

AN ACT

relating to a school district contract to partner with an open-enrollment charter school to operate a district campus.

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

SECTION 1. Subchapter D, Chapter 11, Education Code, is amended by adding Section 11.174 to read as follows:

Sec. 11.174. CONTRACT REGARDING OPERATION OF DISTRICT CAMPUS. (a) A school district campus qualifies for an exemption from intervention as provided by Subsection (f) and qualifies for funding as provided by Section 42.2511 if the board of trustees of the district contracts to partner to operate the district campus as provided by this section with:

(1) the governing body of an open-enrollment charter school; or

(2) on approval by the commissioner, an entity granted a charter by the district under Subchapter C, Chapter 12, that is eligible to be awarded a charter under Section 12.101(a).

(b) The board of trustees of a school district may enter into a contract as provided by Subsection (a) only if:

(1) the charter of the open-enrollment charter school has not been previously revoked;

(2) for the three school years preceding the school year of the proposed operation of the district campus as described by Subsection (a), the open-enrollment charter school has received:

1           (A) an overall performance rating of acceptable  
2 or higher under Subchapter C, Chapter 39; and

3           (B) a financial accountability rating under  
4 Subchapter D, Chapter 39, indicating financial performance of  
5 satisfactory or higher; or

6           (3) the entity considered for a district-authorized  
7 charter has not previously operated an open-enrollment charter  
8 school in which the charter expired or was revoked or surrendered.

9           (c) Before entering into a contract as provided by this  
10 section, a school district must consult with campus personnel  
11 regarding the provisions to be included in the contract between the  
12 school district and the open-enrollment charter school. All rights  
13 and protections afforded by current employment contracts or  
14 agreements may not be affected by the contract entered into between  
15 a school district and an open-enrollment charter school under this  
16 section.

17           (d) To operate a district campus as provided by this  
18 section, the district campus must be granted a charter under  
19 Subchapter C, Chapter 12.

20           (e) The commissioner shall continue to evaluate and assign  
21 overall and domain performance ratings under Section 39.054 to a  
22 district campus subject to a contract described by Subsection (a).

23           (f) This subsection applies only to a district campus  
24 subject to a contract described by Subsection (a) that received an  
25 overall performance rating of unacceptable under Subchapter C,  
26 Chapter 39, for the school year before operation of the district  
27 campus under the contract began. The commissioner may not impose a

1 sanction or take action against the campus under Section 39.107(a)  
2 or (e) for failure to satisfy academic performance standards during  
3 the first two school years of operation of a district campus under  
4 Subsection (a). The overall performance rating received by the  
5 campus during those first two school years is not included in  
6 calculating consecutive school years and is not considered a break  
7 in consecutive school years under Section 39.107(a) or (e).

8 (g) A campus that receives an exemption from a sanction or  
9 other action under Subsection (f) may receive another exemption  
10 while operating under a subsequent contract only if the campus  
11 receives approval for the exemption from the commissioner.

12 (h) Subject to Subsection (i), a contract entered into by  
13 the board of trustees of a school district and the governing body of  
14 an open-enrollment charter school for the operation of a district  
15 campus as provided by Subsection (a) must include a provision  
16 addressing student eligibility for enrollment.

17 (i) The contract of a campus subject to Subsection (f) must  
18 provide that any student residing in the attendance zone of the  
19 district campus as the attendance zone existed before operation of  
20 the district campus under the contract shall be admitted for  
21 enrollment at the campus. The contract must establish enrollment  
22 preference for students who do not reside in the attendance zone as  
23 follows:

24 (1) other students residing in the school district in  
25 which the campus is located; and

26 (2) students who reside outside the school district.

27 (j) An employee of an entity granted a district-authorized

1 charter that enters into a contract under this section to operate a  
2 district campus is eligible for membership in and benefits from the  
3 Teacher Retirement System of Texas if the employee would be  
4 eligible for membership and benefits if holding the same position  
5 at the district.

6 (k) A district proposing to enter into a contract under  
7 Subsection (a)(2) shall notify the commissioner of the district's  
8 intent to enter into the contract. The commissioner by rule shall  
9 establish the procedures for a district to notify the commissioner  
10 under this subsection, including the period within which the  
11 notification is required before the school year in which the  
12 proposed contract would take effect, and for a district and, if  
13 necessary, an entity to submit information as required by the  
14 commissioner. The commissioner shall notify the district whether  
15 the proposed contract is approved not later than the 60th day after  
16 the date the commissioner receives notice of the proposed contract  
17 and all information required by the commissioner to be submitted.  
18 If the commissioner fails to notify the district that the proposed  
19 contract has been approved or denied within the period prescribed  
20 by this subsection, the proposed contract is considered approved.

21 (l) Except as expressly provided by this section, the  
22 commissioner may not impose additional requirements on an  
23 open-enrollment charter school to be eligible for a contract under  
24 Subsection (a).

25 (m) The commissioner shall adopt rules as necessary to  
26 administer this section, including requirements for an entity and  
27 the contract with the entity, including the standards required for

1 an entity to receive approval under Subsection (a)(2).

2 (n) This section does not prohibit a contract between a  
3 school district and another entity for the provision of services  
4 for the campus.

5 SECTION 2. Subchapter E, Chapter 42, Education Code, is  
6 amended by adding Section 42.2511 to read as follows:

7 Sec. 42.2511. SCHOOL DISTRICT ENTITLEMENT FOR CERTAIN  
8 STUDENTS. (a) This section applies only to:

9 (1) a school district and an open-enrollment charter  
10 school that enter into a contract to operate a district campus as  
11 provided by Section 11.174; and

12 (2) a charter granted by a school district for a  
13 program operated by an entity that has entered into a contract under  
14 Section 11.174, provided that the district does not appoint a  
15 majority of the governing body of the charter holder.

16 (b) Notwithstanding any other provision of this chapter or  
17 Chapter 41, a school district subject to this section is entitled to  
18 receive for each student in average daily attendance at the campus  
19 described by Subsection (a) an amount equivalent to the difference,  
20 if the difference results in increased funding, between:

21 (1) the amount described by Section 12.106; and

22 (2) the amount to which the district would be entitled  
23 under this chapter.

24 (c) The commissioner shall adopt rules as necessary to  
25 administer this section.

26 SECTION 3. The commissioner of education is required to  
27 implement this Act only if the legislature appropriates money

1 specifically for that purpose. If the legislature does not  
2 appropriate money specifically for that purpose, the commissioner  
3 of education may, but is not required to, implement this Act using  
4 other appropriations available for the purpose.

5 SECTION 4. This Act applies beginning with the 2017-2018  
6 school year.

7 SECTION 5. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect September 1, 2017.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1882 passed the Senate on May 4, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 26, 2017, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1882 passed the House, with amendments, on May 23, 2017, by the following vote: Yeas 139, Nays 4, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor