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Amendment	871366	
Amendment	871394	

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21 MAY 19 PM 9:06

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Janie BY:

FLOOR AMENDMENT NO._____

1	Amend S.B. No. 1365 (house committee printing) as follows:
2	(1) On page 2, line 6, strike " <u>FINAL AND UNAPPEALABLE</u> " and
3	substitute " <u>APPEAL</u> ".
4	(2) On page 2, lines 7 and 8, strike " <u>and unappealable</u> ".
5	(3) On page 2, line 8, between " <u>decision,</u> " and " <u>or</u> ", insert
6	" <u>report,</u> ".
7	(4) On page 2, line 10, strike " <u>if</u> " and substitute " <u>as</u> ".
8	(5) On page 8, strike lines 6 through 9, and substitute the
9	following:
10	<u>(a-1) During the pendency of a special investigation under</u>
11	this section, the agency is not required to disclose the identity of
12	any witness.
13	(6) On page 8, strike lines 13 through 17, and substitute
14	the following:
15	policy. [Before issuing a report with its final findings, the
16	agency must provide a person or entity the agency finds has violated
17	a law, rule, or policy an opportunity for an informal review by the
18	commissioner or a designated hearing examiner.]
19	(7) On page 8, strike lines 18 and 19 and substitute the
20	following:
21	(c) In presenting the agency's preliminary findings to a
22	school district under Subsection (b), the agency:
23	(1) shall provide to the district a written report of
24	the agency's preliminary findings of the investigation;
25	(2) shall provide to the district any evidence relied
26	on by the agency in making the preliminary findings;
27	(3) shall disclose to the district the identity of any
28	witness whose statements the agency relied on in making the
29	preliminary findings; and

1	(4) may not include recommended sanctions or
2	interventions.
3	(d) A written report of preliminary findings under
4	Subsection (c) and all associated materials produced by the agency
5	in support of the report are excepted from public disclosure as
6	audit working papers of the agency under Section 552.116,
7	Government Code. A school district may publicly release a report of
8	preliminary findings only if the release is approved by an
9	affirmative vote of the board of trustees of the district.
10	(e) Unless otherwise provided by law, all evidence
11	collected by the agency in connection with a special investigation,
12	including witness statements and videos of agency interviews, are
13	confidential and not subject to disclosure under Chapter 552,
14	Government Code, except that evidence described by this section may
15	be disclosed:
16	(1) to a person with a legitimate interest in the
17	investigation; or
18	(2) in connection with an administrative or other
19	legal proceeding brought under this title.
20	(f) Not later than 30 days after the date on which the board
21	of trustees of the school district receives the written report of
22	the preliminary findings under Subsection (c), the board of
23	trustees of a school district may accept the agency's findings or
24	respond in writing to the agency.
25	(g) Before the agency determines to recommend a sanction or
26	intervention in a final report, other than a sanction or
27	intervention described by Section 39.005, the commissioner or the
28	commissioner's designee shall informally review the investigation,
29	the preliminary findings, and any proposed intervention or sanction
30	under consideration by the agency. An informal review under this
31	section is not a contested case for purposes of Chapter 2001,

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1 Government Code.

(h) In conducting an informal review under Subsection (g),
the commissioner or the commissioner's designee may subpoena a
current or former school district employee, agent, or official to
compel the employee, agent, or official to attend a deposition or
produce documents reasonably necessary for the review.

7 (i) If a person fails to comply with a subpoena issued under 8 Subsection (h), the commissioner, acting through the attorney 9 general, may file suit to enforce the subpoena in a district court 10 in this state. On a finding that good cause exists for issuing the 11 subpoena, the court shall order the person to comply with the 12 subpoena and the court may punish a person who fails to obey the 13 court order.

14 (j) The agency shall consider any response submitted by the 15 board of trustees of the school district under Subsection (f) and 16 the results of an informal review conducted under Subsection (g) 17 before providing the board of trustees of a school district a final 18 report in writing that includes proposed sanctions or 19 interventions.

20 (k) A court may not enjoin a special investigation conducted
 21 under this section prior to the conclusion of the special
 22 investigation.

23 (1) A school district must exhaust the administrative
 24 remedies provided under this subchapter before appealing the
 25 findings or final recommendations of a special investigation
 26 conducted under this section to a court.

(8) On page 9, strike lines 16 through 24 and substitute thefollowing:

29 assigned performance rating under Section 39.0544. [A reference in 30 law to an acceptable rating or acceptable performance includes an 31 overall or domain performance rating of A, B, C, or D or performance

that is exemplary, recognized, or acceptable performance or 1 performance that needs improvement.] 2 3 (9) On page 11, lines 19 and 20, strike "NEEDS IMPROVEMENT OR UNACCEPTABLE PERFORMANCE RATING. (a)" and substitute the 4 5 following: PERFORMANCE RATING REQUIRING INTERVENTION OR OTHER ACTION. (a) A 6 7 reference in law to an acceptable performance rating or acceptable performance includes an overall or domain performance rating of A, 8 B, or C or performance that is exemplary, recognized, or acceptable 9 performance. A reference in law to an unacceptable performance 10 11 rating or unacceptable performance includes an overall or domain performance rating of F. For the purposes of public reporting 12 required under Section 39.054(a-3), an overall or domain 13 performance rating of D shall be referred to as performance that 14 15 needs improvement. 16 (b) (10) On page 11, lines 20 and 21, strike "an acceptable 17 performance or acceptable performance rating" and substitute "an 18 acceptable performance rating or acceptable performance". 19 On page 12, line 4, strike "(a-1)" and substitute 20 (11)21 "(b-1)". 22 (12) On page 12, between lines 12 and 13, insert the 23 following: (b-2) For purposes of determining whether a reference in law 24 to an acceptable performance rating or acceptable performance 25 includes an overall performance rating of D under Subsection (b), a 26 27 performance rating of D assigned to a school district, open-enrollment charter school, district campus, or charter school 28 29 campus prior to the 2018-2019 school year shall not be considered. 30 (13) On page 12, line 13, strike "(a-2) Subsection (a-1)"

31 and substitute "(b-3) Subsections (b-1), (b-2),".

(14) On page 12, line 15, strike "(b)" and substitute "(c)".
 (15) On page 12, lines 15 and 16, strike "an unacceptable
 performance or unacceptable performance rating" and substitute "an
 unacceptable performance rating or unacceptable performance".

5 (16) On page 12, line 19, strike "Section 39.0545" and
6 substitute "Sections 39.0545 and 39.0546".

7 (17) On page 13, between lines 19 and 20, insert the 8 following appropriately lettered subsection and reletter 9 subsequent subsections and cross-references to those subsections 10 accordingly:

11 (_) Notwithstanding Section 39.054(a-4), if after reviewing 12 <u>a campus to which this section applies under the alternative</u> 13 <u>methods and standards adopted under Subsection (b), the</u> 14 <u>commissioner determines that the campus would not be assigned an</u> 15 <u>acceptable performance rating, the commissioner shall instead</u> 16 <u>assign the campus a rating of "Not Rated."</u>

17 (18) On page 13, between lines 24 and 25, insert the 18 following:

<u>Sec. 39.0546. COVID-19 RECOVERY ACCOUNTABILITY FOR</u>
 <u>2021-2022 SCHOOL YEAR. (a) Notwithstanding any other law, the</u>
 <u>commissioner shall assign to a school district or campus a rating of</u>
 <u>"Not Rated" for the 2021-2022 school year, unless:</u>

23 (1) the district requests that the district or a
24 campus located in the district be reviewed and assigned a
25 performance rating under the methods and standards adopted under
26 Section 39.054; and

27 (2) after reviewing the district or campus under the 28 methods and standards adopted under Section 39.054, the 29 commissioner determines the district or campus should be assigned 30 an overall performance rating of C or higher.

31 (b) Regardless of the rating assigned under this section, if

the commissioner would have otherwise assigned a campus an 1 unacceptable performance rating, the campus is considered to be a 2 campus assigned an unacceptable performance rating for purposes of 3 determining a student's eligibility for a public education grant 4 under Section 29.202. 5 (c) This section expires September 1, 2028. 6 7 (19) On page 16, line 1, strike "39.0543(a)" and substitute "39.0543(b)". 8 9 (20) On page 18, line 2, strike "39.0543(a)" and substitute "39.0543(b)". 10 11 (21) On page 18, line 7, strike "39.0543(b)" and substitute "39.0543(c)". 12 (22) On page 20, between lines 23 and 24, insert the 13 following appropriately lettered subsection: 14 () For purposes of determining the number of overall 15 performance ratings of D assigned to a school district, 16 open-enrollment charter school, district campus, or charter school 17 campus under Subsection (a), a performance rating of D assigned 18 prior to the 2018-2019 school year shall not be considered. This 19 20 subsection expires September 1, 2027. (23) On page 21, line 12, strike "Section 39A.301" and 21 substitute "Section 39A.301(a)". 22 On page 21, strike lines 14 and 15, and substitute "(a) 23 (24) 24 A school district or". On page 21, line 17, between "<u>or</u>" and "<u>school</u>", insert 25 (25) 26 "charter". On page 21, line 18, strike "Section 39.003 or". (26) 27 On page 21, line 22, strike "or". 28 (27) 29 (28) On page 21, line 24, strike "school under Section 39A.202" and substitute the following: 30 31 charter school; or

(4) appoint a conservator or management team to 1 oversee the operations of the district or charter school 2 3 (29) Strike page 21, line 26 through page 22, line 23. On page 23, lines 3 and 4, strike ", except as provided 4 (30) by Section 39A.301" and substitute "unless an applicable provision 5 of Chapter 39 or this chapter provides otherwise". 6 (31) On page 23, line 8, between "Act," and "apply", insert 7 "and Sections 39.005, 39.006, and 39.007, Education Code, as added 8 by this Act,". 9 (32) On page 23, line 9, strike "authorized or initiated 10 before, on, or" and substitute "authorized, initiated, opened, or 11 12 finalized on or after". (33) On page 23, line 10, after the period, insert the 13 14 following: A special investigation authorized or initiated by the Texas 15 Education Agency under Section 39.057, Education Code, before the 16 effective date of this Act that is open and not finalized on the 17 effective date of this Act, is unaffected by this Act and may be 18 continued as if authorized by Section 39.003, Education Code, as 19 redesignated and amended by this Act. 20 (34) Add the following appropriately numbered SECTIONS to 21 ARTICLE 2 of the bill and renumber subsequent SECTIONS of the 22 ARTICLE accordingly: 23 29.202(a), SECTION 2.___. Section Education Code, 24 is 25 amended to read as follows: A student is eligible to receive a public education 26 (a) 27 grant or to attend another public school in the district in which the student resides under this subchapter if the student is 28 29 assigned to attend a public school campus assigned an unacceptable 30 performance rating that is made publicly available under Section 39.054 [for: 31

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[(1) the student achievement domain under Section 1 2 39.053(c)(1); and [(2) the school progress domain under Section 3 $\frac{39.053(c)(2)}{2}$]. 4 SECTION 2.____. Subchapter A, Chapter 39, Education Code, is 5 amended by adding Sections 39.005, 39.006, and 39.007 to read as 6 7 follows: Sec. 39.005. HEARING FOLLOWING INVESTIGATION. (a) This 8 section applies to a school district that is the subject of a 9 special investigation conducted under Section 39.003 that resulted 10 in a final report in which the agency recommends the appointment of 11 a board of managers, alternative management of a campus, or closure 12 13 of the district or a district campus. (b) Except as provided by Subsection (c), not later than 15 14 days after the date on which the board of trustees of the school 15 16 district receives the final report of a special investigation under Section 39.004(j), a board of trustees of a school district to which 17 this section applies may request a hearing, if the board of trustees 18 disagrees with the final report or a sanction or intervention 19 20 recommended by the agency in the report. 21 (c) A school district and the agency may agree in writing to extend the time period for requesting a hearing under Subsection 22 23 (b) by not more than an additional 30 days. (d) If a board of trustees of a school district requests a 24 25 hearing under Subsection (b), the hearing shall be conducted by the

27 <u>agency agree in writing to the appointment of another qualified</u> 28 person to conduct the hearing.

State Office of Administrative Hearings unless the district and the

(e) Except as otherwise provided by this subchapter, a
 hearing conducted under this section is a contested case under
 Chapter 2001, Government Code.

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1 (f) A hearing conducted under this section shall be held at 2 the administrative offices of the school district that requested 3 the hearing or at another location within the geographic boundaries 4 of the district agreed to by the district and the agency, unless the 5 district and the agency agree in writing to a different location.

6 (g) To protect the privacy of a witness who is a child, the
7 hearing examiner or the person conducting the hearing may:

8 (1) close the hearing to receive the testimony of the
9 witness; or

10 (2) order that the testimony or a statement of the 11 witness be presented using the procedures prescribed by Article 12 38.071, Code of Criminal Procedure.

13 (h) Not later than 90 days after the date on which the school 14 district requests a hearing under Subsection (b), the hearing 15 examiner or the person conducting the hearing shall issue and 16 submit to the commissioner findings of fact and conclusions of law. 17 The hearing examiner or the person conducting the hearing may not 18 issue a recommendation for relief.

(i) A hearing conducted under this section may not be held
 on a Saturday, Sunday, or state or federal holiday, unless agreed to
 by the school district that requested the hearing and the agency.

22 Sec. 39.006. COMMISSIONER DETERMINATION. (a) After a 23 hearing is conducted under Section 39.005, the commissioner shall 24 provide an opportunity for the agency and the school district to 25 present oral argument to the commissioner regarding the 26 disagreement that formed the basis of the hearing. The 27 commissioner shall provide the agency and the district with equal 28 time for oral argument.

(b) After hearing any oral argument presented under
30 Subsection (a), the commissioner shall issue a written decision to
31 the school district that contains:

1	(1) findings of fact;
2	(2) conclusions of law; and
3	(3) sanctions, interventions, or other actions
4	authorized by law.
5	(c) In determining the written decision under Subsection
6	(b), the commissioner shall consider:
7	(1) the record of the hearing conducted under Section
8	<u>39.005;</u>
9	(2) the findings of fact and conclusions of law issued
10	by the hearing examiner or the person conducting the hearing under
11	Section 39.005(h); and
12	(3) the oral arguments presented under Subsection (a).
13	(d) The commissioner may accept, reject, or amend the
14	conclusions of law issued by the hearing examiner or the person who
15	conducted the hearing under Section 39.005 regarding the
16	interpretation of a provision of this code.
17	(e) The commissioner may not reject or amend a finding of
18	fact issued by the hearing examiner or the person who conducted the
19	hearing under Section 39.005, unless the commissioner, after
20	reviewing the record, determines that a finding of fact is not
21	supported by substantial, admissible evidence.
22	(f) The commissioner shall provide in writing the legal
23	basis and reason for any amendment or rejection of a finding of fact
24	or conclusion of law made by the hearing examiner or the person who
25	conducted the hearing under Section 39.005.
26	Sec. 39.007. JUDICIAL APPEAL. (a) Notwithstanding Chapter
27	2001, Government Code, a school district may only appeal a decision
28	made by the commissioner under Section 39.006 in accordance with
29	this section.
30	(b) A school district may appeal a decision made by the
31	commissioner under Section 39.006 to:

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(1) a district court with jurisdiction in the county 1 in which the school district's central administrative offices are 2 3 located; or (2) a district court in Travis County, if agreed to by 4 the school district and the commissioner. 5 (c) A school district must file an appeal under this section 6 not later than 30 days after the date on which the district received 7 the written decision of the commissioner under Section 39.006(b). 8 (d) The filing of an appeal under this section does not 9 affect or stay the enforcement of the commissioner's written 10 11 decision issued under Section 39.006(b). (e) A court hearing an appeal under this section shall 12 review the decision issued by the commissioner under Section 13 39.006(b) under the substantial evidence rule as provided by 14 Subchapter C, Chapter 2001, Government Code, after examining: 15 (1) the evidentiary record of the hearing conducted 16 17 under Section 39.005; (2) the findings of fact issued by the hearing 18 examiner or the person that conducted the hearing under Section 19 20 39.005; and (3) any amendment or rejection of a finding of fact 21 made by the commissioner under Section 39.006. 22 (f) A court hearing an appeal under this section may not 23 24 take additional evidence. (g) A court hearing an appeal under this section may review 25 any amendment to or rejection of a finding of fact made by the 26 commissioner. If the court determines that the amendment or 27 rejection was not supported by substantial evidence, the court 28 shall reject the commissioner's amended finding of fact and 29 consider instead the original finding issued by the hearing 30 31 examiner or the person who conducted the hearing under Section

1 39.005.

(h) Notwithstanding Section 2001.174, Government Code, the court may not reverse or remand a decision issued by the commissioner under Section 39.006(b) based on a procedural error or irregularity made by the commissioner, an agency investigator, or the hearing examiner or the person who conducted the hearing under Section 39.005, unless the court determines that the procedural error or irregularity is likely to have caused an erroneous decision by the commissioner. The following amendment was published on 5/22/21 7:18 PM

21 MAY 22 FM 7:00 HOUSE OF PAPARECENTATIVES

BY:



FLOOR AMENDMENT NO._____

Danie

1 Amend S.B. 1365 (house committee report) by striking all 2 below the enacting clause and substituting the following: 3 ARTICLE 1. STATE AND LOCAL ORGANIZATION AND GOVERNANCE 4 SECTION 1.01. Section 7.055, Education Code, is amended by 5 adding Subsection (d) to read as follows: 6 (d) Notwithstanding any other law, the commissioner's power to delegate ministerial and executive functions under Subsection 7 8 (b)(5) is a valid delegation of authority. 9 SECTION 1.02. Section 11.151(b), Education Code, is amended to read as follows: 10 11 (b) Except as provided by Sections 39A.201 and 39A.202, the 12 [The] trustees as a body corporate have the exclusive power and duty 13 to govern and oversee the management of the public schools of the All powers and duties not specifically delegated by 14 district.

