

AN ACT

relating to public school organization, accountability, and fiscal management.

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

ARTICLE 1. STATE AND LOCAL ORGANIZATION AND GOVERNANCE

SECTION 1.01. Section 7.055, Education Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other law, the commissioner's power to delegate ministerial and executive functions under Subsection (b)(5) is a valid delegation of authority.

SECTION 1.02. Section 11.151(b), Education Code, is amended to read as follows:

(b) Except as provided by Sections 39A.201 and 39A.202, the ~~The~~ trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the district. All powers and duties not specifically delegated by statute to the agency or to the State Board of Education are reserved for the trustees, and the agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees.

SECTION 1.03. Section 11.1511(a), Education Code, is 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

1 has the powers and duties provided by Subsection (b), except as
2 otherwise provided by Sections 39A.201 and 39A.202.

3 ARTICLE 2. PUBLIC SCHOOL SYSTEM ACCOUNTABILITY

4 SECTION 2.01. Chapter 5, Education Code, is amended by
5 adding Section 5.003 to read as follows:

6 Sec. 5.003. APPEAL. If an order, decision, or
7 determination is described as final in Chapter 7, 11, 12, 39, or
8 39A, an interlocutory or intermediate order, decision, report, or
9 determination made or reached before the final order, decision, or
10 determination may be appealed only as specifically authorized by
11 this code or a rule adopted under this code.

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

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

22 (1) the charter holder has been assigned the highest
23 or second highest performance rating under Subchapter C, Chapter
24 39, for the three preceding school years;

25 (2) the charter holder has been assigned a financial
26 performance accountability rating under Subchapter D, Chapter 39,
27 indicating financial performance that is satisfactory or better for

1 the three preceding school years; and

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

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

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

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

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

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

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

27 (a) A student is eligible to receive a public education

1 grant or to attend another public school in the district in which
2 the student resides under this subchapter if the student is
3 assigned to attend a public school campus assigned an unacceptable
4 performance rating that is made publicly available under Section
5 39.054 [~~for~~

6 ~~(1) the student achievement domain under Section~~
7 ~~39.053(c)(1); and~~

8 ~~(2) the school progress domain under Section~~
9 ~~39.053(c)(2)].~~

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

14 Sec. 39.003 [~~39.057~~]. SPECIAL [ACCREDITATION]
15 INVESTIGATIONS. (a) The commissioner may authorize special
16 [~~accreditation~~] investigations to be conducted:

17 (1) when excessive numbers of absences of students
18 eligible to be tested on state assessment instruments are
19 determined;

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

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

25 (4) in response to established compliance reviews of
26 the district's financial accounting practices and state and federal
27 program requirements;

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

4 (6) in response to an allegation involving a conflict
5 between members of the board of trustees or between the board and
6 the district administration if it appears that the conflict
7 involves a violation of a role or duty of the board members or the
8 administration clearly defined by this code;

9 (7) when excessive numbers of students in special
10 education programs under Subchapter A, Chapter 29, are assessed
11 through assessment instruments developed or adopted under Section
12 39.023(b);

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

18 (9) when a significant pattern of decreased academic
19 performance has developed as a result of the promotion in the
20 preceding two school years of students who did not perform
21 satisfactorily as determined by the commissioner under Section
22 39.0241(a) on assessment instruments administered under Section
23 39.023(a), (c), or (l);

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

27 (11) when resource allocation practices as evaluated

1 under Section 39.0821 indicate a potential for significant
2 improvement in resource allocation;

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

6 (13) when an excessive number of students is
7 graduating with a particular endorsement under Section
8 28.025(c-1);

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

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

20 (16) as the commissioner otherwise determines
21 necessary.

22 (b) If the agency's findings in an investigation under
23 Subsection (a)(6) indicate that the board of trustees has observed
24 a lawfully adopted policy that does not otherwise violate a law or
25 rule, the agency may not substitute its judgment for that of the
26 board.

27 (c) The commissioner may authorize special [~~accreditation~~]

1 investigations to be conducted in response to repeated complaints
2 submitted to the agency concerning imposition of excessive
3 paperwork requirements on classroom teachers.

4 (d) Based on the results of a special [~~accreditation~~]
5 investigation, the commissioner may:

6 (1) take appropriate action under Chapter 39A;

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

9 (3) take action under both Subdivisions (1) and (2).

10 (e) At any time before issuing a report with the agency's
11 final findings, the commissioner may defer taking an action under
12 Subsection (d) until:

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

17 (2) a district completes a corrective action plan
18 developed by the commissioner; or

19 (3) the completion of actions under both Subdivisions
20 (1) and (2).

21 (f) Based on the results of an action taken under Subsection
22 (e), the commissioner may decline to take the deferred action under
23 Subsection (d) [~~Regardless of whether the commissioner lowers the~~
24 ~~school district's accreditation status or a district's or campus's~~
25 ~~performance rating under Subsection (d), the commissioner may take~~
26 ~~action under Section 39A.002 or 39A.051 if the commissioner~~
27 ~~determines that the action is necessary to improve any area of a~~

1 ~~district's or campus's performance, including the district's~~
2 ~~financial accounting practices].~~

3 Sec. 39.004 [~~39.058~~]. CONDUCT OF SPECIAL [ACCREDITATION]
4 INVESTIGATIONS. (a) The agency shall adopt written procedures for
5 conducting special [~~accreditation~~] investigations [~~under this~~
6 ~~subchapter~~], including procedures that allow the agency to obtain
7 information from district employees in a manner that prevents a
8 district or campus from screening the information. The agency
9 shall make the procedures available on the agency Internet website.
10 Agency staff must be trained in the procedures and must follow the
11 procedures in conducting the special [~~accreditation~~]
12 investigation.

13 (a-1) During the pendency of a special investigation under
14 this section, the agency is not required to disclose the identity of
15 any witness.

16 (b) After completing a special [~~accreditation~~]
17 investigation, the agency shall present preliminary findings to any
18 person or entity the agency finds has violated a law, rule, or
19 policy. [~~Before issuing a report with its final findings, the~~
20 ~~agency must provide a person or entity the agency finds has violated~~
21 ~~a law, rule, or policy an opportunity for an informal review by the~~
22 ~~commissioner or a designated hearing examiner.~~]

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

25 (1) shall provide to the district a written report of
26 the agency's preliminary findings of the investigation;

27 (2) shall provide to the district any evidence relied

1 on by the agency in making the preliminary findings;

2 (3) shall disclose to the district the identity of any
3 witness whose statements the agency relied on in making the
4 preliminary findings; and

5 (4) may not include recommended sanctions or
6 interventions.

7 (d) A written report of preliminary findings under
8 Subsection (c) and all associated materials produced by the agency
9 in support of the report are excepted from public disclosure as
10 audit working papers of the agency under Section 552.116,
11 Government Code. A school district may publicly release a report of
12 preliminary findings only if the release is approved by an
13 affirmative vote of the board of trustees of the district.

14 (e) Unless otherwise provided by law, all evidence
15 collected by the agency in connection with a special investigation,
16 including witness statements and videos of agency interviews, are
17 confidential and not subject to disclosure under Chapter 552,
18 Government Code, except that evidence described by this section may
19 be disclosed:

20 (1) to a person with a legitimate interest in the
21 investigation; or

22 (2) in connection with an administrative or other
23 legal proceeding brought under this title.

24 (f) Not later than 30 days after the date on which the board
25 of trustees of the school district receives the written report of
26 the preliminary findings under Subsection (c), the board of
27 trustees of a school district may accept the agency's findings or

1 respond in writing to the agency.

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

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

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

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

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

1 investigation.

2 (1) A school district must exhaust the administrative
3 remedies provided under this subchapter before appealing the
4 findings or final recommendations of a special investigation
5 conducted under this section to a court.

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

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

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

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

25 (d) If a board of trustees of a school district requests a
26 hearing under Subsection (b), the hearing shall be conducted by the
27 State Office of Administrative Hearings unless the district and the

1 agency agree in writing to the appointment of another qualified
2 person to conduct the hearing.

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

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

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

13 (1) close the hearing to receive the testimony of the
14 witness; or

15 (2) order that the testimony or a statement of the
16 witness be presented using the procedures prescribed by Article
17 38.071, Code of Criminal Procedure.

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

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

27 Sec. 39.006. COMMISSIONER DETERMINATION. (a) After a

1 hearing is conducted under Section 39.005, the commissioner shall
2 provide an opportunity for the agency and the school district to
3 present oral argument to the commissioner regarding the
4 disagreement that formed the basis of the hearing. The
5 commissioner shall provide the agency and the district with equal
6 time for oral argument.

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

- 10 (1) findings of fact;
11 (2) conclusions of law; and
12 (3) sanctions, interventions, or other actions
13 authorized by law.

14 (c) In determining the written decision under Subsection
15 (b), the commissioner shall consider:

- 16 (1) the record of the hearing conducted under Section
17 39.005;
18 (2) the findings of fact and conclusions of law issued
19 by the hearing examiner or the person conducting the hearing under
20 Section 39.005(h); and
21 (3) the oral arguments presented under Subsection (a).

22 (d) The commissioner may accept, reject, or amend the
23 conclusions of law issued by the hearing examiner or the person who
24 conducted the hearing under Section 39.005 regarding the
25 interpretation of a provision of this code.

26 (e) The commissioner may not reject or amend a finding of
27 fact issued by the hearing examiner or the person who conducted the

1 hearing under Section 39.005, unless the commissioner, after
2 reviewing the record, determines that a finding of fact is not
3 supported by substantial, admissible evidence.

4 (f) The commissioner shall provide in writing the legal
5 basis and reason for any amendment or rejection of a finding of fact
6 or conclusion of law made by the hearing examiner or the person who
7 conducted the hearing under Section 39.005.

8 Sec. 39.007. JUDICIAL APPEAL. (a) Notwithstanding Chapter
9 2001, Government Code, a school district may only appeal a decision
10 made by the commissioner under Section 39.006 in accordance with
11 this section.

12 (b) A school district may appeal a decision made by the
13 commissioner under Section 39.006 to:

14 (1) a district court with jurisdiction in the county
15 in which the school district's central administrative offices are
16 located; or

17 (2) a district court in Travis County, if agreed to by
18 the school district and the commissioner.

