

By: Dutton

H.B. No. 3731

Substitute the following for H.B. No. 3731:

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C.S.H.B. No. 3731

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to public school accountability ratings, including  
3 interventions and sanctions administered to a school district,  
4 open-enrollment charter school, or district or school campus  
5 assigned an unacceptable performance rating.

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

7 SECTION 1. Sections 12.1141(b) and (d), Education Code, are  
8 amended to read as follows:

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

17 (1) the charter holder has been assigned the highest  
18 or second highest performance rating under Subchapter C, Chapter  
19 39, for the three preceding school years;

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

24 (3) no campus operating under the charter has been

1 assigned an unacceptable [~~the lowest~~] performance rating under  
2 Subchapter C, Chapter 39, for the three preceding school years or  
3 such a campus has been closed.

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

9 (1) the charter holder has been assigned an  
10 unacceptable [~~the lowest~~] performance rating under Subchapter C,  
11 Chapter 39, for any three of the five preceding school years;

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

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

19 (4) any campus operating under the charter has been  
20 assigned an unacceptable [~~the lowest~~] performance rating under  
21 Subchapter C, Chapter 39, for the three preceding school years and  
22 such a campus has not been closed.

23 SECTION 2. Section 39.054(a), Education Code, is amended to  
24 read as follows:

25 (a) The commissioner shall adopt rules to evaluate school  
26 district and campus performance and assign each district and campus  
27 an overall performance rating of A, B, C, D, or F. In addition to

1 the overall performance rating, the commissioner shall assign each  
2 district and campus a separate domain performance rating of A, B, C,  
3 D, or F for each domain under Section 39.053(c). An overall or  
4 domain performance rating of A reflects exemplary performance. An  
5 overall or domain performance rating of B reflects recognized  
6 performance. An overall or domain performance rating of C reflects  
7 acceptable performance. An overall or domain performance rating of  
8 D reflects performance that needs improvement or unacceptable  
9 performance, in accordance with Section 39.0543. An overall or  
10 domain performance rating of F reflects unacceptable performance.  
11 A district may not receive an overall or domain performance rating  
12 of A if the district includes any campus with a corresponding  
13 overall or domain performance rating of D or F. If a school  
14 district has been approved under Section 39.0544 to assign campus  
15 performance ratings and the commissioner has not assigned a campus  
16 an overall performance rating of D or F, the commissioner shall  
17 assign the campus an overall performance rating based on the school  
18 district assigned performance rating under Section 39.0544. A  
19 reference in law to an acceptable rating or acceptable performance  
20 includes an overall or domain performance rating of A, B, C, or D,  
21 except as provided by Section 39.0543, or performance that is  
22 exemplary, recognized, or acceptable performance or performance  
23 that needs improvement. A reference in law to an unacceptable  
24 performance rating includes an overall or domain performance rating  
25 of D, as provided by Section 39.0543, and F.

26 SECTION 3. Subchapter C, Chapter 39, Education Code, is  
27 amended by adding Section 39.0543 to read as follows:

1       Sec. 39.0543. NEEDS IMPROVEMENT OR UNACCEPTABLE  
2 PERFORMANCE RATING. (a) A reference in law to an acceptable  
3 performance or acceptable performance rating for a school district,  
4 open-enrollment charter school, district campus, or charter school  
5 campus includes an overall performance rating of D if, since  
6 previously receiving an overall performance rating of C or higher  
7 the district, charter school, district campus, or school campus:

8               (1) has not received an overall performance rating of  
9 F; and

10              (2) has not received two or more overall performance  
11 ratings of D.

12       (a-1) For the purposes of this section, an overall  
13 performance rating issued in 2017-2018 or a prior school year for a  
14 school district, open-enrollment charter school, district campus,  
15 or charter school campus of:

16              (1) met standard, academically acceptable,  
17 recognized, exemplary, A, B, or C is considered to be a performance  
18 rating of C or higher; and

19              (2) improvement required, academically unacceptable,  
20 or F is considered to be a rating of F.

21       (a-2) Subsection (a-1) and this subsection expire September  
22 1, 2027.

23       (b) A performance rating of D that meets the requirements of  
24 Subsection (a) is considered performance that needs improvement.

25       (c) A reference in law to an unacceptable performance or  
26 unacceptable performance rating includes a performance rating of D  
27 if the rating does not satisfy Subsection (a).

1 SECTION 4. Section 39A.061(b), Education Code, is amended  
2 to read as follows:

3 (b) The commissioner may authorize a targeted improvement  
4 plan, ~~[or]~~ an updated targeted improvement plan, or a local  
5 improvement plan to supersede the provisions of and satisfy the  
6 requirements of developing, reviewing, and revising a campus  
7 improvement plan under Subchapter F, Chapter 11.

8 SECTION 5. Subchapter B, Chapter 39A, Education Code, is  
9 amended by adding Section 39A.065 to read as follows:

10 Sec. 39A.065. LOCAL IMPROVEMENT PLAN. (a) A school  
11 district, open-enrollment charter school, district campus, or  
12 charter school campus that is assigned a rating of D that qualifies  
13 as a performance that needs improvement rating under Section  
14 39.0543(a) shall develop and implement a local improvement plan.

15 (b) A local improvement plan must be presented to the board  
16 of trustees of the school district or governing board of the  
17 open-enrollment charter school.

18 (c) The commissioner shall adopt rules to establish  
19 requirements for a local improvement plan components and training.  
20 The commissioner may not require a school district or  
21 open-enrollment charter school to submit the local improvement plan  
22 to the agency.

23 SECTION 6. Subchapter C, Chapter 39A, Education Code, is  
24 amended by adding Sections 39A.118 and 39A.119 to read as follows:

25 Sec. 39A.118. INTERVENTION IF ASSIGNED CERTAIN PERFORMANCE  
26 NEEDS IMPROVEMENT RATING. (a) Until another performance rating is  
27 issued, the agency may not implement the intervention or sanctions

1 as provided by Subsection (b) for a school district,  
2 open-enrollment charter school, district campus, or charter school  
3 campus, if the performance rating initiating the action under  
4 Subsection (b) is based on the first or second overall performance  
5 rating of D, since previously receiving a rating of C or higher.

6 (b) The following interventions are subject to a pause under  
7 Subsection (a):

- 8 (1) revocation of a charter under Section 12.115(c);  
9 (2) annexation under Section 13.054;  
10 (3) change in accreditation status under rules adopted  
11 for accreditation under Section 39.052; and  
12 (4) interventions or sanctions under Section  
13 39A.101(a), 39A.107(a) or (c), or 39A.111.

14 (c) The performance rating identified under Subsection (a):

- 15 (1) may not be included in calculating consecutive  
16 school years of an unacceptable performance rating; and  
17 (2) is not considered a break in consecutive school  
18 years of an unacceptable performance rating.

19 (d) Interventions or sanctions implemented prior to the  
20 intervention pause under Subsection (a) shall continue during the  
21 school year for which actions under Subsection (b) are paused.

22 (e) This section does not apply to a commissioner action  
23 based on performance or reasons not listed as interventions under  
24 Subsection (b).

25 Sec. 39A.119. PERFORMANCE NEEDS IMPROVEMENT RATING  
26 TRANSITION PROVISION. (a) For each school district,  
27 open-enrollment charter school, district campus, and charter

1 school campus, the commissioner shall determine the number of  
2 unacceptable performance ratings issued to the district, school, or  
3 district or school campus since the last acceptable performance  
4 rating or higher as defined by Subsection (b) and use that as the  
5 base number of consecutive years of unacceptable performance for  
6 which the performance rating in the 2021-2022 school year will be  
7 added.

8 (b) For purposes of this section:

9 (1) an acceptable performance rating includes:

10 (A) a rating of met standard, academically  
11 acceptable, recognized, exemplary, A, B, or C; or

12 (B) a rating of D that meets the requirements of  
13 Section 39.0543(a);

14 (2) an unacceptable performance rating includes:

15 (A) a rating of improvement required,  
16 academically unacceptable, or F; or

17 (B) a rating of D that meets the requirements of  
18 Section 39.0543(c); and

19 (3) a rating of not rated may not be considered  
20 acceptable or unacceptable and may not be considered a break in  
21 consecutive years of unacceptable performance.

22 (c) This section expires September 1, 2027.

23 SECTION 7. Section 39A.0545, Education Code, is repealed.

24 SECTION 8. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2021.