15 statute to the agency or to the State Board of Education are 16 reserved for the trustees, and the agency may not substitute its 17 judgment for the lawful exercise of those powers and duties by the 18 trustees.

19 SECTION 1.03. Section 11.1511(a), Education Code, is 20 amended to read as follows:

(a) In addition to powers and duties under Section 11.151 or
other law, the board of trustees of an independent school district
has the powers and duties provided by Subsection (b), except as
otherwise provided by Sections 39A.201 and 39A.202.

ARTICLE 2. PUBLIC SCHOOL SYSTEM ACCOUNTABILITY SECTION 2.01. Chapter 5, Education Code, is amended by adding Section 5.003 to read as follows:

28 <u>Sec. 5.003. APPEAL. In this title, if an order, decision,</u> 29 <u>or determination is described as final, an interlocutory or</u>

1 <u>intermediate order, decision, report, or determination made or</u> 2 <u>reached before the final order, decision, or determination may be</u> 3 <u>appealed only as specifically authorized by this code or a rule</u> 4 <u>adopted under this code</u>.

5 SECTION 2.02. Sections 12.1141(b) and (d), Education Code, 6 are amended to read as follows:

7 end of the term of (b) At the а charter for an open-enrollment charter school, if a charter holder submits to the 8 9 commissioner a petition for expedited renewal of the charter, the 10 charter automatically renews unless, not later than the 30th day 11 after the date the charter holder submits the petition, the 12 commissioner provides written notice to the charter holder that 13 expedited renewal of the charter is denied. The commissioner may 14 not deny expedited renewal of a charter if:

(1) the charter holder has been assigned the highest
or second highest performance rating under Subchapter C, Chapter
39, for the three preceding school years;

(2) the charter holder has been assigned a financial
performance accountability rating under Subchapter D, Chapter 39,
indicating financial performance that is satisfactory or better for
the three preceding school years; and

(3) no campus operating under the charter has been
assigned <u>an unacceptable</u> [the lowest] performance rating under
Subchapter C, Chapter 39, for the three preceding school years or
such a campus has been closed.

(d) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for renewal of the charter, the commissioner may not renew the charter and shall allow the charter to expire if:

31 (1) the charter holder has been assigned <u>an</u>

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<u>unacceptable</u> [the lowest] performance rating under Subchapter C,
 Chapter 39, for any three of the five preceding school years;

3 (2) the charter holder has been assigned a financial
4 accountability performance rating under Subchapter D, Chapter 39,
5 indicating financial performance that is lower than satisfactory
6 for any three of the five preceding school years;

7 (3) the charter holder has been assigned any
8 combination of the ratings described by Subdivision (1) or (2) for
9 any three of the five preceding school years; or

10 (4) any campus operating under the charter has been
11 assigned <u>an unacceptable</u> [the lowest] performance rating under
12 Subchapter C, Chapter 39, for the three preceding school years and
13 such a campus has not been closed.

SECTION 2.03. Section 29.202(a), Education Code, is amended to read as follows:

(a) A student is eligible to receive a public education grant or to attend another public school in the district in which the student resides under this subchapter if the student is assigned to attend a public school campus assigned an unacceptable performance rating that is made publicly available under Section 39.054 [for:

22 [(1) the student achievement domain under Section 23 39.053(c)(1); and

24 [(2) the school progress domain under Section 25 39.053(c)(2)].

SECTION 2.04. Sections 39.057 and 39.058, Education Code, are transferred to Subchapter A, Chapter 39, Education Code, redesignated as Sections 39.003 and 39.004, Education Code, and amended to read as follows:

30Sec. 39.003[39.057]. SPECIAL[ACCREDITATION]31INVESTIGATIONS.(a)The commissioner may authorize special

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1 [accreditation] investigations to be conducted:

2 (1) when excessive numbers of absences of students
3 eligible to be tested on state assessment instruments are
4 determined;

5 (2) when excessive numbers of allowable exemptions
6 from the required state assessment instruments are determined;

7 (3) in response to complaints submitted to the agency
8 with respect to alleged violations of civil rights or other
9 requirements imposed on the state by federal law or court order;

10 (4) in response to established compliance reviews of 11 the district's financial accounting practices and state and federal 12 program requirements;

(5) when extraordinary numbers of student placements
in disciplinary alternative education programs, other than
placements under Sections 37.006 and 37.007, are determined;

16 (6) in response to an allegation involving a conflict 17 between members of the board of trustees or between the board and 18 the district administration if it appears that the conflict 19 involves a violation of a role or duty of the board members or the 20 administration clearly defined by this code;

(7) when excessive numbers of students in special education programs under Subchapter A, Chapter 29, are assessed through assessment instruments developed or adopted under Section 39.023(b);

25 (8) in response to an allegation regarding or an 26 analysis using a statistical method result indicating a possible 27 violation of an assessment instrument security procedure established under Section 39.0301, including for the purpose of 28 29 investigating or auditing a school district under that section;

30 (9) when a significant pattern of decreased academic31 performance has developed as a result of the promotion in the

1 preceding two school years of students who did not perform 2 satisfactorily as determined by the commissioner under Section 3 39.0241(a) on assessment instruments administered under Section 4 39.023(a), (c), or (l);

5 (10) when excessive numbers of students eligible to 6 enroll fail to complete an Algebra II course or any other advanced 7 course as determined by the commissioner;

8 (11) when resource allocation practices as evaluated 9 under Section 39.0821 indicate a potential for significant 10 improvement in resource allocation;

(12) when a disproportionate number of students of a particular demographic group is graduating with a particular endorsement under Section 28.025(c-1);

14 (13) when an excessive number of students is 15 graduating with a particular endorsement under Section 16 28.025(c-1);

(14) in response to a complaint submitted to the agency with respect to alleged inaccurate data that is reported through the Public Education Information Management System (PEIMS) or through other reports required by state or federal law or rule or court order and that is used by the agency to make a determination relating to public school accountability, including accreditation, under this chapter;

(15) when a school district for any reason fails to
produce, at the request of the agency, evidence or an investigation
report relating to an educator who is under investigation by the
State Board for Educator Certification; or

28 (16) as the commissioner otherwise determines29 necessary.

30 (b) If the agency's findings in an investigation under31 Subsection (a)(6) indicate that the board of trustees has observed

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1 a lawfully adopted policy <u>that does not otherwise violate a law or</u>
2 <u>rule</u>, the agency may not substitute its judgment for that of the
3 board.

4 (c) The commissioner may authorize special [accreditation] 5 investigations to be conducted in response to repeated complaints 6 submitted to the agency concerning imposition of excessive 7 paperwork requirements on classroom teachers.

8 (d) Based on the results of a special [accreditation]9 investigation, the commissioner may:

10 (1) <u>order any intervention or sanction described by</u> 11 [take appropriate action under] Chapter 39A, without regard to 12 whether any academic, financial, accreditation, or other 13 <u>conditions required by that chapter to initiate the intervention or</u> 14 <u>sanction have been met</u>;

15 (2) lower the school district's accreditation status
16 or a district's or campus's accountability rating; or

17 (3) take action under both Subdivisions (1) and (2).
18 (e) At any time before issuing a report with the agency's
19 <u>final findings, the commissioner may defer taking an action under</u>

20 <u>Subsection (d) until:</u>

21 (1) a person who is a third party, selected by the 22 commissioner, has reviewed programs or other subjects of an 23 investigation under this section and submitted a report identifying 24 problems and proposing solutions;

25 (2) a district completes a corrective action plan
26 developed by the commissioner; or

27 <u>(3) the completion of actions under both Subdivisions</u> 28 <u>(1) and (2).</u>

29 (f) Based on the results of an action taken under Subsection 30 (e), the commissioner may decline to take the deferred action under 31 Subsection (d).

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1 (g) Section 39A.301 applies to an action taken under 2 Subsection (d)(1) in the same manner as that section applies to an action taken under Chapter 39A [Regardless of whether the 3 4 commissioner lowers the school district's accreditation status or a district's or campus's performance rating under Subsection (d), the 5 commissioner may take action under Section 39A.002 or 39A.051 if 6 7 the commissioner determines that the action is necessary to improve 8 any area of a district's or campus's performance, including the 9 district's financial accounting practices].

Sec. 39.004 [39.058]. CONDUCT OF SPECIAL [ACCREDITATION] 10 11 INVESTIGATIONS. (a) The agency shall adopt written procedures for conducting special [accreditation] investigations [under-this 12 13 subchapter], including procedures that allow the agency to obtain 14 information from district employees in a manner that prevents a district or campus from screening the information. 15 The agency shall make the procedures available on the agency Internet website. 16 17 Agency staff must be trained in the procedures and must follow the 18 procedures in conducting the special [accreditation] 19 investigation.