19 (c) A school district must file an appeal under this section
20 not later than 30 days after the date on which the district received
21 the written decision of the commissioner under Section 39.006(b).

22 (d) The filing of an appeal under this section does not
23 affect or stay the enforcement of the commissioner's written
24 decision issued under Section 39.006(b).

25 (e) A court hearing an appeal under this section shall
26 review the decision issued by the commissioner under Section
27 39.006(b) under the substantial evidence rule as provided by

1 Subchapter G, Chapter 2001, Government Code, after examining:

2 (1) the evidentiary record of the hearing conducted
3 under Section 39.005;

4 (2) the findings of fact issued by the hearing
5 examiner or the person that conducted the hearing under Section
6 39.005; and

7 (3) any amendment or rejection of a finding of fact
8 made by the commissioner under Section 39.006.

9 (f) A court hearing an appeal under this section may not
10 take additional evidence.

11 (g) A court hearing an appeal under this section may review
12 any amendment to or rejection of a finding of fact made by the
13 commissioner. If the court determines that the amendment or
14 rejection was not supported by substantial evidence, the court
15 shall reject the commissioner's amended finding of fact and
16 consider instead the original finding issued by the hearing
17 examiner or the person who conducted the hearing under Section
18 39.005.

19 (h) Notwithstanding Section 2001.174, Government Code, the
20 court may not reverse or remand a decision issued by the
21 commissioner under Section 39.006(b) based on a procedural error or
22 irregularity made by the commissioner, an agency investigator, or
23 the hearing examiner or the person who conducted the hearing under
24 Section 39.005, unless the court determines that the procedural
25 error or irregularity is likely to have caused an erroneous
26 decision by the commissioner.

27 SECTION 2.06. Section 39.054, Education Code, is amended by

1 amending Subsections (a), (a-3), and (b-1) and adding Subsections
2 (a-4) and (a-5) to read as follows:

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

1 (a-3) Not later than August 15 of each year, the following
2 information [~~performance ratings of each district and campus~~] shall
3 be made publicly available as provided by rules adopted under this
4 section:

5 (1) the performance ratings for each school district
6 and campus; and

7 (2) if applicable, the number of consecutive school
8 years of unacceptable performance ratings for each district and
9 campus.

10 (a-4) Notwithstanding any other law, the commissioner may
11 assign a school district or campus an overall performance rating of
12 "Not Rated" if the commissioner determines that the assignment of a
13 performance rating of A, B, C, D, or F would be inappropriate
14 because:

15 (1) the district or campus is located in an area that
16 is subject to a declaration of a state of disaster under Chapter
17 418, Government Code, and due to the disaster, performance
18 indicators for the district or campus are difficult to measure or
19 evaluate and would not accurately reflect quality of learning and
20 achievement for the district or campus;

21 (2) the district or campus has experienced breaches or
22 other failures in data integrity to the extent that accurate
23 analysis of data regarding performance indicators is not possible;

24 (3) the number of students enrolled in the district or
25 campus is insufficient to accurately evaluate the performance of
26 the district or campus; or

27 (4) for other reasons outside the control of the

1 district or campus, the performance indicators would not accurately
2 reflect quality of learning and achievement for the district or
3 campus.

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

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

11 (1) must:

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

15 (B) include the results of assessments required
16 under Section 39.023; and

17 (2) may be based on the results of a special
18 ~~[accreditation]~~ investigation conducted under Section 39.003
19 ~~[39.057]~~.

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

22 Sec. 39.0543. PERFORMANCE RATING REQUIRING INTERVENTION OR
23 OTHER ACTION. (a) A reference in law to an acceptable performance
24 rating or acceptable performance includes an overall or domain
25 performance rating of A, B, or C or performance that is exemplary,
26 recognized, or acceptable. A reference in law to an unacceptable
27 performance rating or unacceptable performance includes an overall

1 or domain performance rating of F. For the purposes of public
2 reporting requirements, an overall or domain performance rating of
3 D shall be referred to as performance that needs improvement.

4 (b) A reference in law to an acceptable performance rating
5 or acceptable performance for a school district, open-enrollment
6 charter school, district campus, or charter school campus includes
7 an overall performance rating of D if, since previously receiving
8 an overall performance rating of C or higher, the district, charter
9 school, district campus, or charter school campus:

10 (1) has not previously received more than one overall
11 performance rating of D; or

12 (2) has not received an overall performance rating of
13 F.

14 (b-1) For the purposes of this section, an overall
15 performance rating issued in a previous school year for a school
16 district, open-enrollment charter school, district campus, or
17 charter school campus of:

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

21 (2) performance that needs improvement, academically
22 unacceptable, or F is considered to be a rating of F.

23 (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 performance rating of D assigned to a school district,
27 open-enrollment charter school, district campus, or charter school

1 campus prior to the 2018-2019 school year shall not be considered.

2 (b-3) Subsections (b-1) and (b-2) and this subsection
3 expire September 1, 2027.

4 (c) A reference in law to an unacceptable performance rating
5 or unacceptable performance includes a performance rating of D if
6 the rating does not satisfy Subsection (b).

