**BILL ANALYSIS**

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| Senate Research Center | H.B. 3904 |
|  | By: Huberty et al. (Taylor) |
|  | Education |
|  | 5/13/2019 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3904 amends current law relating to public school accountability, including certain performance standards and sanctions, to providing alternative methods to satisfy certain public high school graduation requirements, and to public school class size limits.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

ARTICLE 1. PUBLIC SCHOOL ACCOUNTABILITY

SECTION 1.01. Amends Section 11.174(f), Education Code, as follows:

(f) Prohibits the commissioner of education (commissioner) from imposing a sanction or taking action against a certain campus under Chapter 39A (Accountability Interventions and Sanctions), rather than under Section 39.107(a) or (e), for failure to satisfy academic performance standards during the first two school years of operation of a district campus under Subsection (a) (relating to providing that a school district campus qualifies for a certain exemption from intervention and qualifies for certain funding if the board of trustees of the district contracts to partner to operate the district campus as provided by this section (Contract Regarding Operation of District Campus) with certain entities). Prohibits the performance of a campus subject to this subsection from being included in determining the performance of the district during the period the campus is exempt from sanctions under Chapter 39A. Makes a conforming change to this subsection.

SECTION 1.02. Amends Section 39.0241, Education Code, by adding Subsection (a-2), as follows:

(a-2) Provides that this subsection applies only to an assessment instrument authorized under Section 39.025(a-2) (relating to requiring the commissioner to determine a method to substitute performance on certain exams for end-of-course assessment instrument performance) for use as a substitute assessment instrument for purposes of satisfying the requirements concerning an end-of-course assessment instrument. Requires the commissioner to designate for student performance on each substitute assessment instrument subject to this subsection a level of performance considered to be satisfactory and a level of performance necessary to indicate college readiness in the same manner as the commissioner designates those standards for student performance on each end‑of‑course assessment instrument listed in Section 39.023(c) (relating to requiring the Texas Education Agency (TEA) to adopt end‑of‑course assessment instruments for certain secondary-level courses). Requires the commissioner to designate the level of performance that indicates college readiness on a substitute assessment as "masters grade-level performance."

SECTION 1.03. Reenacts Section 39.053(c), Education Code, as amended by Chapters 807 (H.B. 22), 842 (H.B. 2223), and 1088 (H.B. 3593), Acts of the 85th Legislature, Regular Session, 2017, and amends it as follows:

(c) Creates Subparagraph (xii) from existing text. Requires school districts and campuses to be evaluated based on three domains of indicators of achievement adopted under this section (Performance Indicators: Achievement) that include:

(1) in the student achievement domain, indicators of student achievement that are required to include:

(A) makes a nonsubstantive change to this paragraph;

(B) for evaluating the performance of high school campuses and districts that include high school campuses, indicators that account for:

(i) and (ii) makes no changes to these subparagraphs;

(iii) students who earn a three-hour course credit in a dual credit course in any subject, rather than students who earn dual course credits in the dual credit courses;

(iv) makes no changes to this subparagraph;

(v) students who complete coherent sequences of courses required to earn industry certifications, rather than students who earn industry certifications;

(vi)-(ix) makes no changes to these subparagraphs;

(x)-(xii) makes nonsubstantive changes to these subparagraphs;

(xiii) students who participate in extracurricular activities, including University Interscholastic League A+ academic events and foreign language, chess, and robotics clubs; and

(xiv) ninth grade students who are academically on track to graduate with their ninth grade cohort; and

(C) for evaluating the performance of middle and junior high school and elementary school campuses and districts that include those campuses, indicators that account for:

(i) students who participate in full-day prekindergarten programs;

(ii) students who participate in elementary literacy and mathematics academies; and

(iii) students who participate in extracurricular activities, including University Interscholastic League A+ academic events and foreign language, chess, and robotics clubs; and

(2) and (3) makes no further changes to these subdivisions.