20 <u>(a-1)</u> During the pendency of a special investigation under
21 this section, the agency is not required to disclose the identity of
22 any witness.

23 (b) After completing special [accreditation] а 24 investigation, the agency shall present preliminary findings to any person or entity the agency finds has violated a law, rule, or 25 [Before issuing a report with its final findings, the 26 policy. agency-must provide a person or entity the agency finds has violated 27 28 a law, rule, or policy an opportunity for an informal review by the 29 commissioner or a designated hearing examiner.]

30 (c) In presenting the agency's preliminary findings to a
 31 school district under Subsection (b), the agency:

1 (1) shall provide to the district a written report of 2 the agency's preliminary findings of the investigation; (2) shall provide to the district any evidence relied 3 4 on by the agency in making the preliminary findings; (3) shall disclose to the district the identity of any 5 witness whose statements the agency relied on in making the 6 7 preliminary findings; and 8 (4) may not include recommended sanctions or 9 interventions. 10 (d) A written report of preliminary findings under 11 Subsection (c) and all associated materials produced by the agency 12 in support of the report are excepted from public disclosure as audit working papers of the agency under Section 552.116, 13 Government Code. A school district may publicly release a report of 14 preliminary findings only if the release is approved by an 15 affirmative vote of the board of trustees of the district. 16 (e) Unless otherwise provided by law, all evidence 17 18 collected by the agency in connection with a special investigation, including witness statements and videos of agency interviews, are 19 confidential and not subject to disclosure under Chapter 552, 20 21 Government Code, except that evidence described by this section may be disclosed: 22 23 (1) to a person with a legitimate interest in the 24 investigation; or (2) in connection with an administrative or other 25 26 legal proceeding brought under this title. 27 (f) Not later than 30 days after the date on which the board of trustees of the school district receives the written report of 28 the preliminary findings under Subsection (c), the board of 29 30 trustees of a school district may accept the agency's findings or respond in writing to the agency. 31

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1 (g) The agency shall consider any response submitted by the 2 board of trustees of the school district under Subsection (f) 3 before providing the board of trustees of a school district a final 4 report in writing that includes proposed sanctions or 5 interventions.

6 (h) Before the commissioner determines to order a sanction 7 or intervention based on a final report, other than a sanction or 8 intervention described by Section 39.005, the commissioner or the 9 commissioner's designee shall provide an informal review. An 10 informal review provided under this section is not a contested case 11 for purposes of Chapter 2001, Government Code.

12 (i) In conducting a special investigation under Section 13 39.003, the commissioner or the commissioner's designee may 14 subpoena a current or former school district employee, agent, or 15 official to compel the employee, agent, or official to attend a 16 deposition or produce documents reasonably necessary for the 17 investigation.

18 (j) If a person fails to comply with a subpoena issued under 19 Subsection (i), the commissioner, acting through the attorney 20 general, may file suit to enforce the subpoena in a district court 21 in this state. On a finding that good cause exists for issuing the 22 subpoena, the court shall order the person to comply with the 23 subpoena and the court may punish a person who fails to obey the 24 court order.

25 (k) A court may not enjoin a special investigation conducted
26 under this section prior to the conclusion of the special
27 investigation.

28 (1) A school district must exhaust the administrative 29 remedies provided under this subchapter before appealing the 30 findings or final recommendations of a special investigation 31 conducted under this section to a court.

SECTION 2.05. Subchapter A, Chapter 39, Education Code, is
 amended by adding Sections 39.005, 39.006, and 39.007 to read as
 follows:

4 Sec. 39.005. HEARING FOLLOWING INVESTIGATION. (a) This 5 section applies to a school district that is the subject of a 6 special investigation conducted under Section 39.003 that resulted 7 in a final report in which the agency recommends the appointment of 8 a board of managers, alternative management of a campus, or closure 9 of the district or a district campus.

10 (b) Except as provided by Subsection (c), not later than 15 11 days after the date on which the board of trustees of the school 12 district receives the final report of a special investigation under 13 Section 39.004(g), a board of trustees of a school district to which 14 this section applies may request a hearing if the board of trustees 15 disagrees with the final report or a sanction or intervention 16 recommended by the agency in the report.

17 (c) A school district and the agency may agree in writing to
18 extend the time period for requesting a hearing under Subsection
19 (b) by not more than an additional 30 days.

20 (d) If a board of trustees of a school district requests a
21 hearing under Subsection (b), the hearing shall be conducted by the
22 State Office of Administrative Hearings unless the district and the
23 agency agree in writing to the appointment of another qualified
24 person to conduct the hearing.

25 (e) Except as otherwise provided by this subchapter, a
26 hearing conducted under this section is a contested case under
27 Chapter 2001, Government Code.

28 (f) A hearing conducted under this section shall be held at 29 the administrative offices of the school district that requested 30 the hearing or at another location within the geographic boundaries 31 of the district agreed to by the district and the agency, unless the

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district and the agency agree in writing to a different location. 1 (g) To protect the privacy of a witness who is a child, the 2 hearing examiner or the person conducting the hearing may: 3 4 (1) close the hearing to receive the testimony of the 5 witness; or 6 (2) order that the testimony or a statement of the witness be presented using the procedures prescribed by Article 7 8 38.071, Code of Criminal Procedure. 9 (h) Not later than 90 days after the date on which the school district requests a hearing under Subsection (b), the hearing 10 11 examiner or the person conducting the hearing shall issue and 12 submit to the commissioner findings of fact and conclusions of law. The hearing examiner or the person conducting the hearing may not 13 14 issue a recommendation for relief. (i) A hearing conducted under this section may not be held 15 16 on a Saturday, Sunday, or state or federal holiday, unless agreed to 17 by the school district that requested the hearing and the agency. Sec. 39.006. COMMISSIONER DETERMINATION. (a) After a 18 hearing is conducted under Section 39.005, the commissioner shall 19 20 provide an opportunity for the agency and the school district to present oral argument to the commissioner regarding the 21 22 disagreement that formed the basis of the hearing. The 23 commissioner shall provide the agency and the district with equal 24 time for oral argument. 25 (b) After hearing any oral argument presented under 26 Subsection (a), the commissioner shall issue a written decision to 27 the school district that contains: (1) findings of fact; 28 29 (2) conclusions of law; and (3) sanctions, interventions, or other actions 30 authorized by law. 31

(c) In determining the written decision under Subsection 1 (b), the commissioner shall consider: 2 3 (1) the record of the hearing conducted under Section 4 39.005; 5 (2) the findings of fact and conclusions of law issued 6 by the hearing examiner or the person conducting the hearing under 7 Section 39.005(h); and 8 (3) the oral arguments presented under Subsection (a). (d) The commissioner may accept, reject, or amend the 9 10 conclusions of law issued by the hearing examiner or the person who conducted the hearing under Section 39.005 regarding the 11 interpretation of a provision of this code. 12 13 (e) The commissioner may not reject or amend a finding of 14 fact issued by the hearing examiner or the person who conducted the 15 hearing under Section 39.005, unless the commissioner, after reviewing the record, determines that a finding of fact is not 16 supported by substantial, admissible evidence. 17 18 (f) The commissioner shall provide in writing the legal 19 basis and reason for any amendment or rejection of a finding of fact or conclusion of law made by the hearing examiner or the person who 20 21 conducted the hearing under Section 39.005. Sec. 39.007. JUDICIAL APPEAL. (a) Notwithstanding Chapter 22 23 2001, Government Code, a school district may only appeal a decision made by the commissioner under Section 39.006 in accordance with 24 25 this section. 26 (b) A school district may appeal a decision made by the 27 commissioner under Section 39.006 to: 28 (1) a district court with jurisdiction in the county 29 in which the school district's central administrative offices are 30 located; or 31 (2) a district court in Travis County, if agreed to by

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the school district and the commissioner. 1 2 (c) A school district must file an appeal under this section not later than 30 days after the date on which the district received 3 the written decision of the commissioner under Section 39.006(b). 4 5 (d) The filing of an appeal under this section does not affect or stay the enforcement of the commissioner's written 6 7 decision issued under Section 39.006(b). 8 (e) A court hearing an appeal under this section shall review the decision issued by the commissioner under Section 9 39.006(b) under the substantial evidence rule as provided by 10 Subchapter G, Chapter 2001, Government Code, after examining: 11 12 (1) the evidentiary record of the hearing conducted under Section 39.005; 13 14 (2) the findings of fact issued by the hearing examiner or the person that conducted the hearing under Section 15 16 39.005; and 17 (3) any amendment or rejection of a finding of fact 18 made by the commissioner under Section 39.006. 19 (f) A court hearing an appeal under this section may not take additional evidence. 20 21 (g) A court hearing an appeal under this section may review 22 any amendment to or rejection of a finding of fact made by the 23 commissioner. If the court determines that the amendment or rejection was not supported by substantial evidence, the court 24 25 shall reject the commissioner's amended finding of fact and consider instead the original finding issued by the hearing 26 27 examiner or the person who conducted the hearing under Section 39.005. 28 29 (h) Notwithstanding Section 2001.174, Government Code, the 30 court may not reverse or remand a decision issued by the 31 commissioner under Section 39.006(b) based on a procedural error or

1 irregularity made by the commissioner, an agency investigator, or 2 the hearing examiner or the person who conducted the hearing under 3 Section 39.005, unless the court determines that the procedural 4 error or irregularity is likely to have caused an erroneous 5 decision by the commissioner.