7 (d) For purposes of Subsection (b), a school district,
8 open-enrollment charter school, district campus, or charter school
9 campus that has never received an overall performance rating shall
10 be considered to have previously received an overall performance
11 rating of C or higher.

12 SECTION 2.08. Subchapter C, Chapter 39, Education Code, is
13 amended by adding Sections 39.0545 and 39.0546 to read as follows:

14 Sec. 39.0545. ALTERNATIVE METHODS AND STANDARDS FOR
15 EVALUATING PERFORMANCE FOR 2020-2021 SCHOOL YEAR. (a) This
16 section applies to a campus:

17 (1) that meets the participation requirements for all
18 students in all subject areas for the annual measurement of
19 achievement under Section 1111, Every Student Succeeds Act (20
20 U.S.C. Section 6311(c)(4)(E)); and

21 (2) to which the most recent performance rating
22 assigned, other than a "Not Rated" rating, is a D, F, or performance
23 that needs improvement.

24 (b) Notwithstanding any other law, the commissioner shall
25 adopt rules to develop and implement alternative methods and
26 standards for evaluating the performance for the 2020-2021 school
27 year of a campus to which this section applies. The rules adopted

1 under this section must evaluate a campus under the domains of
2 indicators of achievement listed in Sections 39.053(c)(1) and (2).

3 (c) The commissioner shall review a campus to which this
4 section applies under the alternative methods and standards adopted
5 under Subsection (b) on the request of the school district in which
6 the campus is located made by the deadline established by
7 commissioner rule.

8 (d) An acceptable performance rating assigned under the
9 alternative methods and standards adopted by the commissioner under
10 Subsection (b) is considered a break in consecutive school years of
11 unacceptable performance ratings under this code.

12 (e) If the commissioner determines that the campus would not
13 be assigned an acceptable performance rating, the commissioner
14 shall instead assign the campus a rating of "Not Rated."

15 (f) This section does not apply to an intervention ordered
16 on the basis of consecutive school years of unacceptable
17 performance ratings accrued before the effective date of this
18 section.

19 (g) This section expires September 1, 2027.

20 Sec. 39.0546. COVID-19 RECOVERY ACCOUNTABILITY FOR
21 2021-2022 SCHOOL YEAR. (a) Notwithstanding any other law, the
22 commissioner shall assign to a school district or campus a rating of
23 "Not Rated" for the 2021-2022 school year, unless, after reviewing
24 the district or campus under the methods and standards adopted
25 under Section 39.054, the commissioner determines the district or
26 campus should be assigned an overall performance rating of C or
27 higher.

1 (b) Regardless of the rating assigned under this section, if
2 the commissioner would have otherwise assigned a campus an
3 unacceptable performance rating, the campus is considered to be a
4 campus assigned an unacceptable performance rating for purposes of
5 determining a student's eligibility for a public education grant
6 under Section 29.202.

7 (c) Notwithstanding any other law, the commissioner shall
8 take an action described by Section 39A.111(1) or (2) if a campus:

9 (1) is not assigned an overall performance rating of C
10 or higher for the 2021-2022 school year; and

11 (2) has been assigned an unacceptable performance
12 rating for five or more school years prior to the 2021-2022 school
13 year.

14 (d) This section expires September 1, 2028.

15 SECTION 2.09. Sections 39.151(a), (b), and (e), Education
16 Code, are amended to read as follows:

17 (a) The commissioner by rule shall provide a process for a
18 school district or open-enrollment charter school to challenge an
19 agency decision made under this chapter relating to an academic or
20 financial accountability rating that affects the district or
21 school, including a determination of consecutive school years of
22 unacceptable performance ratings.

23 (b) The rules under Subsection (a) must provide for the
24 commissioner to appoint a committee to make recommendations to the
25 commissioner on a challenge made to an agency decision relating to
26 an academic performance rating or determination, including a
27 determination of consecutive school years of unacceptable

1 performance ratings, or financial accountability rating. The
2 commissioner may not appoint an agency employee as a member of the
3 committee.

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

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

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

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

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

25 (1) Section 39A.001(1) [~~39A.001~~] and:

26 (A) [~~(1)~~] has a current accreditation status of
27 accredited-warned or accredited-probation;

1 (B) [~~(2)~~] fails to satisfy any standard under
2 Section 39.054(e); or

3 (C) [~~(3)~~] fails to satisfy financial
4 accountability standards as determined by commissioner rule; or

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
17 any reason under this title, the commissioner may appoint a board of
18 managers to exercise the powers and duties of the board of trustees
19 of the district.

20 SECTION 2.13. Section 39A.061(b), Education Code, is
21 amended to read as follows:

22 (b) The commissioner may authorize a targeted improvement
23 plan, ~~or~~ an updated targeted improvement plan, or a local
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.

27 SECTION 2.14. Subchapter B, Chapter 39A, Education Code, is

1 amended by adding Section 39A.065 to read as follows:

2 Sec. 39A.065. LOCAL IMPROVEMENT PLAN. (a) A school
3 district, open-enrollment charter school, district campus, or
4 charter school campus that is assigned a rating of D that qualifies
5 under Section 39.0543(b) shall develop and implement a local
6 improvement plan.

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

10 (c) The commissioner shall adopt rules to establish
11 requirements for a local improvement plan components and training.
12 The commissioner may not require a school district or
13 open-enrollment charter school to submit the local improvement plan
14 to the agency.

