled for each student enrolled by the charter holder  
3 in the program.

4 (c) The juvenile board of a county or board of trustees of a  
5 school district shall enter into a memorandum of understanding as  
6 provided by Subsection (a) or (b) on request by a charter holder to  
7 whom that subsection applies.

8 (d) Each student enrolled by a charter holder in an  
9 alternative education program under Subsection (a) or (b) is  
10 considered a student of the charter holder for purposes of:

11 (1) determining the amount of funding to which the  
12 charter holder would otherwise have been entitled for that student  
13 under Section 12.106, including eligibility for supplemental  
14 funding under Section 12.106(a-3); and

15 (2) accountability under Chapters 39 and 39A.

16 Sec. 12.139. CONTRACT TO OPERATE SCHOOL DISTRICT CAMPUS.

17 (a) A charter holder who receives supplemental funding under  
18 Section 12.106(a-3) may contract with the board of trustees of a  
19 school district for the charter holder to operate one or more of the  
20 district's campuses. The district may receive all or part of the  
21 charter holder's supplemental funding, in an amount determined by  
22 the charter holder, to which the charter holder is entitled for each  
23 student enrolled at that campus.

24 (b) Each student enrolled at a campus operated by a charter  
25 holder under Subsection (a) is considered a student of:

26 (1) the charter holder for purposes of determining the  
27 amount of funding to which the charter holder is entitled for that

1 student under Section 12.106, including eligibility for  
2 supplemental funding under Section 12.106(a-3); and

3 (2) the school district for purposes of accountability  
4 under Chapters 39 and 39A.

5 (c) Notwithstanding any other provision of this code, for  
6 not less than three years after the date on which a charter holder  
7 begins operating a school district's campus under Subsection (a),  
8 the commissioner may not take action against the campus under  
9 Chapter 39A for the reason that the campus received the lowest  
10 performance rating under Section 39.054.

11 SECTION 5. Subchapter A, Chapter 11, Education Code, is  
12 amended by adding Section 11.004 to read as follows:

13 Sec. 11.004. CONTRACT WITH HIGH-PERFORMING OPEN-ENROLLMENT  
14 CHARTER SCHOOL TO OPERATE CAMPUS. The board of trustees of a school  
15 district may contract with an open-enrollment charter school to  
16 which Section 12.139 applies for the charter school to operate one  
17 or more of the district's campuses as provided by that section.

18 SECTION 6. This Act applies beginning with the 2017-2018  
19 school year.

20 SECTION 7. This Act takes effect September 1, 2017, if it  
21 receives a vote of two-thirds of all the members elected to each  
22 house, as provided by Section 39, Article III, Texas Constitution.  
23 If this Act does not receive that vote, this Act takes effect on the  
24 91st day after the last day of the legislative session.