

BILL ANALYSIS

C.S.H.B. 1942
By: VanDeaver
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The adult high school charter school pilot program was enacted in 2013 by the Texas Legislature as a strategy for meeting industry needs for a sufficiently trained workforce. The program targets adults who are high school dropouts, assisting them to earn a high school diploma or industry certification. The Goodwill Excel Center for Adults was born from this initiative and has since graduated over 900 adults. Almost 90 percent of graduates have positive outcomes, including earning an industry-recognized certification, enrolling in college, and earning higher wages. In the first year after graduation, graduates are earning \$4,300 more per year.

The premise for growing this investment is simple and is endorsed by the Tri-Agency Workforce Initiative partner agencies. Texas has more than 4.4 million people over age 25 without a high school diploma, and more than 13 percent of the state population lives in poverty. The majority in this demographic group lack education and job training and more than 60 percent do not earn a living wage. Educational gaps tend to perpetuate poverty, just as creating a pathway out of poverty for an adult often changes the life trajectory for their children and families. A child whose parent has not graduated from high school has a 50 percent likelihood of dropping out of school in turn. Given these sobering numbers and the devastating impact of COVID-19 on the lower income population, now is the time to invest more deeply in adult education and workforce training by expanding this successful program. C.S.H.B. 1942 seeks to expand the adult high school charter school program to provide for additional charter holders and build a supporting regulatory framework.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of education in SECTIONS 3, 14, 15, and 17 of this bill.

ANALYSIS

C.S.H.B. 1942 amends the Education Code to rename the adult high school diploma and industry certification charter school program as the adult high school charter school program. The bill expands the scope of the program from a sole charter granted to a single nonprofit entity charter holder to a regulatory framework for similar charters that may be granted to additional nonprofit entities, subject to certain expansion restrictions. The bill revises provisions relating to the program, including with respect to charter eligibility, student outcomes and services, accountability frameworks, and state funding.

Adult High School Charters

C.S.H.B. 1942 expands the program's purpose to include strengthening the economic and educational prosperity of Texas and excludes a program operated under an adult high school charter from provisions governing charter schools in general, except as otherwise provided by commissioner of education rule or by provisions relating specifically to the adult high school charter school program.

C.S.H.B. 1942 removes from the eligibility criteria for a nonprofit entity seeking an adult high school charter a requirement that the entity agree to commit at least \$1 million to its adult education program. A nonprofit entity, other than the entity previously granted a charter under the adult high school diploma and industry certification charter school program, is not entitled to an automatic grant of a charter on the basis that the entity holds another type of charter or operates a different type of charter school.

C.S.H.B. 1942 limits the number of adult high school charters the commissioner may grant to two charters per calendar year and a total of six charters, according to the following timeline:

- no charters before September 1, 2023;
- a maximum of two charters before September 1, 2024; and
- a maximum of four charters before September 1, 2026.

A charter previously granted under the adult high school diploma and industry certification charter school program is excluded from this limitation.

C.S.H.B. 1942 limits student enrollment in an adult education program to 350 students in the first two years after a charter is granted. A charter previously granted under the adult high school diploma and industry certification charter school program is excluded from this limit regardless of whether that charter is transferred to another nonprofit entity. The bill changes procedures for the submission of an expansion amendment request as follows:

- by removing the condition that money must have been appropriated for the expansion of the adult high school charter school program in the fiscal year of the submission; and
- by making the June 30 submission deadline applicable to the school year before the amendment is intended to take effect.

C.S.H.B. 1942 establishes that a charter granted to a nonprofit entity for an adult high school diploma and industry certification charter school program remains valid until September 1, 2025, and that in order to continue operating the charter on or after that date, the entity must apply for renewal under the bill's provisions. The bill authorizes the entity to transfer the charter to another nonprofit entity, subject to commissioner approval.

Student Instruction, Outcomes, and Services

C.S.H.B. 1942 changes the required instructional model for an adult education program from at least 75 percent of instruction delivered by a teacher in an in-person, interactive classroom setting to a significant portion of instruction, as approved by the commissioner, delivered in a teacher-led, interactive classroom environment.

C.S.H.B. 1942 requires a program to include transportation assistance among its student support services and to provide access to the following:

- career and technical education courses that lead to an industry certification;
- career readiness training;
- postsecondary counseling; and
- job-placement services.

