

1-1 By: Giddings, White (Senate Sponsor - Zaffirini) H.B. No. 2223
 1-2 (In the Senate - Received from the House May 8, 2017;
 1-3 May 9, 2017, read first time and referred to Committee on Higher
 1-4 Education; May 15, 2017, reported favorably by the following vote:
 1-5 Yeas 7, Nays 0; May 15, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to developmental coursework offered by public
 1-18 institutions of higher education under the Texas Success
 1-19 Initiative.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 ARTICLE 1. TEXAS SUCCESS INITIATIVE

1-22 SECTION 1.01. Chapter 51, Education Code, is amended by
 1-23 adding Subchapter F-1, and a heading is added to that subchapter to
 1-24 read as follows:

1-25 SUBCHAPTER F-1. TEXAS SUCCESS INITIATIVE

1-26 SECTION 1.02. Sections 51.3062(a) and (a-1), Education
 1-27 Code, are transferred to Subchapter F-1, Chapter 51, Education
 1-28 Code, as added by this Act, redesignated as Section 51.331,
 1-29 Education Code, and amended to read as follows:

1-30 Sec. 51.331. DEFINITIONS. (a) The definitions provided by
 1-31 Section 61.003 apply to this subchapter ~~[section]~~.

1-32 (b) ~~[(a-1)]~~ In this subchapter ~~[section]~~:

1-33 (1) "Basic academic skills education" means
 1-34 non-course competency-based developmental education programs and
 1-35 interventions designed for students whose performance falls
 1-36 significantly below college readiness standards.

1-37 (2) "Program evaluation" means a systematic method of
 1-38 collecting, analyzing, and using information to answer questions
 1-39 about developmental education courses, interventions, and
 1-40 policies, particularly about their effectiveness and
 1-41 cost-efficiency.

1-42 SECTION 1.03. Section 51.3062(r), Education Code, is
 1-43 transferred to Subchapter F-1, Chapter 51, Education Code, as added
 1-44 by this Act, redesignated as Section 51.332, Education Code, and
 1-45 amended to read as follows:

1-46 Sec. 51.332. APPLICABILITY. ~~[(r)]~~ This subchapter
 1-47 ~~[section]~~ does not apply to:

1-48 (1) a student who has graduated with an associate or
 1-49 baccalaureate degree from an institution of higher education;

1-50 (2) a student who transfers to an institution of
 1-51 higher education from a private or independent institution of
 1-52 higher education or an accredited out-of-state institution of
 1-53 higher education and who has satisfactorily completed
 1-54 college-level coursework;

1-55 (3) a student who is enrolled in a certificate program
 1-56 of one year or less at a public junior college, a public technical
 1-57 institute, or a public state college;

1-58 (4) a student who is serving on active duty as a member
 1-59 of:

1-60 (A) the armed forces of the United States; or

1-61 (B) the Texas National Guard;

2-1 (5) a student who is currently serving as and, for at
 2-2 least the three-year period preceding enrollment, has served as a
 2-3 member of a reserve component of the armed forces of the United
 2-4 States; or

2-5 (6) a student who on or after August 1, 1990, was
 2-6 honorably discharged, retired, or released from:

2-7 (A) active duty as a member of the armed forces of
 2-8 the United States or the Texas National Guard; or

2-9 (B) service as a member of a reserve component of
 2-10 the armed forces of the United States.

2-11 SECTION 1.04. Section 51.3062(b), Education Code, is
 2-12 transferred to Subchapter F-1, Chapter 51, Education Code, as added
 2-13 by this Act, redesignated as Section 51.333, Education Code, and
 2-14 amended to read as follows:

2-15 Sec. 51.333. COLLEGE READINESS ASSESSMENT REQUIRED. (a)
 2-16 ~~[(b)]~~ An institution of higher education shall, using an
 2-17 assessment instrument designated by the board under Section 51.334,
 2-18 assess the academic skills of each entering undergraduate student
 2-19 to determine the student's readiness to enroll in freshman-level
 2-20 academic coursework.

2-21 (b) An institution of higher education may not use the
 2-22 assessment required under this section or the results of the
 2-23 assessment as a condition of admission to the institution.

2-24 SECTION 1.05. Sections 51.3062(c), (f), and (f-1),
 2-25 Education Code, are transferred to Subchapter F-1, Chapter 51,
 2-26 Education Code, as added by this Act, redesignated as Section
 2-27 51.334, Education Code, and amended to read as follows:

2-28 Sec. 51.334. ASSESSMENT INSTRUMENTS. (a) ~~[(e)]~~ The board
 2-29 shall designate one or more instruments for use by institutions of
 2-30 higher education in assessing students under this subchapter ~~[this~~
 2-31 ~~section]~~.

2-32 (b) ~~[(f)]~~ Each assessment instrument designated by the
 2-33 board for use under this subchapter ~~[section]~~ must be diagnostic in
 2-34 nature and designed to assess a student's readiness to perform
 2-35 freshman-level academic coursework. The board shall prescribe a
 2-36 single standard or set of standards for each assessment instrument
 2-37 to effectively measure student readiness as demonstrated by current
 2-38 research.

2-39 (c) ~~[(f-1)]~~ For each assessment instrument designated by
 2-40 the board for use under this subchapter ~~[section]~~, the board shall
 2-41 prescribe a score below which a student is eligible for basic
 2-42 academic skills education.