SECTION 1.04. Amends Section 39.053, Education Code, by adding Subsection (c-4), as follows:

(c-4) Requires the commissioner to determine a method by which:

(1) a student’s performance under Subsection (c)(1)(B)(v) may be included in determining the performance of a district or campus under Section 39.054 Methods and Standards For Evaluating Performance) if the student successfully completed the courses but did not receive the industry certification until after the student graduated; and

(2) a student’s performance described by Subdivision (1) is assigned equal credit under the college, career, and military readiness component calculation as a student who earned an industry certification before the student graduated.

SECTION 1.05. Amends Section 39.054, Education Code, by adding Subsections (a-5) and (a‑6), as follows:

(a-5) Prohibits the commissioner, for purposes of assigning each district and campus a domain performance rating under Section 39.053(c), from attributing more than 50 percent of any domain performance rating to the results of assessment instruments required under Sections 39.023(a), (b), (c), and (l).

(a-6) Requires the commissioner, for purposes of assigning each district and campus a domain performance rating for the student achievement domain under Section 39.053(c)(1), to attribute:

(1) 30 percent of the performance rating to the indicators under Section 39.053(c)(1)(A) relating to assessment instrument results;

(2) 40 percent of the performance rating to the indicator under Section 39.053(c)(1)(B)(ix) relating to high school graduation rates; and

(3) 30 percent of the performance rating to the indicators under Section 39.053(c)(1)(B) relating to college, career, and military readiness.

SECTION 1.06. Amends Section 39.0548, Education Code, by amending Subsections (a) and (d) and adding Subsections (a-1), (e), (f), and (g), as follows:

(a) Requires the commissioner, for purposes of evaluating performance under Section 39.053(c), to designate as a dropout recovery school a school district or an open‑enrollment charter school or a campus of a district or of an open-enrollment charter school:

(1) makes no changes to this subdivision; and

(2) that is registered under alternative education accountability procedures adopted by the commissioner, rather than meets the eligibility requirements for and is registered under alternative education accountability procedures adopted by the commissioner.

(a-1) Requires the commissioner, for purposes of assigning performance ratings under Section 39.054, to evaluate a dropout recovery school under alternative education accountability procedures adopted by the commissioner.

(d) Provides that, for purposes of evaluating a dropout recovery school under the alternative education accountability procedures adopted by the commissioner, only the best result from the primary administration or any retake of an assessment instrument administered to a student in the school year evaluated is authorized to be considered in assigning performance ratings for the school under Section 39.054, rather than providing that, notwithstanding Section 39.053(c), for purposes of evaluating a dropout recovery school under the accountability procedures adopted by the commissioner to determine the performance rating of the school under Section 39.054, only the best result from the primary administration or any retake of an assessment instrument administered to a student in the school year evaluated is authorized to be considered.

(e) Requires the commissioner, to the extent consistent with or permitted by an authorized waiver of federal law, for purposes of evaluating performance of a dropout recovery school under the alternative education accountability procedures adopted by the commissioner, to adopt performance targets for the student achievement domain under Section 39.053(c)(1) and the school progress domain under Section 39.053(c)(2) that are based on the average performance of school districts and campuses registered under the alternative education accountability procedures for the preceding school year for those respective domains.

(f) Requires the commissioner, to the extent consistent with or permitted by an authorized waiver of federal law, for purposes of assigning an overall performance rating for a dropout recovery school under Section 39.054, to attribute not more than 10 percent of that rating to the closing the gaps domain under Section 39.053(c)(3).

(g) Requires the commissioner, to the extent consistent with or permitted by an authorized waiver of federal law, for purposes of evaluating performance of a dropout recovery school under the alternative education accountability procedures adopted by the commissioner, to attribute to a dropout recovery school not less than a minimum scaled score of 60 for the closing the gaps domain under Section 39.053(c)(3).

SECTION 1.07. (a) Provides that, except as otherwise provided by this section, this article applies beginning with the 2020–2021 school year.