15 SECTION 2.15. Section 39A.102, Education Code, is amended
16 by amending Subsection (b) and adding Subsection (b-1) to read as
17 follows:

18 (b) Subject to Subsection (b-1), the [The] commissioner may
19 appoint a monitor, conservator, management team, or board of
20 managers to the school district to ensure and oversee
21 district-level support to low-performing campuses and the
22 implementation of the updated targeted improvement plan.

23 (b-1) The commissioner shall appoint a conservator to a
24 school district under Subsection (b) unless and until:

25 (1) each campus in the district for which a campus
26 turnaround plan has been ordered under Section 39A.101 receives an
27 acceptable performance rating for the school year; or

1 (2) the commissioner determines a conservator is not
2 necessary.

3 SECTION 2.16. The heading to Section 39A.110, Education
4 Code, is amended to read as follows:

5 Sec. 39A.110. MODIFICATION OF [CHANGE IN] CAMPUS TURNAROUND
6 PLAN [PERFORMANCE RATING].

7 SECTION 2.17. Section 39A.110, Education Code, is amended
8 by adding Subsection (c) to read as follows:

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

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

16 Sec. 39A.111. CONTINUED UNACCEPTABLE PERFORMANCE RATING.
17 If a campus is considered to have an unacceptable performance
18 rating for five [~~three~~] consecutive school years [~~after the campus~~
19 ~~is ordered to submit a campus turnaround plan under Section~~
20 ~~39A.101~~], the commissioner, subject to Section 39A.112, shall
21 order:

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

24 (2) closure of the campus.

25 SECTION 2.19. Subchapter C, Chapter 39A, Education Code, is
26 amended by adding Sections 39A.117 and 39A.118 to read as follows:

27 Sec. 39A.117. INTERVENTION FOR CERTAIN DISTRICTS OR

1 CAMPUSES. (a) For purposes of this section:
2 (1) an acceptable performance rating includes:
3 (A) a rating of met standard, academically
4 acceptable, recognized, exemplary, A, B, or C; or
5 (B) a rating of D that meets the requirements of
6 Section 39.0543(b);
7 (2) an unacceptable performance rating includes:
8 (A) a rating of performance that needs
9 improvement, academically unacceptable, or F; or
10 (B) a rating of D that meets the requirements of
11 Section 39.0543(c); and
12 (3) a rating of "Not Rated" is not considered an
13 acceptable or unacceptable performance rating and may not be
14 considered a break in consecutive years of unacceptable
15 performance.
16 (b) As soon as practicable after the effective date of S.B.
17 1365, 87th Legislature, Regular Session, 2021, or similar
18 legislation, the commissioner shall:
19 (1) determine the number of school years of
20 unacceptable performance ratings occurring after the 2012-2013
21 school year for each school district, open-enrollment charter
22 school, district campus, or charter school campus by determining
23 the number of unacceptable performance ratings assigned to each
24 district, charter school, district campus, or charter school
25 campus since the most recent acceptable performance rating was
26 assigned to the district, charter school, district campus, or
27 charter school campus; and

1 (2) use the number of school years of unacceptable
2 performance ratings as the base number of consecutive years of
3 unacceptable performance for which the performance rating in the
4 2021-2022 school year will be added.

5 (c) Exemptions from interventions authorized under Sections
6 11.174 and 28.020 and Section 5, Chapter 919 (H.B. 4205), Acts of
7 the 86th Legislature, Regular Session, 2019, apply to an
8 intervention ordered under this section and the commissioner shall
9 make necessary modifications to an intervention ordered under this
10 section in accordance with those provisions of law.

11 (d) This section may not be construed to:

12 (1) provide a school district or open-enrollment
13 charter school additional remedies or appellate or other review for
14 previous interventions, sanctions, or performance ratings ordered
15 or assigned; or

16 (2) prohibit the commissioner from taking any action
17 or ordering any intervention or sanction otherwise authorized by
18 law.

19 (e) To the extent of a conflict with any other transition
20 provision affecting this section, this transition provision
21 prevails.

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

23 Sec. 39A.118. INTERVENTION IF ASSIGNED CERTAIN PERFORMANCE
24 NEEDS IMPROVEMENT RATING. (a) Until another performance rating is
25 issued, the agency may not implement the intervention or sanctions
26 listed under Subsection (b) for a school district, open-enrollment
27 charter school, district campus, or charter school campus, if the

1 performance rating initiating the action under Subsection (b) is
2 based on the first or second overall performance rating of D, since
3 previously receiving a rating of C or higher.

4 (a-1) For purposes of this section, a performance rating of
5 D assigned prior to the 2018-2019 school year shall not be
6 considered. This subsection expires September 1, 2027.

7 (b) The following interventions or sanctions are subject to
8 a pause under Subsection (a):

- 9 (1) revocation of a charter under Section 12.115(c);
10 (2) annexation under Section 13.054;
11 (3) change in accreditation status under rules adopted
12 for accreditation under Section 39.052; and
13 (4) interventions or sanctions under Section
14 39A.101(a), 39A.107(a) or (c), or 39A.111.