2-43 SECTION 1.06. Sections 51.3062(g) and (h), Education Code,
 2-44 are transferred to Subchapter F-1, Chapter 51, Education Code, as
 2-45 added by this Act, redesignated as Section 51.335, Education Code,
 2-46 and reordered and amended to read as follows:

2-47 Sec. 51.335. COLLEGE READINESS ADVISING. (a) ~~[(h)]~~ If a
 2-48 student fails to meet the assessment standards described by Section
 2-49 51.334(b) ~~[Subsection (f)]~~, the institution of higher education
 2-50 shall work with the student to develop a plan to assist the student
 2-51 in becoming ready to perform freshman-level academic coursework.
 2-52 The plan must be designed on an individual basis to provide the best
 2-53 opportunity for each student to attain that readiness.

2-54 (b) ~~[(g)]~~ Each institution of higher education shall
 2-55 establish a program to advise students regarding coursework and
 2-56 other means by which students can develop the academic skills
 2-57 required to successfully complete college-level work.

2-58 SECTION 1.07. Sections 51.3062(i), (i-2), and (t),
 2-59 Education Code, are transferred to Subchapter F-1, Chapter 51,
 2-60 Education Code, as added by this Act, redesignated as Section
 2-61 51.336, Education Code, and amended to read as follows:

2-62 Sec. 51.336. DEVELOPMENTAL EDUCATION. (a) An ~~[(i)]~~ ~~The~~
 2-63 institution of higher education may refer a student to
 2-64 developmental coursework, including basic academic skills
 2-65 education, as considered necessary by the institution to address a
 2-66 student's deficiencies in the student's readiness to perform
 2-67 freshman-level academic coursework, except that the institution
 2-68 may not require enrollment in developmental coursework with respect
 2-69 to a student previously determined under Section 51.338(d)

3-1 [~~Subsection (q-1)~~] or [~~determined~~] by any institution of higher
 3-2 education to have met college-readiness standards.

3-3 (b) An institution of higher education that requires a
 3-4 student to enroll in developmental coursework must offer a range of
 3-5 developmental coursework, including online coursework, or
 3-6 instructional support that includes the integration of technology
 3-7 to efficiently address the particular developmental needs of the
 3-8 student.

3-9 (c) Each institution of higher education shall develop and
 3-10 implement for developmental coursework, other than adult basic
 3-11 education or basic academic skills education, developmental
 3-12 education using a corequisite model under which a student
 3-13 concurrently enrolls in a developmental education course and a
 3-14 freshman-level course in the same subject area for each subject
 3-15 area for which the student is referred to developmental coursework.
 3-16 Each institution shall ensure that at least 75 percent of the
 3-17 institution's students enrolled in developmental coursework other
 3-18 than adult basic education or basic academic skills education are
 3-19 enrolled in developmental coursework described by this subsection.

3-20 (d) If a student fails to satisfactorily complete a
 3-21 freshman-level course described by Subsection (c), the institution
 3-22 of higher education shall:

3-23 (1) review the plan developed for the student under
 3-24 Section 51.335(a) and, if necessary, work with the student to
 3-25 revise the plan; and

3-26 (2) offer to the student a range of competency-based
 3-27 education programs to assist the student in becoming ready to
 3-28 perform freshman-level academic coursework in the applicable
 3-29 subject area.

3-30 (e) [~~(i-2)~~] An institution of higher education must base
 3-31 developmental coursework on research-based best practices that
 3-32 include the following components:

- 3-33 (1) assessment;
- 3-34 (2) differentiated placement and instruction;
- 3-35 (3) faculty development;
- 3-36 (4) support services;
- 3-37 (5) program evaluation;
- 3-38 (6) integration of technology with an emphasis on
 3-39 instructional support programs;
- 3-40 (7) non-course-based developmental education
 3-41 interventions; and

3-42 (8) subject to the requirements of Subsection (c),
 3-43 course pairing of developmental education courses with
 3-44 credit-bearing courses.

3-45 (f) [~~(t)~~] To allow a student to complete any necessary
 3-46 developmental coursework in the most efficient and cost-effective
 3-47 manner, the board shall encourage institutions of higher education
 3-48 to offer various types of developmental coursework that address
 3-49 various levels of deficiency in readiness to perform college
 3-50 coursework for which course credit may be earned, as determined on
 3-51 the basis of assessments as described by Section 51.334 [~~Subsection~~
 3-52 ~~(f)~~]. The types of developmental coursework may include:

- 3-53 (1) course-based programs;
- 3-54 (2) non-course-based programs, such as advising
 3-55 programs;
- 3-56 (3) module format programs;
- 3-57 (4) competency-based education programs;
- 3-58 (5) basic academic skills education, if applicable to
 3-59 the student; and

3-60 (6) subject to the requirements of Subsection
 3-61 (c), programs under which the student is pairing or taking
 3-62 concurrently a developmental education course and another course in
 3-63 the same subject area for which course credit may be earned.

3-64 SECTION 1.08. Sections 51.3062(j) and (k), Education Code,
 3-65 are transferred to Subchapter F-1, Chapter 51, Education Code, as
 3-66 added by this Act, redesignated as Section 51.337, Education Code,
 3-67 and amended to read as follows:

3-68 Sec. 51.337. REEVALUATION OF COLLEGE READINESS. (a)
 3-69 [~~(j)~~] A student may retake an assessment instrument designated by

4-1 the board for use under this subchapter at any time to determine
4-2 readiness to perform freshman-level academic coursework.

4-3 (b) [~~(k)~~] An institution of higher education shall
4-4 determine when a student is ready to perform freshman-level
4-5 academic coursework. The institution must make its determination
4-6 using learning outcomes for developmental education courses
4-7 developed by the board based on established college and career
4-8 readiness standards and student performance on one or more
4-9 appropriate assessments.

4-10 SECTION 1.09. Sections 51.3062(p), (q), (q-1), (q-2), and
4-11 (s), Education Code, are transferred to Subchapter F-1, Chapter
4-12 51, Education Code, as added by this Act, redesignated as Section
4-13 51.338, Education Code, and reordered and amended to read as
4-14 follows:

4-15 Sec. 51.338. EXEMPTIONS. (a) [~~(s)~~] An institution of
4-16 higher education may exempt a non-degree-seeking or
4-17 non-certificate-seeking student from the requirements of this
4-18 subchapter [~~section~~].

4-19 (b) [~~(p)~~] A student who has achieved a score set by the
4-20 board on the SAT [~~Scholastic Assessment Test (SAT)~~] or ACT [~~the~~
4-21 ~~American College Test (ACT)~~] is exempt from the requirements of
4-22 this subchapter [~~section~~]. An exemption under this subsection is
4-23 effective for the five-year period following the date a student
4-24 takes the test and achieves the standard set by the board.

4-25 (c) [~~(q)~~] A student who has achieved scores set by the board
4-26 on the questions developed for end-of-course assessment
4-27 instruments under Section 39.0233(a) is exempt from the
4-28 requirements of this subchapter [~~section~~]. The exemption is
4-29 effective for the three-year period following the date a student
4-30 takes the last assessment instrument for purposes of this
4-31 subchapter [~~section~~] and achieves the standard set by the board.
4-32 This subsection does not apply during any period for which the board
4-33 designates the questions developed for end-of-course assessment
4-34 instruments under Section 39.0233(a) as the primary assessment
4-35 instrument under this subchapter [~~section~~], except that the
4-36 three-year period described by this subsection remains in effect
4-37 for students who qualify for an exemption under this subsection
4-38 before that period.

4-39 (d) [~~(q-1)~~] A student who has demonstrated the performance
4-40 standard for college readiness as provided by Section 28.008 on the
4-41 postsecondary readiness assessment instruments adopted under
4-42 Section 39.0238 for Algebra II and English III is exempt from the
4-43 requirements of this subchapter [~~section~~] with respect to those
4-44 content areas. The commissioner of higher education by rule shall
4-45 establish the period for which an exemption under this subsection
4-46 is valid.

4-47 (e) [~~(q-2)~~] A student who successfully completes a college
4-48 preparatory course under Section 28.014 is exempt from the
4-49 requirements of this subchapter [~~section~~] with respect to the
4-50 content area of the course, provided that the student satisfies the
4-51 requirements of Subsection (f) of this section. The exemption is
4-52 effective for the two-year period following the date the student
4-53 graduates from high school[, and the student must enroll in the
4-54 student's first college-level course in the exempted content area
4-55 in the student's first year of enrollment in an institution of
4-56 higher education. If the student earns less than a C in the
4-57 student's first college-level course in the exempted content area,
4-58 the institution shall advise the student of non-course-based
4-59 options for becoming college ready, such as tutoring or accelerated
4-60 learning]. The exemption applies only at the institution of higher
4-61 education that partners with the school district in which the
4-62 student is enrolled to provide the course, except that the
4-63 commissioner of higher education by rule may determine the manner
4-64 in which the exemption may be applied to institutions of higher
4-65 education other than the partnering institution.

4-66 (f) A student receiving an exemption under Subsection (e)
4-67 must enroll in a college-level course in the exempted content area
4-68 during the student's first year of enrollment at an institution of
4-69 higher education occurring after the student qualifies for the

5-1 exemption. If the student earns a grade below a "C" for the course,
 5-2 the institution shall advise the student of non-course-based
 5-3 options for attaining college readiness, such as tutoring or
 5-4 accelerated learning.

5-5 (g) The board [~~Texas Higher Education Coordinating Board~~]
 5-6 shall:

5-7 (1) collect and analyze data regarding the
 5-8 effectiveness of college preparatory courses provided under
 5-9 Section 28.014 in assisting students to become ready to perform
 5-10 freshman-level academic coursework, as measured by the rate at
 5-11 which students receiving an exemption under Subsection (e)
 5-12 successfully complete the course described by Subsection (f); and

5-13 (2) in November of each even-numbered year, submit a
 5-14 [~~students' successful completion of the first college-level course~~
 5-15 ~~in the exempted content area. The board shall~~] report of the
 5-16 board's [~~its~~] findings to [~~all partnering institutions of higher~~
 5-17 ~~education and independent school districts of each college~~
 5-18 ~~preparatory course evaluated, as well as~~] the governor, the
 5-19 lieutenant governor, the speaker of the house of representatives,
 5-20 the standing legislative committees with primary jurisdiction over
 5-21 higher education, and each institution of higher education and
 5-22 school district that offers a college preparatory course under
 5-23 Section 28.014 [~~and the members of the House and Senate Committees~~
 5-24 ~~on Higher Education~~].

5-25 SECTION 1.10. Section 51.3062(i-4), Education Code, is
 5-26 transferred to Subchapter F-1, Chapter 51, Education Code, as added
 5-27 by this Act, redesignated as Section 51.339, Education Code, and
 5-28 amended to read as follows:

5-29 Sec. 51.339. PROFESSIONAL DEVELOPMENT FOR DEVELOPMENTAL
 5-30 EDUCATION. [~~(i-4)~~] The board, in consultation with institutions
 5-31 of higher education, shall develop and provide professional
 5-32 development programs, including instruction in differentiated
 5-33 instruction methods designed to address students' diverse learning
 5-34 needs, to faculty and staff who provide developmental coursework,
 5-35 including basic academic skills education, to students.

5-36 SECTION 1.11. Sections 51.3062(l) and (m), Education Code,
 5-37 are transferred to Subchapter F-1, Chapter 51, Education Code, as
 5-38 added by this Act, redesignated as Section 51.340, Education Code,
 5-39 and amended to read as follows:

5-40 Sec. 51.340. FUNDING. (a) [~~(1)~~] The legislature shall
 5-41 appropriate money for approved non-degree-credit developmental
 5-42 courses, including basic academic skills education, except that
 5-43 legislative appropriations may not be used for developmental
 5-44 coursework taken by a student in excess of:

5-45 (1) for a general academic teaching institution:
 5-46 (A) 9 semester credit hours; or
 5-47 (B) 18 semester credit hours, if the
 5-48 developmental coursework is English for speakers of other languages
 5-49 [~~for a general academic teaching institution~~]; and

5-50 (2) for a public junior college, public technical
 5-51 institute, or public state college:

5-52 (A) 18 semester credit hours; or
 5-53 (B) 27 semester credit hours, if the
 5-54 developmental coursework is English for speakers of other languages
 5-55 [~~for a public junior college, public technical institute, or public~~
 5-56 ~~state college~~].

5-57 (b) [~~(m)~~] The board may develop formulas to supplement the
 5-58 funding of developmental academic programs by institutions of
 5-59 higher education, including formulas for supplementing the funding
 5-60 of non-course-based programs. The board may develop a performance
 5-61 funding formula by which institutions of higher education may
 5-62 receive additional funding for each student who completes the
 5-63 success initiative [~~Success Initiative~~] established under this
 5-64 subchapter [~~section~~] and then successfully completes college
 5-65 coursework. The legislature may appropriate the money required to
 5-66 provide the additional funding under those formulas.

5-67 SECTION 1.12. Section 51.3062(n), Education Code, is
 5-68 transferred to Subchapter F-1, Chapter 51, Education Code, as added
 5-69 by this Act, redesignated as Section 51.341, Education Code, and

6-1 amended to read as follows:

6-2 Sec. 51.341. REPORT TO BOARD. [~~(n)~~] Each institution of
6-3 higher education, other than a medical and dental unit, shall
6-4 report annually to the board on the success of its students and the
6-5 effectiveness of its success initiative [~~Success Initiative~~].

6-6 SECTION 1.13. Section 51.3062(u), Education Code, is
6-7 transferred to Subchapter F-1, Chapter 51, Education Code, as added
6-8 by this Act, redesignated as Section 51.342, Education Code, and
6-9 amended to read as follows:

6-10 Sec. 51.342. REPORT TO SCHOOL DISTRICTS. [~~(u)~~] An
6-11 institution of higher education that administers an assessment
6-12 instrument to students under this subchapter [~~this section~~] shall
6-13 report to each school district from which assessed students
6-14 graduated high school all available information regarding student
6-15 scores and performance on the assessment instrument and student
6-16 demographics. [~~The board shall adopt rules as necessary to
6-17 implement this subsection, including rules for implementing this
6-18 subsection in a manner that complies with federal law regarding
6-19 confidentiality of student medical or educational information,
6-20 including the Health Insurance Portability and Accountability Act
6-21 of 1996 (42 U.S.C. Section 1320d et seq.) and the Family Educational
6-22 Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any
6-23 state law relating to the privacy of student information.~~]

6-24 SECTION 1.14. Section 51.3062(o), Education Code, is
6-25 transferred to Subchapter F-1, Chapter 51, Education Code, as added
6-26 by this Act, redesignated as Section 51.343, Education Code, and
6-27 amended to read as follows:

6-28 Sec. 51.343. EVALUATION OF SUCCESS INITIATIVE. [~~(o)~~] The
6-29 board shall evaluate the effectiveness of the success initiative
6-30 [~~Success Initiative~~] on a statewide basis and with respect to each
6-31 institution of higher education.

6-32 SECTION 1.15. Sections 51.3062(i-1), (i-3), and (t-1),
6-33 Education Code, are transferred to Subchapter F-1, Chapter 51,
6-34 Education Code, as added by this Act, redesignated as Section
6-35 51.344, Education Code, and reordered and amended to read as
6-36 follows:

6-37 Sec. 51.344. RULES. (a) [~~(t-1)~~] The board may adopt rules
6-38 as necessary to implement this subchapter [~~section~~].

6-39 (b) [~~(i-1)~~] The board's rules [~~commissioner of higher
6-40 education~~] may [~~by rule~~] require an institution of higher education
6-41 to adopt uniform standards for the placement of a student under this
6-42 subchapter [~~section~~].

6-43 (c) The board shall adopt rules to ensure that this
6-44 subchapter is administered in a manner that complies with federal
6-45 law regarding confidentiality of student medical or educational
6-46 information, including the Health Insurance Portability and
6-47 Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.), the
6-48 Family Educational Rights and Privacy Act of 1974 (20 U.S.C.
6-49 Section 1232g), and any state law relating to the privacy of student
6-50 information.

6-51 (d) [~~(i-3)~~] The board shall adopt rules for the
6-52 implementation of Section 51.336(e) [~~Subsection (i-2)~~].

6-53 SECTION 1.16. The heading to Section 51.3062, Education
6-54 Code, is repealed.

6-55 SECTION 1.17. Each public institution of higher education
6-56 shall ensure that the institution's developmental coursework
6-57 complies with the requirements of Section 51.336(c), Education
6-58 Code, as added by this Act, according to the following schedule:

6-59 (1) for the 2018-2019 academic year, at least 25
6-60 percent of the institution's students enrolled in developmental
6-61 coursework other than adult basic education or basic academic
6-62 skills education must be enrolled in developmental coursework that
6-63 complies with those requirements;

6-64 (2) for the 2019-2020 academic year, at least 50
6-65 percent of the institution's students enrolled in developmental
6-66 coursework other than adult basic education or basic academic
6-67 skills education must be enrolled in developmental coursework that
6-68 complies with those requirements; and

6-69 (3) for the 2020-2021 academic year and each

7-1 subsequent academic year, at least 75 percent of the institution's
7-2 students enrolled in developmental coursework other than adult
7-3 basic education or basic academic skills education must be enrolled
7-4 in developmental coursework that complies with those requirements.

7-5 SECTION 1.18. Section 51.340(a), Education Code, as
7-6 transferred, redesignated, and amended from Section 51.3062(1),
7-7 Education Code, by this Act, applies beginning with the 2018-2019
7-8 academic year.

7-9 ARTICLE 2. CONFORMING AMENDMENTS

7-10 SECTION 2.01. Section 28.014(a), Education Code, is amended
7-11 to read as follows:

7-12 (a) Each school district shall partner with at least one
7-13 institution of higher education to develop and provide courses in
7-14 college preparatory mathematics and English language arts. The
7-15 courses must be designed:

7-16 (1) for students at the 12th grade level whose
7-17 performance on:

7-18 (A) an end-of-course assessment instrument
7-19 required under Section 39.023(c) does not meet college readiness
7-20 standards; or

7-21 (B) coursework, a college entrance examination,
7-22 or an assessment instrument designated under Section 51.334
7-23 [~~51.3062(c)~~] indicates that the student is not ready to perform
7-24 entry-level college coursework; and

7-25 (2) to prepare students for success in entry-level
7-26 college courses.

7-27 SECTION 2.02. Section 29.904(d), Education Code, is amended
7-28 to read as follows:

7-29 (d) A plan developed under this section:

7-30 (1) must establish clear, achievable goals for
7-31 increasing the percentage of the school district's graduating
7-32 seniors, particularly the graduating seniors attending a high
7-33 school described by Subsection (a), who enroll in an institution of
7-34 higher education for the academic year following graduation;

7-35 (2) must establish an accurate method of measuring
7-36 progress toward the goals established under Subdivision (1) that
7-37 may include the percentage of district high school students and the
7-38 percentage of students attending a district high school described
7-39 by Subsection (a) who:

7-40 (A) are enrolled in a course for which a student
7-41 may earn college credit, such as an advanced placement or
7-42 international baccalaureate course or a course offered through
7-43 concurrent enrollment in high school and at an institution of
7-44 higher education;

7-45 (B) are enrolled in courses that meet the
7-46 curriculum requirements for the distinguished level of achievement
7-47 under the foundation high school program as determined under
7-48 Section 28.025;

7-49 (C) have submitted a free application for federal
7-50 student aid (FAFSA);

7-51 (D) are exempt under Section 51.338 [~~51.3062(p)~~
7-52 ~~or (q)~~] from administration of an assessment instrument under
7-53 Subchapter F-1, Chapter 51, [Section 51.3062] or have performed
7-54 successfully on an assessment instrument under that subchapter
7-55 [Section 51.3062];

7-56 (E) graduate from high school;

7-57 (F) graduate from an institution of higher
7-58 education; and

7-59 (G) have taken college entrance examinations and
7-60 the average score of those students on the examinations;

7-61 (3) must cover a period of at least five years; and

7-62 (4) may be directed at district students at any level
7-63 of primary or secondary education.

7-64 SECTION 2.03. Section 39.0233(a), Education Code, is
7-65 amended to read as follows:

7-66 (a) The agency, in coordination with the Texas Higher
7-67 Education Coordinating Board, shall adopt a series of questions to
7-68 be included in an end-of-course assessment instrument administered
7-69 under Section 39.023(c) to be used for purposes of Subchapter F-1,

8-1 Chapter 51 [~~Section 51.3062~~]. The questions adopted under this
 8-2 subsection must be developed in a manner consistent with any
 8-3 college readiness standards adopted under Section [~~Sections~~
 8-4 39.233 and Subchapter F-1, Chapter 51 [~~51.3062~~].