(b) Effective date: Section 39.0548 (Evaluating Dropout Recovery Schools), Education Code, as amended by this Act, any date not later than September 1, 2021, on which the commissioner:

(1) obtains any necessary waiver from the application of federal law or regulation conflicting with Section 39.0548, Education Code, as amended by this Act; or

(2) receives written notification from the United States Department of Education that a waiver is not required.

(c) Provides that Section 39.0548, Education Code, as amended by this Act, applies beginning with the first school year that begins after the date on which Section 39.0548, Education Code, takes effect under Subsection (b) of this section.

(d) Requires the commissioner, if the commissioner obtains any necessary waiver or receives written notification as described by Subsection (b) of this section, to certify that the commissioner has obtained the waiver or received notification that a waiver is not required, as applicable, and to publish notice of that fact in the Texas Register as soon as practicable after obtaining the waiver or receiving notification.

ARTICLE 2. INDIVIDUAL GRADUATION COMMITTEES

SECTION 2.01. Amends Sections 12.104(b-2) and (b-3), Education Code, as follows:

(b-2) Deletes existing text providing that this subsection (relating to providing that an open-enrollment charter school is subject to the requirement to establish an individual graduation committee under Section 28.0258 (High School Diploma Awarded on Basis of Individual Graduation Committee Review)) expires September 1, 2019.

(b-3) Deletes existing text providing that this subsection (relating to providing that an open-enrollment charter school is subject to the graduation qualification procedure established by the commissioner under Section 28.02541 (Diploma For Certain Students Who Entered Ninth Grade Before 2011–2012 School Year)) expires September 1, 2019.

SECTION 2.02. Amends Section 28.025(c-6), Education Code, to delete existing text providing that this subsection (relating to authorizing a person, notwithstanding a certain exception, to receive a diploma if the person is eligible for a diploma under Section 28.0258) expires September 1, 2019.

SECTION 2.03. Amends Section 28.02541(a), Education Code, effective September 1, 2019, as follows:

(a) Provides that this section applies only to a student who:

(1) and (2) makes no changes to these subdivisions;

(3) has not performed satisfactorily on an assessment instrument or a part of an assessment instrument required for high school graduation, including an alternate assessment instrument offered under Section 39.025(c-2), rather than under Section 39.025(c-1); and

(4) makes no changes to this subdivision.

SECTION 2.04. Amends Section 28.02591(a), Education Code, as follows:

(a) Requires the Texas Higher Education Coordinating Board, in coordination with TEA, to collect longitudinal data relating to the post-graduation pursuits of each student who is awarded a diploma based on the determination of an individual graduation committee under Section 28.0258, rather than under Section 28.0258, as that section existed before September 1, 2019, including certain information.

SECTION 2.05. Redesignates Section 39.025(a-2), Education Code, as added by Chapter 5 (S.B. 149), Acts of the 84th Legislature, Regular Session, 2015, as Section 39.025(a-5), Education Code, and amends it to delete existing text providing that this subsection (relating to authorizing certain students, notwithstanding a certain exception, to receive a high school diploma if the student has qualified for graduation under Section 28.0258) expires September 1, 2019.

SECTION 2.06. Amends Section 39.025(a-3), Education Code, to delete existing text providing that this subsection (relating to providing that certain students satisfy a certain requirement concerning certain end-of-course assessments) expires September 1, 2019.

SECTION 2.07. Repealer: Section 28.02541(g) (relating to providing that this section (Diploma For Certain Students Who Entered Ninth Grade Before 2011–2012 School Year) expires September 1, 2019), Education Code.

Repealer: Section 28.0258(l) (relating to providing that this section (High School Diploma Awarded on Basis of Individual Graduation Committee Review) expires September 1, 2019), Education Code.

Repealer: Section 28.0259(e) (relating to providing that this section (School District Reporting Requirements For Students Graduating Based on Individual Graduation Committee Review Process) expires September 1, 2019), Education Code.

ARTICLE 3. CONFLICTS PROVISION; EFFECTIVE DATE

SECTION 3.01. Provides that, to the extent of any conflict, this Act prevails over another Act of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3.02. Effective date: upon passage or the 91st day after the last day of the legislative session.