The bill authorizes a charter holder to partner with a provider or organization approved by the Texas Workforce Commission (TWC) to provide the applicable career and technology courses.

C.S.H.B. 1942, with regard to required secondary exit-level testing, gives the Texas Education Agency (TEA) the option of developing an appropriate standardized test for that purpose. The

bill requires TEA, for a school year before the 2025-2026 school year, to adopt and administer the Algebra I, English II, and biology statewide standardized end-of-course tests as the program's required secondary exit-level test and establishes the satisfactory level of performance by reference to TEA rules. The requirement to adopt and administer end-of-course tests for that purpose expires September 1, 2025.

Accountability Frameworks

C.S.H.B. 1942 replaces references to the commissioner's adoption of performance frameworks to establish measurement standards for an adult education program with references to the adoption of an accountability framework for that purpose. The bill requires the commissioner to develop and adopt such a framework in cooperation with the advisory committee established by the bill and to include in the framework performance domains that measure the following:

- academic growth;
- career readiness;
- one-year post-graduation and longitudinal postsecondary outcomes;
- longitudinal wage and career growth; and
- operational performance.

C.S.H.B. 1942 removes a requirement for the performance of an adult education program to be measured in a manner consistent with the requirements applicable to an open-enrollment charter school. The bill retains existing performance measures for a school year before the 2024-2025 school year and makes the following revisions to those measures:

- specifies that qualifying completions of career and technology education courses leading to industry certification and qualifying enrollment in higher education must occur within six months after completing the program;
- removes a measure relating to earned income increases; and
- includes operational performance as measured for an open-enrollment charter school.

C.S.H.B. 1942 requires the commissioner to adopt a separate accountability framework for an adult education program located in a correctional facility. That framework, for a school year before the 2024-2025 school year, must include as performance measures the percentage of participants who performed satisfactorily on the program's secondary exit-level test and the percentage who successfully completed the program and earned a high school diploma.

C.S.H.B. 1942 authorizes the commissioner to revoke a charter whose adult education program fails to meet the minimum performance standards on the applicable accountability frameworks for three consecutive school years after the first year of operation. The bill requires the commissioner, in cooperation with the advisory committee, to review and if necessary revise each adopted accountability framework at least once every three years. The bill's provisions relating to transitional performance measures applicable before the 2024-2025 school year, including those for programs in correctional facilities, expire September 1, 2024.

State Funding

C.S.H.B. 1942, effective September 1, 2023, extends the entitlement to foundation school program funding for students enrolled in an applicable adult education program to include all such students who are at least 18 years of age and under 50 years of age. The bill sets that funding for the program at an amount per participant equal to the amount per student in weighted average daily attendance that would be allocated for the student's attendance at an open-enrollment charter school and removes an appropriations-based funding source for participants older than 26 years of age. The bill provides for the calculation of average daily attendance based on the percentage of the school year for which a student is enrolled and prohibits counting a student who is enrolled for less than 10 percent of a school year toward a program's average daily attendance.

C.S.H.B. 1942 entitles a charter holder to an additional allotment, provided in accordance with a schedule established by commissioner rule, equal to the maximum basic allotment under the foundation school program multiplied by the following funding weights:

- for each credit earned by an enrolled student during the preceding school year:
 - 0.02 for a career and technology education course; and
 - 0.01 for any other course; and
- 0.1 for each student who successfully completed the adult education program and earned a high school diploma during the preceding school year.

The bill provides for the application of the compensatory education allotment and the college, career, or military readiness outcomes bonus to an adult education program.

C.S.H.B. 1942 requires funding for an applicable adult education program to be provided, for a school year before the 2023-2024 school year, in the same manner as funding was provided to the adult high school diploma and industry certification charter school program for the 2020-2021 school year in accordance with certain TEA policies. This requirement expires September 1, 2023.

Advisory Committee and Rulemaking

C.S.H.B. 1942 establishes an advisory committee to make recommendations to the commissioner regarding secondary exit-level testing and accountability frameworks. The bill requires the committee to submit its initial recommendations to the commissioner not later than November 1, 2022. The bill sets out the composition, terms of office, and appointing authorities of the seven-member committee and provides for the designation of the presiding officer and reimbursement of members' expenses. The bill requires TEA to provide funding for the committee's administrative or operational expenses and provides for administrative support by TEA staff.