8-5 SECTION 2.04. Section 39.025(a-1), Education Code, is
 8-6 amended to read as follows:

8-7 (a-1) A student enrolled in a college preparatory
 8-8 mathematics or English language arts course under Section 28.014
 8-9 who satisfies the Texas Success Initiative (TSI) college readiness
 8-10 benchmarks prescribed by the Texas Higher Education Coordinating
 8-11 Board under Section 51.334 [~~51.3062(f)~~] on an assessment instrument
 8-12 designated by the coordinating board [~~Texas Higher Education~~
 8-13 ~~Coordinating Board~~] under that section [~~Section 51.3062(c)~~]
 8-14 administered at the end of the college preparatory mathematics or
 8-15 English language arts course satisfies the requirements concerning
 8-16 and is exempt from the administration of the Algebra I or the
 8-17 English I and English II end-of-course assessment instruments, as
 8-18 applicable, as prescribed by Section 39.023(c), even if the student
 8-19 did not perform satisfactorily on a previous administration of the
 8-20 applicable end-of-course assessment instrument. A student who
 8-21 fails to perform satisfactorily on the assessment instrument
 8-22 designated by the coordinating board [~~Texas Higher Education~~
 8-23 ~~Coordinating Board~~] under Section 51.334 [~~51.3062(c)~~] administered
 8-24 as provided by this subsection may retake that assessment
 8-25 instrument for purposes of this subsection or may take the
 8-26 appropriate end-of-course assessment instrument.

8-27 SECTION 2.05. Sections 39.053(c) and (c-2), Education Code,
 8-28 are amended to read as follows:

8-29 (c) School districts and campuses must be evaluated based on
 8-30 five domains of indicators of achievement adopted under this
 8-31 section that include:

8-32 (1) in the first domain, the results of:

8-33 (A) assessment instruments required under
 8-34 Sections 39.023(a), (c), and (1), including the results of
 8-35 assessment instruments required for graduation retaken by a
 8-36 student, aggregated across grade levels by subject area, including:

8-37 (i) for the performance standard determined
 8-38 by the commissioner under Section 39.0241(a), the percentage of
 8-39 students who performed satisfactorily on the assessment
 8-40 instruments, aggregated across grade levels by subject area; and

8-41 (ii) for the college readiness performance
 8-42 standard as determined under Section 39.0241, the percentage of
 8-43 students who performed satisfactorily on the assessment
 8-44 instruments, aggregated across grade levels by subject area; and

8-45 (B) assessment instruments required under
 8-46 Section 39.023(b), aggregated across grade levels by subject area,
 8-47 including the percentage of students who performed satisfactorily
 8-48 on the assessment instruments, as determined by the performance
 8-49 standard adopted by the agency, aggregated across grade levels by
 8-50 subject area;

8-51 (2) in the second domain:

8-52 (A) for assessment instruments under Subdivision

8-53 (1)(A):

8-54 (i) for the performance standard determined
 8-55 by the commissioner under Section 39.0241(a), the percentage of
 8-56 students who met the standard for annual improvement on the
 8-57 assessment instruments, as determined by the commissioner by rule
 8-58 or by the method for measuring annual improvement under Section
 8-59 39.034, aggregated across grade levels by subject area; and

8-60 (ii) for the college readiness performance
 8-61 standard as determined under Section 39.0241, the percentage of
 8-62 students who met the standard for annual improvement on the
 8-63 assessment instruments, as determined by the commissioner by rule
 8-64 or by the method for measuring annual improvement under Section
 8-65 39.034, aggregated across grade levels by subject area; and

8-66 (B) for assessment instruments under Subdivision
 8-67 (1)(B), the percentage of students who met the standard for annual
 8-68 improvement on the assessment instruments, as determined by the
 8-69 commissioner by rule or by the method for measuring annual

9-1 improvement under Section 39.034, aggregated across grade levels by
9-2 subject area;

9-3 (3) in the third domain, the student academic
9-4 achievement differentials among students from different racial and
9-5 ethnic groups and socioeconomic backgrounds;

9-6 (4) in the fourth domain:

9-7 (A) for evaluating the performance of high school
9-8 campuses and districts that include high school campuses:

9-9 (i) dropout rates, including dropout rates
9-10 and district completion rates for grade levels 9 through 12,
9-11 computed in accordance with standards and definitions adopted by
9-12 the National Center for Education Statistics of the United States
9-13 Department of Education;

9-14 (ii) high school graduation rates, computed
9-15 in accordance with standards and definitions adopted in compliance
9-16 with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et
9-17 seq.);

9-18 (iii) the percentage of students who
9-19 successfully completed the curriculum requirements for the
9-20 distinguished level of achievement under the foundation high school
9-21 program;

9-22 (iv) the percentage of students who
9-23 successfully completed the curriculum requirements for an
9-24 endorsement under Section 28.025(c-1);

9-25 (v) the percentage of students who
9-26 completed a coherent sequence of career and technical courses;

9-27 (vi) the percentage of students who satisfy
9-28 the Texas Success Initiative (TSI) college readiness benchmarks
9-29 prescribed by the Texas Higher Education Coordinating Board under
9-30 Section 51.334 [~~51.3062(f)~~] on an assessment instrument in reading,
9-31 writing, or mathematics designated by the coordinating board [~~Texas
9-32 Higher Education Coordinating Board~~] under that section [~~Section
9-33 51.3062(e)~~];

9-34 (vii) the percentage of students who earn
9-35 at least 12 hours of postsecondary credit required for the
9-36 foundation high school program under Section 28.025 or to earn an
9-37 endorsement under Section 28.025(c-1);

9-38 (viii) the percentage of students who have
9-39 completed an advanced placement course;

9-40 (ix) the percentage of students who enlist
9-41 in the armed forces of the United States; and

9-42 (x) the percentage of students who earn an
9-43 industry certification;

9-44 (B) for evaluating the performance of middle and
9-45 junior high school and elementary school campuses and districts
9-46 that include those campuses:

9-47 (i) student attendance; and

9-48 (ii) for middle and junior high school
9-49 campuses:

9-50 (a) dropout rates, computed in the
9-51 manner described by Paragraph (A)(i); and

9-52 (b) the percentage of students in
9-53 grades seven and eight who receive instruction in preparing for
9-54 high school, college, and a career that includes information
9-55 regarding the creation of a high school personal graduation plan
9-56 under Section 28.02121, the distinguished level of achievement
9-57 described by Section 28.025(b-15), each endorsement described by
9-58 Section 28.025(c-1), college readiness standards, and potential
9-59 career choices and the education needed to enter those careers; and

9-60 (C) any additional indicators of student
9-61 achievement not associated with performance on standardized
9-62 assessment instruments determined appropriate for consideration by
9-63 the commissioner in consultation with educators, parents, business
9-64 and industry representatives, and employers; and

9-65 (5) in the fifth domain, three programs or specific
9-66 categories of performance related to community and student
9-67 engagement locally selected and evaluated as provided by Section
9-68 39.0546.

9-69 (c-2) The commissioner by rule shall determine a method by

10-1 which a student's performance may be included in determining the
10-2 performance rating of a school district or campus under Section
10-3 39.054 if, before the student graduates, the student:

10-4 (1) satisfies the Texas Success Initiative (TSI)
10-5 college readiness benchmarks prescribed by the Texas Higher
10-6 Education Coordinating Board under Section 51.334 [~~51.3062(f)~~] on
10-7 an assessment instrument designated by the coordinating board
10-8 [~~Texas Higher Education Coordinating Board~~] under that section
10-9 [~~Section 51.3062(e)~~]; or

10-10 (2) performs satisfactorily on an assessment
10-11 instrument under Section 39.023(c), notwithstanding Subsection (d)
10-12 of this section.

10-13 SECTION 2.06. Section 51.406(c), Education Code, is amended
10-14 to read as follows:

10-15 (c) A rule or policy of a state agency, including the Texas
10-16 Higher Education Coordinating Board, in effect on June 1, 2011,
10-17 that requires reporting by a university system or an institution of
10-18 higher education has no effect on or after September 1, 2013, unless
10-19 the rule or policy is affirmatively and formally readopted before
10-20 that date by formal administrative rule published in the Texas
10-21 Register and adopted in compliance with Chapter 2001, Government
10-22 Code. This subsection does not apply to:

10-23 (1) a rule or policy for which the authorizing statute
10-24 is listed in Subsection (b);

10-25 (2) a rule or policy for which the authorizing statute
10-26 is repealed on or before September 1, 2013, by legislation enacted
10-27 by the legislature that becomes law; or

10-28 (3) a report required under any of the following
10-29 provisions:

10-30 (A) Article 59.06(g)(1), Code of Criminal
10-31 Procedure;

10-32 (B) Section 51.005;

10-33 (C) Section 51.0051;

10-34 (D) Subchapter F-1 of this chapter [~~Section~~
10-35 ~~51.3062~~];

10-36 (E) Section 51.402;

10-37 (F) Section 56.039;

10-38 (G) [~~Section 61.051(k)~~];

10-39 [~~(H)~~] Section 61.059;

10-40 (H) [~~(I)~~] Section 62.095(b);

10-41 (I) [~~(J)~~] Section 62.098;

10-42 (J) [~~(K)~~] Section 411.187(b), Government Code;

10-43 (K) [~~(L)~~] Subchapter C, Chapter 606, Government
10-44 Code;

10-45 (L) [~~(M)~~] Subchapter E, Chapter 815, Government
10-46 Code; or

10-47 (M) [~~(N)~~] Chapter 1551, Insurance Code.

10-48 SECTION 2.07. Section 54.2001(b), Education Code, is
10-49 amended to read as follows:

10-50 (b) In determining whether a person has completed a number
10-51 of semester credit hours that is considered to be excessive for
10-52 purposes of Subsection (a)(2), semester credit hours completed
10-53 include transfer credit hours that count toward the person's
10-54 undergraduate degree or certificate program course requirements
10-55 but exclude:

10-56 (1) hours earned exclusively by examination;

10-57 (2) hours earned for a course for which the person
10-58 received credit toward the person's high school academic
10-59 requirements; and

10-60 (3) hours earned for developmental coursework that an
10-61 institution of higher education required the person to take under
10-62 Subchapter F-1, Chapter 51, [Section 51.3062] or under the [~~former~~]
10-63 provisions of former Section 51.306 or former Section 51.3062.