15 (c) The performance rating identified under Subsection (a):
16 (1) may not be included in calculating consecutive
17 school years of unacceptable performance ratings; and

18 (2) is not considered a break in consecutive school
19 years of unacceptable performance ratings.

20 (d) Interventions or sanctions implemented prior to a pause
21 under Subsection (a) shall continue during a school year for which
22 interventions or sanctions listed under Subsection (b) are paused.

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

26 (f) For purposes of Subsection (a), a school district,
27 open-enrollment charter school, district campus, or charter school

1 campus that has never previously been assigned an overall
2 performance rating shall be considered to have previously received
3 an overall performance rating of C or higher.

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

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

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

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

15 (1) the powers of the board of trustees of the district
16 are suspended for the period of the appointment; and

17 (2) the commissioner shall appoint a district
18 superintendent.

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

21 (a) A school district or open-enrollment charter school
22 must appeal under this section if the district or charter school
23 [that] intends to challenge a decision by the commissioner under
24 this chapter to:

25 (1) close the district or a district campus or the
26 charter school;

27 (2) [or to] pursue alternative management of a

1 district campus or the charter school;

2 (3) appoint a board of managers to the district or
3 charter school; or

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

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

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

15 SECTION 2.24. Section 39A.0545, Education Code, is
16 repealed.

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

1 Act, and Sections 39.005, 39.006, and 39.007, Education Code, as
2 added by this Act.

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

6 SECTION 2.26. If this Act takes effect later than August 15,
7 2021, the Texas Education Agency shall publish the consecutive
8 school years of unacceptable performance ratings as required by
9 Section 39.054(a-3), Education Code, as amended by this Act, for
10 each school district and campus as soon as practicable after the
11 effective date of this Act.

12 SECTION 2.27. As soon as practicable after the effective
13 date of this Act, the commissioner of education shall adopt rules to
14 develop and implement alternative methods and standards for
15 evaluating the performance of a campus for the 2020-2021 school
16 year as required by Section 39.0545, Education Code, as added by
17 this Act.

18 ARTICLE 3. PUBLIC SCHOOL FISCAL MANAGEMENT

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

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

27 SECTION 3.02. Section 45.105, Education Code, is amended by

1 amending Subsection (c) and adding Subsection (c-1) to read as
2 follows:

3 (c) Local school funds from district taxes, tuition fees of
4 students not entitled to a free education, other local sources, and
5 state funds not designated for a specific purpose may be used for
6 the purposes listed for state and county available funds and for
7 purchasing appliances and supplies, paying insurance premiums,
8 paying janitors and other employees, buying school sites, buying,
9 building, repairing, and renting school buildings, including
10 acquiring school buildings and sites by leasing through annual
11 payments with an ultimate option to purchase, and, except as
12 provided by Subsection (c-1), for other purposes necessary in the
13 conduct of the public schools determined by the board of trustees.
14 The accounts and vouchers for county districts must be approved by
15 the county superintendent. If the state available school fund in
16 any municipality or district is sufficient to maintain the schools
17 in any year for at least eight months and leave a surplus, the
18 surplus may be spent for the purposes listed in this subsection.

19 (c-1) Funds described by Subsection (c) may not be used to
20 initiate or maintain any action or proceeding against the state or
21 an agency or officer of the state arising out of a decision, order,
22 or determination that is final and unappealable under a provision
23 of this code, except that funds may be used for an action or
24 proceeding that is specifically authorized by a provision of this
25 code or a rule adopted under this code and that results in a final
26 and unappealable decision, order, or determination.

27 SECTION 3.03. Section [48.201](#), Education Code, is amended to

1 read as follows:

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

- 7 (1) capital outlay or debt service; or
8 (2) a purpose prohibited by Section 45.105(c-1) or
9 another provision of this code.

10 SECTION 3.04. Section 39A.203, Education Code, is repealed.

11 SECTION 3.05. Section 44.052(c), Education Code, as amended
12 by this Act, applies only to an offense committed on or after the
13 effective date of this Act. An offense committed before the
14 effective date of this Act is governed by the law in effect when the
15 offense was committed, and the former law is continued in effect for
16 that purpose. For purposes of this section, an offense was
17 committed before the effective date of this Act if any element of
18 the offense occurred before that date.

19 ARTICLE 4. CONFORMING AMENDMENTS

20 SECTION 4.01. Section 7.028(a), Education Code, is amended
21 to read as follows:

22 (a) Except as provided by Section 21.006(k), 22.093(1),
23 22.096, 28.006, 29.001(5), 29.010(a), 38.003, or 39.003 [~~39.057~~],
24 the agency may monitor compliance with requirements applicable to a
25 process or program provided by a school district, campus, program,
26 or school granted charters under Chapter 12, including the process
27 described by Subchapter F, Chapter 11, or a program described by

1 Subchapter B, C, D, E, F, H, or I, Chapter 29, or Subchapter A,
2 Chapter 37, only as necessary to ensure:

- 3 (1) compliance with federal law and regulations;
- 4 (2) financial accountability, including compliance
5 with grant requirements;
- 6 (3) data integrity for purposes of:
 - 7 (A) the Public Education Information Management
8 System (PEIMS); and
 - 9 (B) accountability under Chapters 39 and 39A; and
- 10 (4) qualification for funding under Chapter 48.

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

- 13 (b) A home-rule school district is subject to:
 - 14 (1) a provision of this title establishing a criminal
15 offense;
 - 16 (2) a provision of this title relating to limitations
17 on liability; and
 - 18 (3) a prohibition, restriction, or requirement, as
19 applicable, imposed by this title or a rule adopted under this
20 title, relating to:
 - 21 (A) the Public Education Information Management
22 System (PEIMS) to the extent necessary to monitor compliance with
23 this subchapter as determined by the commissioner;
 - 24 (B) educator certification under Chapter 21 and
25 educator rights under Sections 21.407, 21.408, and 22.001;
 - 26 (C) criminal history records under Subchapter C,
27 Chapter 22;

- 1 (D) student admissions under Section 25.001;
- 2 (E) school attendance under Sections 25.085,
3 25.086, and 25.087;
- 4 (F) inter-district or inter-county transfers of
5 students under Subchapter B, Chapter 25;
- 6 (G) elementary class size limits under Section
7 25.112, in the case of any campus in the district that fails to
8 satisfy any standard under Section 39.054(e);
- 9 (H) high school graduation under Section 28.025;
- 10 (I) special education programs under Subchapter
11 A, Chapter 29;
- 12 (J) bilingual education under Subchapter B,
13 Chapter 29;
- 14 (K) prekindergarten programs under Subchapter E,
15 Chapter 29;
- 16 (L) safety provisions relating to the
17 transportation of students under Sections 34.002, 34.003, 34.004,
18 and 34.008;
- 19 (M) computation and distribution of state aid
20 under Chapters 31, 43, and 48;
- 21 (N) extracurricular activities under Section
22 33.081;
- 23 (O) health and safety under Chapter 38;
- 24 (P) the provisions of Subchapter A, Chapter 39;
- 25 (Q) public school accountability and special
26 investigations under Subchapters A, B, C, D, and J, Chapter 39, and
27 Chapter 39A;

1 (R) [~~(Q)~~] options for local revenue levels in
2 excess of entitlement under Chapter 49;

3 (S) [~~(R)~~] a bond or other obligation or tax rate
4 under Chapters 43, 45, and 48; and

5 (T) [~~(S)~~] purchasing under Chapter 44.

6 SECTION 4.03. Section 12.056(b), Education Code, is amended
7 to read as follows:

8 (b) A campus or program for which a charter is granted under
9 this subchapter is subject to:

10 (1) a provision of this title establishing a criminal
11 offense; and

12 (2) a prohibition, restriction, or requirement, as
13 applicable, imposed by this title or a rule adopted under this
14 title, relating to:

15 (A) the Public Education Information Management
16 System (PEIMS) to the extent necessary to monitor compliance with
17 this subchapter as determined by the commissioner;

18 (B) criminal history records under Subchapter C,
19 Chapter 22;

20 (C) high school graduation under Section 28.025;

21 (D) special education programs under Subchapter
22 A, Chapter 29;

23 (E) bilingual education under Subchapter B,
24 Chapter 29;

25 (F) prekindergarten programs under Subchapter E,
26 Chapter 29;

27 (G) extracurricular activities under Section

1 33.081;

2 (H) health and safety under Chapter 38;

3 (I) the provisions of Subchapter A, Chapter 39;

4 (J) public school accountability and special
5 investigations under Subchapters A, B, C, D, F, and J, Chapter 39,
6 and Chapter 39A; and

7 (K) [~~(J)~~] the duty to discharge or refuse to hire
8 certain employees or applicants for employment under Section
9 12.1059.

10 SECTION 4.04. Section 12.104(b), Education Code, as amended
11 by Chapters 262 (H.B. 1597), 464 (S.B. 11), 467 (H.B. 4170), and 943
12 (H.B. 3), Acts of the 86th Legislature, Regular Session, 2019, is
13 reenacted and amended to read as follows:

14 (b) An open-enrollment charter school is subject to:

15 (1) a provision of this title establishing a criminal
16 offense;

17 (2) the provisions in Chapter 554, Government Code;
18 and

19 (3) a prohibition, restriction, or requirement, as
20 applicable, imposed by this title or a rule adopted under this
21 title, relating to:

22 (A) the Public Education Information Management
23 System (PEIMS) to the extent necessary to monitor compliance with
24 this subchapter as determined by the commissioner;

25 (B) criminal history records under Subchapter C,
26 Chapter 22;

27 (C) reading instruments and accelerated reading

- 1 instruction programs under Section 28.006;
- 2 (D) accelerated instruction under Section
3 28.0211;
- 4 (E) high school graduation requirements under
5 Section 28.025;
- 6 (F) special education programs under Subchapter
7 A, Chapter 29;
- 8 (G) bilingual education under Subchapter B,
9 Chapter 29;
- 10 (H) prekindergarten programs under Subchapter E
11 or E-1, Chapter 29;
- 12 (I) extracurricular activities under Section
13 33.081;
- 14 (J) discipline management practices or behavior
15 management techniques under Section 37.0021;
- 16 (K) health and safety under Chapter 38;
- 17 (L) the provisions of Subchapter A, Chapter 39;
- 18 (M) public school accountability and special
19 investigations under Subchapters A, B, C, D, F, G, and J, Chapter
20 39, and Chapter 39A;
- 21 (N) [~~(M)~~] the requirement under Section 21.006
22 to report an educator's misconduct;
- 23 (O) [~~(N)~~] intensive programs of instruction
24 under Section 28.0213;
- 25 (P) [~~(O)~~] the right of a school employee to
26 report a crime, as provided by Section 37.148;
- 27 (Q) [~~(P)~~] bullying prevention policies and