6 SECTION 2.06. Section 39.054, Education Code, is amended by 7 amending Subsections (a), (a-3), and (b-1) and adding Subsections 8 (a-4) and (a-5) to read as follows:

9 Except as provided by Subsection (a-4), the [The] (a) 10 commissioner shall adopt rules to evaluate school district and campus performance and assign each district and campus an overall 11 performance rating of A, B, C, D, or F. In addition to the overall 12 performance rating, the commissioner shall assign each district and 13 14 campus a separate domain performance rating of A, B, C, D, or F for each domain under Section 39.053(c). 15 An overall or domain 16 performance rating of A reflects exemplary performance. An overall or domain performance rating of B reflects recognized performance. 17 An overall or domain performance rating of C reflects acceptable 18 performance. An overall or domain performance rating of D reflects 19 performance that needs improvement. An overall or domain 20 performance rating of F reflects unacceptable performance. Α 21 district may not receive an overall or domain performance rating of 22 A if the district includes any campus with a corresponding overall 23 or domain performance rating of D or F. If a school district has 24 25 been approved under Section 39.0544 to assign campus performance ratings and the commissioner has not assigned a campus an overall 26 27 performance rating of D or F, the commissioner shall assign the 28 campus an overall performance rating based on the school district assigned performance rating under Section 39.0544. [A reference in 29 30 law to an acceptable rating or acceptable performance includes an 31 overall or domain performance rating of A, B, C, or D or performance

that is exemplary, recognized, or acceptable performance 1 2 performance that needs improvement.] 3 (a-3) Not later than August 15 of each year, the following 4 information [performance ratings of each district and campus] shall be made publicly available as provided by rules adopted under this 5 section: 6 7 (1) the performance ratings for each school district 8 and campus; and 9 (2) if applicable, the number of consecutive school 10 years of unacceptable performance ratings for each district and 11 campus. (a-4) Notwithstanding any other law, the commissioner may 12 13 assign a school district or campus an overall performance rating of 14 "Not Rated" if the commissioner determines that the assignment of a performance rating of A, B, C, D, or F would be inappropriate 15 16 because: (1) the district or campus is located in an area that 17 is subject to a declaration of a state of disaster under Chapter 18 19 418, Government Code, and due to the disaster, performance indicators for the district or campus are difficult to measure or 20 21 evaluate and would not accurately reflect quality of learning and 22 achievement for the district or campus; 23 (2) the district or campus has experienced breaches or other failures in data integrity to the extent that accurate 24 25 analysis of data regarding performance indicators is not possible; 26 (3) the number of students enrolled in the district or 27 campus is insufficient to accurately evaluate the performance of the district or campus; or 28 29 (4) for other reasons outside the control of the district or campus, the performance indicators would not accurately 30 reflect quality of learning and achievement for the district or 31

1 campus.

2 (a-5) Notwithstanding any other law, an overall performance
3 rating of "Not Rated" is not included in calculating consecutive
4 school years of unacceptable performance ratings and is not
5 considered a break in consecutive school years of unacceptable
6 performance ratings for purposes of any provision of this code.

7 (b-1) Consideration of the effectiveness of district
8 programs under Section 39.052(b)(2)(B) or (C):

9 (1) must:

10 (A) be based on data collected through the Public
11 Education Information Management System (PEIMS) for purposes of
12 accountability under this chapter; and

(B) include the results of assessments requiredunder Section 39.023; and

15 (2) may be based on the results of a special 16 [accreditation] investigation conducted under Section <u>39.003</u> 17 [39.057].

SECTION 2.07. Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0543 to read as follows:

20 Sec. 39.0543. PERFORMANCE RATING REQUIRING INTERVENTION OR OTHER ACTION. (a) A reference in law to an acceptable performance 21 rating or acceptable performance includes an overall or domain 22 23 performance rating of A, B, or C or performance that is exemplary, recognized, or acceptable. A reference in law to an unacceptable 24 performance rating or unacceptable performance includes an overall 25 or domain performance rating of F. For the purposes of public 26 reporting requirements, an overall or domain performance rating of 27 D shall be referred to as performance that needs improvement. 28

(b) A reference in law to an acceptable performance rating
 or acceptable performance for a school district, open-enrollment
 charter school, district campus, or charter school campus includes

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1 an overall performance rating of D if, since previously receiving an overall performance rating of C or higher, the district, charter 2 school, district campus, or charter school campus: 3 4 (1) has not previously received more than one overall 5 performance rating of D; or 6 (2) has not received an overall performance rating of 7 F. 8 (b-1) For the purposes of this section, an overall performance rating issued in a previous school year for a school 9 10 district, open-enrollment charter school, district campus, or charter school campus of: 11 12 (1) met standard, academically acceptable, recognized, exemplary, A, B, or C is considered to be a performance 13 14 rating of C or higher; and 15 (2) performance that needs improvement, academically unacceptable, or F is considered to be a rating of F. 16 17 (b-2) For purposes of determining whether a reference in law 18 to an acceptable performance rating or acceptable performance 19 includes an overall performance rating of D under Subsection (b), a performance rating of D assigned to a school district, 20 open-enrollment charter school, district campus, or charter school 21 campus prior to the 2018-2019 school year shall not be considered. 22 23 (b-3) Subsections (b-1) and (b-2) and this subsection 24 expire September 1, 2027. 25 (c) A reference in law to an unacceptable performance rating or unacceptable performance includes a performance rating of D if 26 27 the rating does not satisfy Subsection (b). SECTION 2.08. Subchapter C, Chapter 39, Education Code, is 28 29 amended by adding Sections 39.0545 and 39.0546 to read as follows: 30 Sec. 39.0545. ALTERNATIVE METHODS AND STANDARDS FOR EVALUATING PERFORMANCE FOR 2020-2021 SCHOOL YEAR. (a) This 31

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1 <u>section applies to a campus:</u>

2 (1) that meets the participation requirements for all 3 students in all subject areas for the annual measurement of 4 achievement under Section 1111, Every Student Succeeds Act (20 5 U.S.C. Section 6311(c)(4)(E)); and 6 (2) to which the most recent performance rating 7 assigned, other than a "Not Rated" rating, is a D, F, or performance 8 that needs improvement. 9 (b) Notwithstanding any other law, the commissioner shall adopt rules to develop and implement alternative methods and 10 standards for evaluating the performance for the 2020-2021 school 11 12 year of a campus to which this section applies. The rules adopted under this section must evaluate a campus under the domains of 13 14 indicators of achievement listed in Sections 39.053(c)(1) and (2). 15 (c) The commissioner shall review a campus to which this section applies under the alternative methods and standards adopted 16 under Subsection (b) on the request of the school district in which 17 the campus is located made by the deadline established by 18 19 commissioner rule. (d) An acceptable performance rating assigned under the 20 21 alternative methods and standards adopted by the commissioner under Subsection (b) is considered a break in consecutive school years of 22 23 unacceptable performance ratings under this code. 24 (e) If the commissioner determines that the campus would not be assigned an acceptable performance rating, the commissioner 25 shall instead assign the campus a rating of "Not Rated." 26 27 (f) This section does not apply to an intervention ordered 28 on the basis of consecutive school years of unacceptable 29 performance ratings accrued before the effective date of this 30 section. (g) This section expires September 1, 2027. 31

1 Sec. 39.0546. COVID-19 RECOVERY ACCOUNTABILITY FOR 2021-2022 SCHOOL YEAR. (a) Notwithstanding any other law, the 2 commissioner shall assign to a school district or campus a rating of 3 4 "Not Rated" for the 2021-2022 school year, unless, after reviewing 5 the district or campus under the methods and standards adopted under Section 39.054, the commissioner determines the district or 6 7 campus should be assigned an overall performance rating of C or 8 higher. 9 (b) Regardless of the rating assigned under this section, if the commissioner would have otherwise assigned a campus an 10 unacceptable performance rating, the campus is considered to be a 11 campus assigned an unacceptable performance rating for purposes of 12 determining a student's eligibility for a public education grant 13 14 under Section 29.202. (c) Notwithstanding any other law, the commissioner shall 15 take an action described by Section 39A.111(1) or (2) if a campus: 16 17 (1) is not assigned an overall performance rating of C or higher for the 2021-2022 school year; and 18 19 (2) has been assigned an unacceptable performance rating for five or more school years prior to the 2021-2022 school 20 21 year. 22 (d) This section expires September 1, 2028. 23 SECTION 2.09. Sections 39.151(a), (b), and (e), Education Code, are amended to read as follows: 24 The commissioner by rule shall provide a process for a 25 (a) school district or open-enrollment charter school to challenge an 26 agency decision made under this chapter relating to an academic or 27 financial accountability rating that affects the district or 28 school, including a determination of consecutive school years of 29 unacceptable performance ratings. 30 31 (b) The rules under Subsection (a) must provide for the

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1 commissioner to appoint a committee to make recommendations to the 2 commissioner on a challenge made to an agency decision relating to 3 an academic performance rating or determination, including a 4 determination of consecutive school years of unacceptable 5 performance ratings, or financial accountability rating. The 6 commissioner may not appoint an agency employee as a member of the 7 committee.

8 (e) A school district or open-enrollment charter school may 9 not challenge an agency decision relating to an academic or 10 financial accountability rating under this chapter, including a 11 decision relating to a determination of consecutive school years of 12 unacceptable performance ratings, in another proceeding if the 13 district or school has had an opportunity to challenge the decision 14 under this section.

SECTION 2.10. Section 39A.003, Education Code, is amended by adding Subsection (d) to read as follows:

17 (d) A conservator or management team may exercise the powers 18 and duties defined by the commissioner under Subsection (a) or 19 described by Subsection (c) regardless of whether the conservator 20 or management team was appointed to oversee the operations of a 21 school district in its entirety or the operations of a certain 22 campus within the district.

23 SECTION 2.11. Section 39A.004, Education Code, is amended 24 to read as follows:

25 Sec. 39A.004. APPOINTMENT OF BOARD OF MANAGERS. The 26 commissioner may appoint a board of managers to exercise the powers 27 and duties of a school district's board of trustees if the district 28 is subject to commissioner action under:

29 (1) Section <u>39A.001(1)</u> [39A.001] and:

30 <u>(A)</u> [(1)] has a current accreditation status of 31 accredited-warned or accredited-probation;

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1 (B) [(2)] fails to satisfy any standard under 2 Section 39.054(e); or 3 (C) [(3)] fails to satisfy financial accountability standards as determined by commissioner rule; or 4 5 (2) Section 39A.001(2). 6 SECTION 2.12. Sections 39A.006(a) and (b), Education Code, 7 are amended to read as follows: 8 (a) This section applies: 9 (1) regardless of whether a school district has 10 satisfied the accreditation criteria; and 11 (2) to a conservator or management team appointed 12 under any provision of this title, regardless of the scope or any 13 changes to the scope of the conservator's or team's oversight. 14 (b) If for two consecutive school years, including the 15 current school year, a school district has had a conservator or 16 management team assigned to the district or a district campus for any reason under this title, the commissioner may appoint a board of 17 18 managers to exercise the powers and duties of the board of trustees 19 of the district. Section SECTION 2.13. 39A.061(b), 20 Education Code, is 21 amended to read as follows: 22 (b) The commissioner may authorize a targeted improvement plan, [or] an updated targeted improvement plan, or a local 23 24 improvement plan to supersede the provisions of and satisfy the 25 requirements of developing, reviewing, and revising a campus 26 improvement plan under Subchapter F, Chapter 11. SECTION 2.14. Subchapter B, Chapter 39A, Education Code, is 27 28 amended by adding Section 39A.065 to read as follows: Sec. 39A.065. LOCAL IMPROVEMENT PLAN. (a) A school 29 district, open-enrollment charter school, district campus, or 30 charter school campus that is assigned a rating of D that qualifies 31

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under Section 39.0543(b) shall develop and implement a local 1 2 improvement plan. (b) A local improvement plan must be presented to the board 3 4 of trustees of the school district or governing board of the 5 open-enrollment charter school. 6 The commissioner shall adopt rules to establish (c) 7 requirements for a local improvement plan components and training. 8 The commissioner may not require a school district or open-enrollment charter school to submit the local improvement plan 9 10 to the agency. 11 SECTION 2.15. Section 39A.102, Education Code, is amended 12 by amending Subsection (b) and adding Subsection (b-1) to read as 13 follows: Subject to Subsection (b-1), the [The] commissioner may 14 (b) 15 appoint a monitor, conservator, management team, or board of 16 managers to the school district to ensure and oversee 17 district-level support to low-performing campuses and the 18 implementation of the updated targeted improvement plan. 19 (b-1) The commissioner shall appoint a conservator to a school district under Subsection (b) unless and until: 20 21 (1) each campus in the district for which a campus turnaround plan has been ordered under Section 39A.101 receives an 22 23 acceptable performance rating for the school year; or 24 (2) the commissioner determines a conservator is not 25 necessary. SECTION 2.16. The heading to Section 39A.110, Education 26 27 Code, is amended to read as follows: 28 Sec. 39A.110. MODIFICATION OF [CHANGE IN] CAMPUS TURNAROUND 29 PLAN [PERFORMANCE RATINC]. 30 SECTION 2.17. Section 39A.110, Education Code, is amended by adding Subsection (c) to read as follows: 31

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1 (c) The commissioner may authorize modification of an 2 approved campus turnaround plan if the commissioner determines that 3 due to a change in circumstances occurring after the plan's 4 approval under Section 39A.107, a modification of the plan is 5 necessary to achieve the plan's objectives.

6 SECTION 2.18. Section 39A.111, Education Code, is amended 7 to read as follows:

8 Sec. 39A.111. CONTINUED UNACCEPTABLE PERFORMANCE RATING. 9 If a campus is considered to have an unacceptable performance 10 rating for <u>five</u> [three] consecutive school years [after the campus 11 is ordered to submit a campus turnaround plan under Section 12 39A.101], the commissioner, subject to Section 39A.112, shall 13 order:

14 (1) appointment of a board of managers to govern the15 school district as provided by Section 39A.202; or

16 (2) closure of the campus.

17SECTION 2.19.Subchapter C, Chapter 39A, Education Code, is18amended by adding Sections 39A.117 and 39A.118 to read as follows:

19Sec. 39A.117. INTERVENTIONFORCERTAINDISTRICTSOR20CAMPUSES. (a)For purposes of this section:

21 (1) an acceptable performance rating includes:
 22 (A) a rating of met standard, academically
 23 acceptable, recognized, exemplary, A, B, or C; or

24 (B) a rating of D that meets the requirements of 25 Section 39.0543(b);

26 (2) an unacceptable performance rating includes:
27 (A) a rating of performance that needs
28 improvement, academically unacceptable, or F; or
29 (B) a rating of D that meets the requirements of
30 Section 39.0543(c); and
31 (3) a rating of "Not Rated" is not considered an

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1 acceptable or unacceptable performance rating and may not be 2 considered a break in consecutive years of unacceptable 3 performance. 4 (b) As soon as practicable after the effective date of S.B. 1365, 87th Legislature, Regular Session, 2021, or similar 5 legislation, the commissioner shall: 6 (1) determine the number of school years of 7 8 unacceptable performance ratings occurring after the 2012-2013 school year for each school district, open-enrollment charter 9 school, district campus, or charter school campus by determining 10 the number of unacceptable performance ratings assigned to each 11 district, charter school, district campus, or charter school 12 13 campus since the most recent acceptable performance rating was assigned to the district, charter school, district campus, or 14 15 charter school campus; and (2) use the number of school years of unacceptable 16 17 performance ratings as the base number of consecutive years of unacceptable performance for which the performance rating in the 18 19 2021-2022 school year will be added. (c) Exemptions from interventions authorized under Sections 20 11.174 and 28.020 and Section 5, Chapter 919 (H.B. 4205), Acts of 21 the 86th Legislature, Regular Session, 2019, apply to an 22 intervention ordered under this section and the commissioner shall 23 make necessary modifications to an intervention ordered under this 24 section in accordance with those provisions of law. 25 26 (d) This section may not be construed to: 27 (1) provide a school district or open-enrollment charter school additional remedies or appellate or other review for 28 previous interventions, sanctions, or performance ratings ordered 29 30 or assigned; or 31 (2) prohibit the commissioner from taking any action

or ordering any intervention or sanction otherwise authorized by 1 2 law. (e) To the extent of a conflict with any other transition 3 provision affecting this section, this transition provision 4 5 prevails. (f) This section expires September 1, 2027. 6 7 Sec. 39A.118. INTERVENTION IF ASSIGNED CERTAIN PERFORMANCE 8 NEEDS IMPROVEMENT RATING. (a) Until another performance rating is issued, the agency may not implement the intervention or sanctions 9 listed under Subsection (b) for a school district, open-enrollment 10 charter school, district campus, or charter school campus, if the 11 12 performance rating initiating the action under Subsection (b) is 13 based on the first or second overall performance rating of D, since previously receiving a rating of C or higher. 14 (a-1) For purposes of this section, a performance rating of 15 D assigned prior to the 2018-2019 school year shall not be 16 considered. This subsection expires September 1, 2027. 17 18 (b) The following interventions or sanctions are subject to a pause under Subsection (a): 19 20 (1) revocation of a charter under Section 12.115(c); 21 (2) annexation under Section 13.054; 22 (3) change in accreditation status under rules adopted 23 for accreditation under Section 39.052; and (4) interventions or sanctions under 24 Section 25 39A.101(a), 39A.107(a) or (c), or 39A.111. (c) The performance rating identified under Subsection (a): 26 27 (1) may not be included in calculating consecutive school years of unacceptable performance ratings; and 28 (2) is not considered a break in consecutive school 29 years of unacceptable performance ratings. 30 31 (d) Interventions or sanctions implemented prior to a pause

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1 <u>under Subsection (a) shall continue during a school year for which</u>
2 <u>interventions or sanctions listed under Subsection (b) are paused.</u>
3 (e) This section does not apply to a commissioner action

4 based on performance or reasons not listed as interventions or 5 sanctions under Subsection (b).