10-64 SECTION 2.08. Section 56.3041(a), Education Code, is
10-65 amended to read as follows:

10-66 (a) To be eligible initially for a TEXAS grant, a person
10-67 graduating from high school on or after May 1, 2013, and enrolling
10-68 in an eligible institution must:

10-69 (1) be a resident of this state as determined by

11-1 coordinating board rules;

11-2 (2) meet the academic requirements prescribed by

11-3 Paragraph (A), (B), (C), or (D) as follows:

11-4 (A) be a graduate of a public or accredited

11-5 private high school in this state who completed the foundation high

11-6 school program established under Section 28.025 or its equivalent

11-7 and have accomplished any two or more of the following:

11-8 (i) successful completion of the course

11-9 requirements of the international baccalaureate diploma program or

11-10 earning of the equivalent of at least 12 semester credit hours of

11-11 college credit in high school through courses described in Sections

11-12 28.009(a)(1), (2), and (3);

11-13 (ii) satisfaction of the Texas Success

11-14 Initiative (TSI) college readiness benchmarks prescribed by the

11-15 coordinating board under Section 51.334 [~~51.3062(f)~~]

11-16 on any assessment instrument designated by the coordinating board under

11-17 that section [~~Section 51.3062(c)~~] or qualification for an exemption

11-18 as described by Section 51.338(b), (c), or (d) [~~51.3062(p), (q), or~~

11-19 ~~(q-1)~~];

11-20 (iii) graduation in the top one-third of

11-21 the person's high school graduating class or graduation from high

11-22 school with a grade point average of at least 3.0 on a four-point

11-23 scale or the equivalent; or

11-24 (iv) completion for high school credit of

11-25 at least one advanced mathematics course following the successful

11-26 completion of an Algebra II course or at least one advanced career

11-27 and technical or technology applications course;

11-28 (B) have received an associate degree from a

11-29 public or private institution of higher education;

11-30 (C) be an undergraduate student who has:

11-31 (i) previously attended another

11-32 institution of higher education;

11-33 (ii) received an initial Texas Educational

11-34 Opportunity Grant under Subchapter P for the 2014 fall semester or a

11-35 subsequent academic term;

11-36 (iii) completed at least 24 semester credit

11-37 hours at any institution or institutions of higher education; and

11-38 (iv) earned an overall grade point average

11-39 of at least 2.5 on a four-point scale or the equivalent on all

11-40 course work previously attempted; or

11-41 (D) if sufficient money is available, meet the

11-42 eligibility criteria described by Section 56.304(a)(2)(A);

11-43 (3) meet financial need requirements established by

11-44 the coordinating board;

11-45 (4) be enrolled in an undergraduate degree or

11-46 certificate program at an eligible institution;

11-47 (5) except as provided under rules adopted under

11-48 Section 56.304(h), be enrolled as:

11-49 (A) an entering undergraduate student for at

11-50 least three-fourths of a full course load, as determined by the

11-51 coordinating board, not later than the 16th month after the

11-52 calendar month in which the person graduated from high school;

11-53 (B) an entering undergraduate student who

11-54 entered military service not later than the first anniversary of

11-55 the date the person graduated from high school and who enrolled for

11-56 at least three-fourths of a full course load, as determined by the

11-57 coordinating board, at the eligible institution not later than 12

11-58 months after being honorably discharged from military service;

11-59 (C) a continuing undergraduate student for at

11-60 least three-fourths of a full course load, as determined by the

11-61 coordinating board, not later than the 12th month after the

11-62 calendar month in which the person received an associate degree

11-63 from a public or private institution of higher education; or

11-64 (D) an undergraduate student described by

11-65 Subdivision (2)(C) who has never previously received a TEXAS grant;

11-66 (6) have applied for any available financial aid or

11-67 assistance; and

11-68 (7) comply with any additional nonacademic

11-69 requirements adopted by the coordinating board under this

12-1 subchapter.

12-2 SECTION 2.09. Section 61.07611(a), Education Code, is
12-3 amended to read as follows:

12-4 (a) To serve students who require developmental education
12-5 in an effective and cost-effective manner, the board shall develop
12-6 a statewide plan for developmental education to be provided under
12-7 Subchapter F-1, Chapter 51, [Section 51.3062] that:

12-8 (1) assigns primary responsibility for developmental
12-9 education to public junior colleges, public state colleges, and
12-10 public technical institutes; and

12-11 (2) provides for using technology, to the greatest
12-12 extent practicable consistent with best practices, to provide
12-13 developmental education to students.

12-14 SECTION 2.10. Section 315.004, Labor Code, is amended to
12-15 read as follows:

12-16 Sec. 315.004. ADULT EDUCATION ASSESSMENT. The commission
12-17 shall, in consultation with the Texas Higher Education Coordinating
12-18 Board and the Texas Education Agency, review the standardized
12-19 assessment mechanism required under Section 315.002(a)(7) and
12-20 recommend any changes necessary to align the assessment with the
12-21 assessments designated under Section 51.334 [~~51.3062~~], Education
12-22 Code, to allow for the proper placement of a student in an adult
12-23 basic education course or to provide the student with the proper
12-24 developmental or English as a second language coursework, as
12-25 appropriate.

12-26 ARTICLE 3. EFFECTIVE DATE

12-27 SECTION 3.01. This Act takes effect immediately if it
12-28 receives a vote of two-thirds of all the members elected to each
12-29 house, as provided by Section 39, Article III, Texas Constitution.
12-30 If this Act does not receive the vote necessary for immediate
12-31 effect, this Act takes effect September 1, 2017.

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