C.S.H.B. 1942 specifies that the commissioner's rulemaking authority with respect to the adult high school charter school program includes rules to implement and administer applicable PEIMS reporting requirements and performance requirements.

C.S.H.B. 1942 applies beginning with the 2021-2022 school year.

C.S.H.B. 1942 repeals Section 29.259(q) and the section heading to Section 29.259, Education Code.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1942 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the name of the applicable program from "adult high school diploma and industry certification charter school program," which was used in the original, to "adult high school charter school program" and revises the original caption to reflect the name change.

The substitute includes the following provisions that were not in the original regarding charter issuance:

- limitations on the total number and timing of charters issued over a five-year period ending September 1, 2026;

- a limitation on the number of students a charter holder may enroll during the first two years after a charter is granted;
- exceptions from these limitations for a charter previously granted under the adult high school diploma and industry certification program; and
- a provision establishing that a nonprofit entity is not entitled to an automatic grant of an adult high school charter on the basis that it holds another type of charter or operates another type of charter school.

The substitute requires instruction to be delivered in a teacher-led, interactive classroom environment, whereas the original required delivery by a teacher in an in-person, interactive classroom setting. The substitute includes the following provisions that were not in the original regarding services offered by an applicable adult education program:

- a requirement to provide access to career and technical education courses that lead to an industry certification and to certain career and employment related services;
- a requirement to offer transportation assistance as a support service; and
- an option to partner with a provider or organization approved by the TWC to provide courses leading to industry certification.

The substitute includes the following additions to the provisions of the original regarding secondary exit-level testing:

- the option for TEA to develop the required test; and
- a transitional requirement for TEA to adopt and administer certain statewide standardized end-of-course tests for purposes of exit-level testing before the 2025-2026 school year.

The substitute changes the term "performance frameworks," which was used in the original, to "an accountability framework" and includes the following related provisions that were not in the original:

- a requirement for the framework to include five specified performance domains;
- a requirement for the commissioner to adopt a separate accountability framework for a program located in a correctional facility and specifications of temporary performance measures that apply to such a program before the 2024-2025 school year;
- a requirement for periodic review and revision of the accountability frameworks; and
- certain revisions to existing performance indicators and a provision limiting their use, as revised, to a school year before the 2024-2025 school year.

The substitute does not include a requirement that appeared in the original for a program's performance to be measured in a manner consistent with the requirements applicable to an open-enrollment charter school. Whereas the original required the commissioner to revoke a charter if the charter's program failed to meet minimum performance standards for three consecutive school years, the substitute authorizes the commissioner to revoke a charter on those grounds and specifies that the three determining school years are after the first year of operation.

With respect to state funding for an adult education program, the substitute includes the following provisions that were not in the original:

- effective September 1, 2023, the extension of eligibility for foundation school program funding to program students who are at least 26 years of age and under 50 years of age;
- a change to the funding allotment to an amount per participant equal to the amount of state funding per student in weighted average daily attendance that would be allocated under the foundation school program for the student's attendance at an charter school;
- an entitlement to an additional annual allotment specifically for an adult education program and based on certain measured academic achievements of enrolled students during the preceding school year;
- provisions relating to the calculation of average daily attendance; and

- provisions relating to the application of the compensatory education allotment and the college, career, or military readiness outcomes bonus.

The substitute removes from the provisions of the original an alternate appropriations-based funding source for program students between the ages of 26 and 50.

The substitute includes a temporary provision that was not in the original continuing the application to an adult education program of certain funding formulas, as modified by TEA for the 2020-2021 school year, in school years before the 2023-2024 school year.

The substitute includes advisory committee duties of making recommendations regarding secondary exit-level testing and accountability frameworks, which were not in the original. The substitute does not include the original's language establishing a committee duty to make recommendations regarding the implementation of the program, including charter issuance. The substitute adds two more advisory committee members to the five members specified by the original and sets a deadline for the committee's initial submission of recommendations, whereas the original did not include a deadline.

The substitute designates the 2021-2022 school year as the school year from which the bill's provisions apply, rather than the 2022-2023 school year as in the original. While the original did not include any provision for the status of the program's existing charter, the substitute continues it until September 1, 2025.

The substitute changes the original's effective date of September 1, 2021, to on passage or September 1, 2021, if the bill does not receive the necessary vote for immediate effect, except as otherwise provided.