6 SECTION 2.20. Section 39A.201(a), Education Code, is 7 amended to read as follows:

8 (a) <u>Notwithstanding Section 11.151(b) or 11.1511(a) or any</u> 9 <u>other provision of this code, a</u> [A] board of managers may exercise 10 all of the powers and duties assigned to a board of trustees of a 11 school district by law, rule, or regulation.

SECTION 2.21. Section 39A.202(a), Education Code, is amended to read as follows:

14 (a) Notwithstanding Section 11.151(b) or 11.1511(a) or any
15 other provision of this code, if [If] the commissioner appoints a
16 board of managers to govern a school district:

17 (1) the powers of the board of trustees of the district18 are suspended for the period of the appointment; and

19 (2) the commissioner shall appoint a district20 superintendent.

21 SECTION 2.22. Section 39A.301(a), Education Code, is 22 amended to read as follows:

(a) A school district or open-enrollment charter school
<u>must appeal under this section if the district or charter school</u>
[that] intends to challenge a decision by the commissioner under
this chapter to:

27 (1) close the district or a district campus or the 28 charter school;

29 (2) [or to] pursue alternative management of a
 30 district campus or the charter school;

31 (3) appoint a board of managers to the district or

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1 charter school; or

2 (4) appoint a conservator or management team to the 3 district or charter school [must appeal the decision under this 4 section].

5 SECTION 2.23. Section 39A.116, Education Code, is 6 transferred to Subchapter Z, Chapter 39A, Education Code, 7 redesignated as Section 39A.906, Education Code, and amended to 8 read as follows:

9 Sec. <u>39A.906</u> [39A.116]. COMMISSIONER AUTHORITY. A 10 decision by the commissioner under <u>Chapter 39 or</u> this <u>chapter</u> 11 [subchapter] is final and may not be appealed <u>unless an applicable</u> 12 provision of Chapter 39 or this chapter provides otherwise.

13 SECTION 2.24. Section 39A.0545, Education Code, is 14 repealed.

15 SECTION 2.25. (a) Sections 39.003 and 39.004, Education Code, as redesignated and amended by this Act, and Sections 39.005, 16 39.006, and 39.007, Education Code, as added by this Act, apply to a 17 18 special investigation authorized, initiated, opened, or finalized on or after the effective date of this Act. A special investigation 19 authorized or initiated by the Texas Education Agency under Section 20 21 39.057, Education Code, before the effective date of this Act that 22 is open and not finalized on the effective date of this Act, shall 23 be continued as if authorized by Section 39.003, Education Code, as 24 redesignated and amended by this Act, and proceed subject to 25 Section 39.004, Education Code, as redesignated and amended by this Act, and Sections 39.005, 39.006, and 39.007, Education Code, as 26 27 added by this Act.

(b) Section 39A.006, Education Code, as amended by this Act,
applies to a conservator or management team assigned to a school
district before, on, or after the effective date of this Act.

31 SECTION 2.26. If this Act takes effect later than August 15,

1 2021, the Texas Education Agency shall publish the consecutive 2 school years of unacceptable performance ratings as required by 3 Section 39.054(a-3), Education Code, as amended by this Act, for 4 each school district and campus as soon as practicable after the 5 effective date of this Act.

6 SECTION 2.27. As soon as practicable after the effective 7 date of this Act, the commissioner of education shall adopt rules to 8 develop and implement alternative methods and standards for 9 evaluating the performance of a campus for the 2020-2021 school 10 year as required by Section 39.0545, Education Code, as added by 11 this Act.

12

ARTICLE 3. PUBLIC SCHOOL FISCAL MANAGEMENT

13 SECTION 3.01. Section 44.052(c), Education Code, is amended 14 to read as follows:

(c) A trustee of a school district who votes to approve any expenditure of school funds in <u>violation of a provision of this</u> <u>code, for a purpose for which those funds may not be spent, or in</u> excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits an offense. An offense under this subsection is a Class C misdemeanor.

SECTION 3.02. Section 45.105, Education Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

24 (c) Local school funds from district taxes, tuition fees of students not entitled to a free education, other local sources, and 25 state funds not designated for a specific purpose may be used for 26 the purposes listed for state and county available funds and for 27 28 purchasing appliances and supplies, paying insurance premiums, 29 paying janitors and other employees, buying school sites, buying, building, repairing, and renting school buildings, including 30. acquiring school buildings and sites by leasing through annual 31

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payments with an ultimate option to purchase, and, except as 1 provided by Subsection (c-1), for other purposes necessary in the 2 conduct of the public schools determined by the board of trustees. 3 The accounts and vouchers for county districts must be approved by 4 5 the county superintendent. If the state available school fund in any municipality or district is sufficient to maintain the schools 6 in any year for at least eight months and leave a surplus, the 7 8 surplus may be spent for the purposes listed in this subsection.

9 (c-1) Funds described by Subsection (c) may not be used to 10 initiate or maintain any action or proceeding against the state or an agency or officer of the state arising out of a decision, order, 11 12 or determination that is final and unappealable under a provision 13 of this code, except that funds may be used for an action or proceeding that is specifically authorized by a provision of this 14 code or a rule adopted under this code and that results in a final 15 and unappealable decision, order, or determination. 16

SECTION 3.03. Section 48.201, Education Code, is amended to read as follows:

Sec. 48.201. PURPOSE. The purpose of the tier two component of the Foundation School Program is to provide each school district with the opportunity to provide the basic program and to supplement that program at a level of its own choice. An allotment under this subchapter may be used for any legal purpose other than:

24

(1) capital outlay or debt service; or

25 (2) a purpose prohibited by Section 45.105(c-1) or
26 another provision of this code.

SECTION 3.04. Section 39A.203, Education Code, is repealed.
SECTION 3.05. Section 44.052(c), Education Code, as amended
by this Act, applies only to an offense committed on or after the
effective date of this Act. An offense committed before the
effective date of this Act is governed by the law in effect when the

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offense was committed, and the former law is continued in effect for
 that purpose. For purposes of this section, an offense was
 committed before the effective date of this Act if any element of
 the offense occurred before that date.

5 ARTICLE 4. CONFORMING AMENDMENTS 6 SECTION 4.01. Section 7.028(a), Education Code, is amended 7 to read as follows:

Except as provided by Section 21.006(k), 22.093(1), 8 (a) 22.096, 28.006, 29.001(5), 29.010(a), 38.003, or 39.003 [39.057], 9 the agency may monitor compliance with requirements applicable to a 10 process or program provided by a school district, campus, program, 11 or school granted charters under Chapter 12, including the process 12 described by Subchapter F, Chapter 11, or a program described by 13 14 Subchapter B, C, D, E, F, H, or I, Chapter 29, or Subchapter A, 15 Chapter 37, only as necessary to ensure:

16 compliance with federal law and regulations; (1)17 (2) financial accountability, including compliance 18 with grant requirements; 19 (3)data integrity for purposes of: 20 (A) the Public Education Information Management System (PEIMS); and 21 22 accountability under Chapters 39 and 39A; and (B)

(accountability under chapters 39 and 39A; and
 (4) qualification for funding under Chapter 48.

SECTION 4.02. Section 12.013(b), Education Code, is amended to read as follows:

26 (b) A home-rule school district is subject to:

27 (1) a provision of this title establishing a criminal28 offense;

29 (2) a provision of this title relating to limitations30 on liability; and

31 (3) a prohibition, restriction, or requirement, as

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1 applicable, imposed by this title or a rule adopted under this 2 title, relating to: 3 (A) the Public Education Information Management 4 System (PEIMS) to the extent necessary to monitor compliance with 5 this subchapter as determined by the commissioner; 6 educator certification under Chapter 21 and (B) 7 educator rights under Sections 21.407, 21.408, and 22.001; 8 (C) criminal history records under Subchapter C, 9 Chapter 22; 10 (D) student admissions under Section 25.001; 11 school attendance under Sections 25.085, (E) 12 25.086, and 25.087; 13 inter-district or inter-county transfers of (F) students under Subchapter B, Chapter 25; 14 15 elementary class size limits under Section (G) 16 25.112, in the case of any campus in the district that fails to satisfy any standard under Section 39.054(e); 17 18 high school graduation under Section 28.025; (H) 19 (I) special education programs under Subchapter A, Chapter 29; 20 21 (Ĵ) bilingual education under Subchapter в, 22 Chapter 29; 23 (K) prekindergarten programs under Subchapter E, Chapter 29; 24 25 (L) safety provisions relating to the transportation of students under Sections 34.002, 34.003, 34.004, 26 and 34.008; 27 28 (M) computation and distribution of state aid under Chapters 31, 43, and 48; 29 30 (N) extracurricular activities under Section 33.081; 31

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1 (O) health and safety under Chapter 38; 2 the provisions of Subchapter A, Chapter 39; (P) 3 (Q) public school accountability and special investigations under Subchapters A, B, C, D, and J, Chapter 39, and 4 Chapter 39A; 5 (R) [(Q)] options for local revenue levels in 6 excess of entitlement under Chapter 49; 7 8 (S) [(R)] a bond or other obligation or tax rate under Chapters 43, 45, and 48; and 9 10 (T) [(S)] purchasing under Chapter 44. Section 12.056(b), Education Code, is amended 11 SECTION 4.03. 12 to read as follows: A campus or program for which a charter is granted under 13 (b) this subchapter is subject to: 14 15 a provision of this title establishing a criminal (1)offense; and 16 a prohibition, restriction, or requirement, as 17 (2) applicable, imposed by this title or a rule adopted under this 18 title, relating to: 19 20 the Public Education Information Management (A) 21 System (PEIMS) to the extent necessary to monitor compliance with 22 this subchapter as determined by the commissioner; 23 criminal history records under Subchapter C, (B) 24 Chapter 22; 25 high school graduation under Section 28.025; (C) 26 (D) special education programs under Subchapter 27 A, Chapter 29; 28 bilingual education under (E) Subchapter Β, 29 Chapter 29; 30 (F) prekindergarten programs under Subchapter E, 31 Chapter 29;

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1 (G) extracurricular activities under Section 2 33.081; 3 (H) health and safety under Chapter 38; 4 (I) the provisions of Subchapter A, Chapter 39; 5 (J) public school accountability and special 6 investigations under Subchapters A, B, C, D, F, and J, Chapter 39, 7 and Chapter 39A; and 8 (K) [(J)] the duty to discharge or refuse to hire 9 certain employees or applicants for employment under Section 10 12.1059. 11 SECTION 4.04. Section 12.104(b), Education Code, as amended by Chapters 262 (H.B. 1597), 464 (S.B. 11), 467 (H.B. 4170), and 943 12 13 (H.B. 3), Acts of the 86th Legislature, Regular Session, 2019, is 14 reenacted and amended to read as follows: 15 (b) An open-enrollment charter school is subject to: 16 (1)a provision of this title establishing a criminal 17 offense; 18 (2) the provisions in Chapter 554, Government Code; 19 and 20 (3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this 21 22 title, relating to: 23 (A) the Public Education Information Management 24 System (PEIMS) to the extent necessary to monitor compliance with 25 this subchapter as determined by the commissioner; 26 (B) criminal history records under Subchapter C, 27 Chapter 22; 28 (C) reading instruments and accelerated reading 29 instruction programs under Section 28.006; 30 (D) accelerated instruction under Section 28.0211; 31

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1 (E) high school graduation requirements under 2 Section 28.025; 3 (F) special education programs under Subchapter 4 A, Chapter 29; 5 bilingual education under (G) Subchapter в, Chapter 29; 6 7 (H) prekindergarten programs under Subchapter E 8 or E-1, Chapter 29; 9 (I) extracurricular activities under Section 33.081; 10 11 (J) discipline management practices or behavior management techniques under Section 37.0021; 12 (K) health and safety under Chapter 38; 13 14 (L) the provisions of Subchapter A, Chapter 39; 15 (M) public school accountability and special investigations under Subchapters A, B, C, D, F, G, and J, Chapter 16 39, and Chapter 39A; 17 (N) [(M)] the requirement under Section 21.006 18 19 to report an educator's misconduct; 20 <u>(O)</u> [(N)] intensive programs of instruction under Section 28.0213; 21 (P) $[(\Theta)]$ the right of a school employee to 22 report a crime, as provided by Section 37.148; 23 24 (Q) [(P)] bullying prevention policies and 25 procedures under Section 37.0832; (R) [(Q)] the right of a school under Section 26 27 37.0052 to place a student who has engaged in certain bullying behavior in a disciplinary alternative education program or to 28 expel the student; 29 (S) [(R)] the right under Section 37.0151 to 30 31 report to local law enforcement certain conduct constituting

1 assault or harassment; 2 (T) [(S)] a parent's right to information 3 regarding the provision of assistance for learning difficulties to 4 the parent's child as provided by Sections 26.004(b)(11) and 5 26.0081(c) and (d); 6 (U) [(T)] establishment of residency under 7 Section 25.001; 8 <u>(V)</u> [(T)] school safety requirements under Sections 37.108, 37.1081, 37.1082, 37.109, 37.113, 37.114, 37.115, 9 10 37.207, and 37.2071; 11 (W) [(T)] the early childhood literacy and 12 mathematics proficiency plans under Section 11.185; and 13 (X) [(U)] the college, career, and military readiness plans under Section 11.186. 14 15 SECTION 4.05. Section 12.1162(a), Education Code, is 16 amended to read as follows: The commissioner shall take any of the actions described 17 (a) 18 by Subsection (b) or by Section 39A.001, 39A.002, 39A.004, 39A.005, 19 or 39A.007, to the extent the commissioner determines necessary, if an open-enrollment charter school, as determined by a report issued 20 under Section 39.004(b) [39.058(b)]: 21 22 commits a material violation of the school's (1)23 charter; 24 (2) fails to satisfy generally accepted accounting 25 standards of fiscal management; or 26 (3) fails to comply with this subchapter or another 27 applicable rule or law. 28 SECTION 4.06. Section 39.0302(a), Education Code, is 29 amended to read as follows: 30 (a) During an agency investigation or audit of a school district under Section 39.0301(e) or (f), <u>a special</u> 31 [an

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1 accreditation] investigation under Section 39.003(a)(8) 2 [39.057(a)(8)] or (14), a compliance review under Section 21.006(k), 22.093(1), or 22.096, or an investigation by the State 3 4 Board for Educator Certification of an educator for an alleged 5 violation of an assessment instrument security procedure 6 established under Section 39.0301(a), the commissioner may issue a subpoena to compel the attendance of a relevant witness or the 7 8 production, for inspection or copying, of relevant evidence that is 9 located in this state.

SECTION 4.07. Section 39.056(h), Education Code, is amended 10 to read as follows: 11

12 (h) The commissioner may at any time convert a monitoring 13 review to a special [accreditation] investigation under Section 14 39.003 [39.057], provided the commissioner promptly notifies the 15 school district of the conversion.

16 SECTION 4.08. Section 39A.001, Education Code, is amended 17 to read as follows:

Sec. 39A.001. GROUNDS FOR COMMISSIONER ACTION. 18 The 19 commissioner shall take any of the actions authorized by this 20 subchapter to the extent the commissioner determines necessary if:

a school district does not satisfy: 22 (A) the accreditation criteria under Section 23 39.052;

24 (B) the academic performance standards under 25 Section 39.053 or 39.054; or

26 (C) any financial accountability standard as determined by commissioner rule; or 27

28 (2) the commissioner considers the action to be 29 appropriate on the basis of a special [accreditation] investigation under Section 39.003 [39.057]. 30

31 SECTION 4.09. Sections 39A.256(a) and (b), Education Code,

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(1)

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1 are amended to read as follows:

(a) A board of managers appointed for an open-enrollment
charter school [or a campus of an open-enrollment charter school]
under this chapter or Chapter 12 has the powers and duties
prescribed by Section 39A.201(b), if applicable, and Sections
39A.201(a), 39A.202, [39A.203,] and 39A.206(b).

7 (b) Except as otherwise provided by this subsection, the board of managers for an open-enrollment charter school [or a 8 campus of an open-enrollment charter-school] may not serve for a 9 10 period that exceeds the period authorized by law for a board of managers appointed for a school district. A board of managers 11 appointed to wind up the affairs of a former open-enrollment 12 charter school or campus serves until dissolved by the 13 14 commissioner.

15 SECTION 4.10. To the extent of any conflict, this article 16 prevails over another Act of the 87th Legislature, Regular Session, 17 2021, relating to nonsubstantive additions to and corrections in 18 enacted codes.

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ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.