1 procedures under Section 37.0832;

2 (R) [~~(Q)~~] the right of a school under Section
3 37.0052 to place a student who has engaged in certain bullying
4 behavior in a disciplinary alternative education program or to
5 expel the student;

6 (S) [~~(R)~~] the right under Section 37.0151 to
7 report to local law enforcement certain conduct constituting
8 assault or harassment;

9 (T) [~~(S)~~] a parent's right to information
10 regarding the provision of assistance for learning difficulties to
11 the parent's child as provided by Sections 26.004(b)(11) and
12 26.0081(c) and (d);

13 (U) [~~(T)~~] establishment of residency under
14 Section 25.001*i*;

15 (V) [~~(U)~~] school safety requirements under
16 Sections 37.108, 37.1081, 37.1082, 37.109, 37.113, 37.114, 37.115,
17 37.207, and 37.2071*i*;

18 (W) [~~(V)~~] the early childhood literacy and
19 mathematics proficiency plans under Section 11.185; and

20 (X) [~~(W)~~] the college, career, and military
21 readiness plans under Section 11.186.

22 SECTION 4.05. Section 12.1162(a), Education Code, is
23 amended to read as follows:

24 (a) The commissioner shall take any of the actions described
25 by Subsection (b) or by Section 39A.001, 39A.002, 39A.004, 39A.005,
26 or 39A.007, to the extent the commissioner determines necessary, if
27 an open-enrollment charter school, as determined by a report issued

1 under Section 39.004(b) [~~39.058(b)~~]:

2 (1) commits a material violation of the school's
3 charter;

4 (2) fails to satisfy generally accepted accounting
5 standards of fiscal management; or

6 (3) fails to comply with this subchapter or another
7 applicable rule or law.

8 SECTION 4.06. Section 39.0302(a), Education Code, is
9 amended to read as follows:

10 (a) During an agency investigation or audit of a school
11 district under Section 39.0301(e) or (f), a special [~~an~~
12 ~~accreditation~~] investigation under Section 39.003(a)(8)
13 [~~39.057(a)(8)~~] or (14), a compliance review under Section
14 21.006(k), 22.093(1), or 22.096, or an investigation by the State
15 Board for Educator Certification of an educator for an alleged
16 violation of an assessment instrument security procedure
17 established under Section 39.0301(a), the commissioner may issue a
18 subpoena to compel the attendance of a relevant witness or the
19 production, for inspection or copying, of relevant evidence that is
20 located in this state.

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

23 (h) The commissioner may at any time convert a monitoring
24 review to a special [~~accreditation~~] investigation under Section
25 39.003 [~~39.057~~], provided the commissioner promptly notifies the
26 school district of the conversion.

27 SECTION 4.08. Section 39A.001, Education Code, is amended

1 to read as follows:

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

5 (1) a school district does not satisfy:

6 (A) the accreditation criteria under Section
7 39.052;

8 (B) the academic performance standards under
9 Section 39.053 or 39.054; or

10 (C) any financial accountability standard as
11 determined by commissioner rule; or

12 (2) the commissioner considers the action to be
13 appropriate on the basis of a special [~~accreditation~~] investigation
14 under Section 39.003 [~~39.057~~].

15 SECTION 4.09. Sections 39A.256(a) and (b), Education Code,
16 are amended to read as follows:

17 (a) A board of managers appointed for an open-enrollment
18 charter school [~~or a campus of an open-enrollment charter school~~]
19 under this chapter or Chapter 12 has the powers and duties
20 prescribed by Section 39A.201(b), if applicable, and Sections
21 39A.201(a), 39A.202, [~~39A.203~~] and 39A.206(b).

22 (b) Except as otherwise provided by this subsection, the
23 board of managers for an open-enrollment charter school [~~or a~~
24 ~~campus of an open-enrollment charter school~~] may not serve for a
25 period that exceeds the period authorized by law for a board of
26 managers appointed for a school district. A board of managers
27 appointed to wind up the affairs of a former open-enrollment

1 charter school or campus serves until dissolved by the
2 commissioner.

3 SECTION 4.10. To the extent of any conflict, this article
4 prevails over another Act of the 87th Legislature, Regular Session,
5 2021, relating to nonsubstantive additions to and corrections in
6 enacted codes.

7 ARTICLE 5. EFFECTIVE DATE

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1365 passed the Senate on May 5, 2021, by the following vote: Yeas 20, Nays 11; and that the Senate concurred in House amendment on May 29, 2021, by the following vote: Yeas 20, Nays 11.

Secretary of the Senate

I hereby certify that S.B. No. 1365 passed the House, with amendment, on May 26, 2021, by the following vote: Yeas 111, Nays 34, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor