

## **BILL ANALYSIS**

H.B. 1  
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Educational Opportunity & Enrichment, Select  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

H.B. 1 sets out nine articles that relate to primary and secondary education in Texas and that are responsive to issues addressed in testimony before the 88th Legislature's House Public Education Committee and the House Select Committee on Education Opportunity and Enrichment. The bill also seeks to address and incorporate a number of recommendations made by the Teacher Vacancy Task Force, the Texas Commission on Special Education Funding, and the Texas Commission on Virtual Education.

#### **ARTICLE 1: Changes Related to Public School Educators Effective for 2024-2025 School Year**

The Teacher Vacancy Task Force was established by Governor Abbott in March 2022 to examine teacher retention and recruitment challenges across Texas. In its February 2023 final report, *Developing a Thriving Teacher Workforce in Texas*, the task force recommended a number of policies, including those that would "increase overall compensation and support strategic compensation strategies," "enhance teachers' total compensation package," "provide incentives and support for hard-to-staff areas," "improve the pipeline and pre-service preparation of novice teachers," "expand training and support for teacher mentorship and teacher leadership opportunities," and "demonstrate respect and value for teacher time."

ARTICLE 1 seeks to address these and other related issues regarding public school educators by adjusting the minimum salary schedule, revising the sanction process applicable to the resignation of a teacher under a term contract, and codifying a number of the task force's recommendations, including by establishing a new Texas Teacher Residency Partnership Program as well as a residency partnership allotment and by implementing a teacher time study by the Texas Education Agency.

#### **ARTICLES 2, 3, and 4: Changes Related to Public School Finance Effective for the 2023-2024 School Year, the 2024-2025 School Year, and the 2025-2026 School Year**

ARTICLES 2, 3, and 4 seek to address a range of issues raised about public school finance during House Committee on Public Education testimony during the 88th Regular Session and testimony before the House Select Committee on Educational Opportunities and Enrichment over the summer of 2023. These issues included concerns regarding the effects of inflation, increased costs associated with disaster mitigation, a statewide teacher shortage, and the disruption to traditional teaching practices due to the COVID-19 pandemic.

ARTICLE 2 seeks to provide a financial infusion to the public school finance system beginning in the 2023-2024 school year, including, among other things, by establishing a one-time staff retention stipend and establishing an annual fine arts allotment applicable to TEA-approved fine arts education courses in grades 6 through 12. Among other changes in the article, ARTICLE 2 seeks to mitigate a district's reduction in certain funds due to district property value studies through a grant program intended to offset such a reduction.

Moreover, ARTICLE 3, with respect to the bill's changes to the public school finance system beginning in the 2024-2025 school year, includes, among other provisions, provisions increasing the basic allotment, revising certain allotments under the foundation school program, and creating new allotments for certain student groups.

Finally, ARTICLE 4, with respect to the bill's changes to the public school finance system beginning in the 2025-2026 school year, seeks to provide an adjustment to the basic allotment for inflation, an expansion of the teacher incentive allotment, and adjustments to certain other allotments. ARTICLE 4 also seeks to address the additional days school year program, an initiative provided by the 86th Legislature under H.B. 3, by adjusting certain program requirements. Among other changes in the article, ARTICLE 4 creates new funding streams for students in advanced math pathways.

#### **ARTICLE 5: Changes Related to Special Education Effective for the 2024-2025 School Year**

ARTICLE 5 seeks to enact a number of recommendations made in the final report to the 88th Legislature by the Texas Commission on Special Education Funding, including creating a comprehensive system for the implementation of special education and creating and revising multiple grant programs for certain student populations.

#### **ARTICLE 6. Education Savings Account Program**

ARTICLE 6 seeks to address recommendations made in the August 2023 initial interim report prepared by the House Select Committee on Educational Opportunity and Enrichment regarding the establishment of an education savings account program to be administered by the comptroller of public accounts that entitles eligible students to access accounts administered by certified education assistance organizations to fund approved education-related expenses at preapproved educational institutions and service providers.

#### **ARTICLE 7. Changes Related to Public Schools Generally**

ARTICLE 7 seeks to make changes, applicable beginning with the 2024-2025 school year, related to public schools generally, among them changes that expand protections for certain military children under the Interstate Compact on Educational Opportunity for Military Children, that require written notice to each student's parent of the results of certain benchmark assessment tests administered to the student, that prohibit the administration of a reading instrument to a student more than three times during a school year, and that affect other matters regarding reading diagnosis and reading intervention matters, including a requirement that supplemental reading instruction be made available to certain students. The article also seeks to create a prekindergarten community-based child-care partnership grant program and a career and military technical grant pilot program and allows for cooperative agreements for local education agencies to procure group health insurance coverage.

#### **ARTICLE 8. Virtual Education**

ARTICLE 8 seeks to replace the current state virtual school network with a program of virtual and hybrid campuses, programs, and courses. Among other provisions, the bill clarifies funding allocations for the new program, provides for student eligibility, and addresses professional development for educators providing high-quality virtual education. This article incorporates a number of recommendations made to the 88th Legislature by the Texas Commission on Virtual Education.

#### **ARTICLE 9. Changes Related to Accountability**

ARTICLE 9 seeks to make changes to provisions governing the public school accountability

system, to provide for the expiration of the current system on August 31, 2026, and to establish the Texas Commission on Assessment and Accountability to develop and make recommendations by 2025 for improvement to the current public school assessment and accountability systems and for the adoption of a new assessment and accountability system as provided by the federal Every Student Succeeds Act. Among other provisions, the article also seeks to prohibit the Texas Education Agency from assigning A-F ratings, domain-scaled scores, or overall scaled scores to an independent school district or district campus under the current public school accountability system for the 2022-2023 school year and, in a temporary provision expiring on August 31, 2026, requires that TEA use the adopted 2022 Accountability Manual for the 2023-2024, 2024-2025, and 2025-2026 school year for purposes of assigning district and campus performance ratings and scoring tests of academic skills.

### **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 State Board for Educator Certification in SECTIONS 1.04 and 1.18 of this bill; to the commissioner of education in SECTIONS 1.09, 1.18, 3.08, 4.07, 4.08, 4.16, 4.18, 5.03, 5.09, 5.19, 7.04, 7.09, 8.02, 8.06, 8.09, 8.15, 9.06, and 9.08 of this bill; to the Texas Education Agency in SECTIONS 4.03, 5.01, 5.02, 5.12, 6.01, and 7.04 of this bill; and to the comptroller of public accounts in SECTION 6.01 of this bill.

### **ANALYSIS**

H.B. 1 sets out provisions in ARTICLES 1-9 with respect to the following:

- changes related to public school educators effective for the 2024-2025 school year;
- changes related to public school finance effective for the 2023-2024 school year, for the 2024-2025 school year, and for the 2025-2026 school year;
- changes related to special education effective for the 2024-2025 school year;
- establishment of an education savings account program;
- changes related to public schools generally;
- virtual education; and
- changes related to accountability.

### **ARTICLE 1. Changes Related to Public School Educators Effective for 2024-2025 School Year**

#### **Teacher Position Data Collection**

H.B. 1 amends the Education Code to require the Texas Education Agency (TEA) to collect data from public school districts and open-enrollment charter schools for the recruitment and retention of classroom teachers, including the classification, grade level, subject area, duration, and other relevant information regarding vacant teaching positions in a district or school. The data may be collected using the Public Education Information Management System (PEIMS) or another reporting mechanism specified by TEA.

#### **Waiver or Payment of Certain Examination and Certification Fees**

H.B. 1 requires the State Board for Educator Certification (SBEC) to waive the following fees for a person applying for a certification to teach, notwithstanding an SBEC rule adopting a fee for the issuance and maintenance of an educator certificate:

- a certification examination fee imposed by the SBEC for the first administration of the examination to the person; and
- a fee associated with the application for certification by the person.

The bill requires the SBEC to pay to a vendor that administers a certification examination required for certification to teach a fee assessed by that vendor for the examination of a person applying for a certification to teach for the first administration of the examination to the person.

#### Micro-Credentials in Digital Teaching

H.B. 1 includes a micro-credential in digital teaching among the micro-credentials a public school educator may receive to fulfill the educator's continuing education requirements. The bill requires the SBEC to propose rules establishing a program to issue micro-credentials in digital teaching and requires the SBEC to engage relevant stakeholders in proposing the rules.

#### Prohibited Sanctions for Teachers Leaving Employment

H.B. 1 prohibits the SBEC from imposing a sanction against a teacher who relinquishes a position under a probationary contract, a continuing contract, or a term contract, as applicable, and leaves the employment of the district after the 45th day before the first day of instruction of the upcoming school year in violation of those contracts' resignation procedures and without the consent of the board of trustees if the teacher's failure to comply with the procedure was due to the following:

- a serious illness or health condition of the teacher or a close family member of the teacher;
- the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;
- a significant change in the needs of the teacher's family in a manner that requires the teacher to forgo employment during a period of required employment under the teacher's contract or to relocate; or
- the teacher's reasonable belief that the teacher had written permission from the district's administration to resign.

#### Dismissal of Hearings Related to Termination of a Teacher's Contract or Suspension Without Pay

H.B. 1 authorizes a hearing examiner to dismiss a hearing relating to a proposed decision to terminate a teacher's continuing, probationary, or term contract or to suspend a teacher without pay before completing the hearing or making a written recommendation under any of the following conditions:

- if the teacher requests the dismissal;
- if the district withdraws the proposed decision that is the basis of the hearing; or
- if the teacher and district request the dismissal after reaching a settlement regarding the proposed decision that is the basis of the hearing.

This authorization applies only to a hearing before a hearing examiner commenced on or after September 1, 2024.

#### Local Optional Teacher Designation System Grant Program

H.B. 1 requires TEA, from funds appropriated or otherwise available for the purpose, to establish and administer a grant program to provide money and technical assistance for the purpose of expanding implementation of local optional teacher designation systems and increasing the number of classroom teachers eligible for a designation under such a system. A grant awarded under the program must meet the needs of individual districts and enable regional leadership capacity. The bill authorizes the commissioner of education to adopt rules to establish and administer the grant program.

## Employee Compensation

H.B. 1 changes the minimum salary schedule for a district employee who is employed as a classroom teacher, full-time librarian, full-time certified school counselor, or full-time school nurse by replacing the current formula determining a minimum monthly salary using salary factors per step with a schedule for the highest annual minimum salary based on an employee's years of experience and applicable certification, if any, as follows:

- for an employee with less than five years of experience who:
  - holds no certification, \$35,000;
  - holds a teacher intern, teacher trainee, or probationary certificate, \$37,000;
  - holds the base certificate required for employment in the employee's position other than the teacher intern, teacher trainee, or probationary certificate, \$40,000;
  - holds a designation under a local optional teacher designation system, \$43,000; or
  - holds a residency educator certificate or has successfully completed a residency partnership program under the new Texas Teacher Residency Partnership Program established under the bill's provisions, \$43,000;
- for an employee with at least five years of experience who holds:
  - no certification, \$45,000;
  - a teacher intern, teacher trainee, or probationary certificate, \$47,000;
  - the base certificate required for employment in the employee's position other than the teacher intern, teacher trainee, or probationary certificate, \$50,000; or
  - a designation under a local optional teacher designation system, \$53,000; or
- for an employee with at least 10 years of experience who holds:
  - no certification, \$55,000;
  - a teacher intern, teacher trainee, or probationary certificate, \$57,000;
  - the base certificate required for employment in the employee's position, \$60,000; or
  - a designation under a local optional teacher designation system, \$63,000.

The bill provides the following with respect to the schedule:

- a full-time school nurse is considered to hold the base educator certificate for purposes of the schedule, regardless of the other certifications held by the nurse; and
- a district is not required to pay an employee who is employed as a classroom teacher, full-time librarian, full-time certified school counselor, or full-time school nurse the required minimum salary for the school year following a school year during which the district reviews the employee's performance and finds the employee's performance unsatisfactory.

In addition to setting out the foregoing provisions and making the applicable revisions to the minimum salary schedule, the bill accordingly repeals the related statutory provisions that do the following:

- set a deadline for the commissioner's determination of the basic allotment and resulting monthly salaries;
- specify the salary factors per step;
- establish the minimum monthly salary schedule by years of experience and corresponding salary minimums;
- specify that applicable employees advance one step on the minimum salary schedule for each year of experience until step 20 is reached; and
- provide a safe harbor for the amount of the gross monthly salary for certain teachers or librarians who received a career ladder supplement on August 31, 1993, conditioned on continuing employment by the same district, and provide for the placement of such teachers or librarians on the minimum salary schedule.

The bill removes a reference to a speech pathologist from a provision regarding the adoption of rules governing the application of the minimum salary schedule, which does not apply to speech pathologists under current law.

H.B. 1, in provisions that expire September 1, 2027, establishes the following:

- a district that increases employee compensation in the 2024-2025 school year to comply with the minimum salary schedule under the bill's provisions is providing compensation for services rendered independently of an existing employment contract applicable to that year and is not in violation of Section 53, Article III, Texas Constitution, which prohibits payment of any extra compensation, fee, or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part and prohibits the payment of any claim created against a county or municipality under any agreement or contract made without authority of law;
- a district that does not meet the requirements of the minimum salary schedule under the bill's provisions in the 2024-2025 school year may satisfy requirements related to that schedule by providing an employee a one-time bonus payment during the 2025-2026 school year in an amount equal to the difference between the compensation earned by the employee during the 2024-2025 school year and the compensation the employee should have received during that school year if the district had complied with the salary schedule; and
- notwithstanding the minimum salary schedule, a district that increases the amount a classroom teacher, full-time librarian, full-time certified school counselor, or full-time school nurse is compensated during the 2024-2025 school year by at least \$8,000 more than the amount the employee was compensated during the 2023-2024 school year complies with the requirements regarding the salary schedule for the 2024-2025 school year.

H.B. 1 removes the specification that the credit to which a certified career or technology education teacher is entitled for work experience required for certification in a career or technological field is a salary step credit. The bill revises the commissioner's rulemaking authority under current law, with respect to credit for experience when placing a teacher, librarian, counselor, or nurse on the minimum salary schedule, to make that rulemaking authority applicable instead to credit for experience for purposes of the minimum salary schedule as revised under the bill's provisions.

H.B. 1 makes conforming changes in SECTIONS 1.01, 1.11, 1.14, 1.15, 1.16, 1.20, and 1.21.

#### Salary Transition Allotment

H.B. 1 entitles a district to receive an annual salary transition allotment equal to the number of employees on the minimum salary schedule for the applicable school year multiplied by the difference, if that amount is greater than zero, between the two following amounts calculated by TEA.

For the first amount, TEA must calculate the difference between:

- the amount a district must pay in compensation for the current school year for employees on the minimum salary schedule, as amended by the bill, divided by the total number of employees on the minimum salary schedule for that school year; and
- the amount paid in compensation for the 2023-2024 school year for employees on the minimum salary schedule divided by the total number of employees on the minimum salary schedule for that school year.

The bill establishes that for purposes of calculating the allotment, "compensation" includes contributions made to the Teacher Retirement System of Texas (TRS) under Government Code provisions providing for employer contributions for certain employed TRS members and contributions based on compensation above the statutory minimum.

For the second amount, TEA must calculate the difference between:

- the total M&O revenue for the current school year divided by the total number of employees on the minimum salary schedule for that school year; and
- the total M&O revenue that would have been available to the district for the current

school year using the basic allotment formula and small and mid-sized allotment formulas provided by the law as it existed on January 1, 2023, divided by the total number of employees on the minimum salary schedule for that school year.

H.B. 1 requires TEA, in calculating values for the allotment for a district or charter school to which the minimum salary schedule does not apply, to include as employees on the minimum salary schedule employees of the district or school who would have been on the minimum salary schedule if the district or school were a district to which the minimum salary schedule applies.

H.B. 1 requires TEA, before making a final determination of a district's allotment entitlement, to ensure each district has an opportunity to review and submit revised information to TEA for purposes of calculating values applicable to the allotment.

#### Employed Retiree Teacher Reimbursement Grant Program

H.B. 1 requires the commissioner, from funds appropriated or otherwise available, to establish and administer an employed retiree teacher reimbursement grant program to award funds to reimburse a district, a charter school, the Windham School District, the Texas School for the Deaf (TSD), or the Texas School for the Blind and Visually Impaired (TSBVI) that hires a teacher, including an educator who provides services related to special education, who retired before September 1, 2022, for the increased contributions to TRS associated with hiring the retired teacher.

H.B. 1 authorizes the legislature, in appropriating money for the grants, to provide for, modify, or limit amounts appropriated for that purpose in the General Appropriations Act, including by taking the following actions:

- providing a date or date range other than September 1, 2022, before which a teacher must have retired for a district, a charter school, the Windham School District, TSD, or TSBVI that hires the teacher to be eligible; or
- limiting eligibility to a district or charter school that, as follows:
  - hires a retired teacher who holds a certain certification;
  - hires a retired teacher to teach a certain subject or grade;
  - hires a retired teacher in a certain geographical area; or
  - hires a retired teacher to provide instruction to certain students, including to students with disabilities.

The commissioner must proportionally reduce the amount of funds awarded to districts, charter schools, the Windham School District, TSD, and TSBVI under the grant program if the number of grant applications by eligible districts or schools exceeds the number of grants the commissioner could award with the money appropriated or otherwise available for the purpose.

H.B. 1 expressly authorizes a district, a charter school, the Windham School District, TSD, or TSBVI to use funds received under the grant program to make required payments under Government Code provisions relating to employer contributions for employed retirees under TRS. The bill repeals the Government Code provision establishing that, with respect to employer contributions for employed TRS retirees, a reporting employer is ultimately responsible for payment of amounts required to be contributed and prohibiting the employer from directly or indirectly passing that cost on to the retiree through payroll deduction, by imposition of a fee, or by any other means designed to recover the cost.

#### Election by Teacher to Use Unpaid Leave

H.B. 1 requires the board of trustees of a district to adopt a policy that provides a classroom teacher employed by the district the option to elect not to take the teacher's paid personal leave concurrently with unpaid leave the teacher is entitled to take under the federal Family and Medical Leave Act of 1993 for an absence due to pregnancy or the birth or adoption of a child.

## Teacher Quality Assistance

H.B. 1 requires TEA, from funds appropriated or otherwise available for the purpose, to develop training for and provide technical assistance to districts and charter schools regarding:

- strategic compensation, staffing, and scheduling efforts that improve professional growth, teacher leadership opportunities, and staff retention;
- programs that encourage high school students or other members of the community in the area served by the district to become teachers, including available teacher apprenticeship programs; and
- programs or strategies that school leaders may use to establish clear and attainable behavior expectations while proactively supporting students.

The bill also requires TEA, from funds appropriated or otherwise available, to provide grants to districts and charter schools to implement initiatives developed under these bill provisions.

## Teacher Time Study

H.B. 1 requires TEA, from funds appropriated or otherwise available for the purpose, to develop and maintain a technical assistance program to support districts and charter schools in:

- studying how the district's or school's staff and student schedules, required noninstructional duties for classroom teachers, and professional development requirements for educators are affecting the amount of time classroom teachers work each week; and
- refining the schedules for students or staff as necessary to ensure teachers have sufficient time during normal work hours to fulfill all job duties, including addressing the needs of students.

TEA must periodically make findings and recommendations for best practices publicly available using information from participating districts and charter schools.

## Texas Teacher Residency Partnership Program

### *Eliminated Program*

H.B. 1 repeals the provisions enacted by the 83rd Legislature that establish and govern the Texas Teacher Residency Program at a public institution of higher education selected for the purpose of forming a partnership with an area district or charter school to provide employment to residents in the program.

### *New Program*

H.B. 1 requires the commissioner to establish a new Texas Teacher Residency Partnership Program to enable qualified educator preparation programs to form partnerships with districts or charter schools to provide residency positions to partnership residents at the district or school. The bill defines the following terms for purposes of the program:

- "partnership resident" means a person enrolled in a qualified educator preparation program participating in a partnership program as a candidate for educator certification;
- "qualified educator preparation program" means an educator preparation program approved in accordance with rules proposed under the bill's provisions; and
- "partnership program" means a Texas Teacher Residency Partnership Program established at a district or charter school in accordance with the bill's provisions.

H.B. 1 requires the partnership program established by the commissioner to be designed to allow partnership residents to receive field-based experience working with cooperating teachers in prekindergarten through grade 12 classrooms and gradually increase the amount of time a partnership resident spends engaging in instructional responsibilities, including observation, co-teaching, and lead-teaching responsibilities. The bill defines "cooperating teacher" as a classroom teacher who meets the following qualifications:



- has at least three full school years of teaching experience with a superior record of assisting students in achieving improvement in student performance;
- is employed by a district or charter school participating in a partnership program and paired with a partnership resident at the district or school; and
- provides coaching to a partnership resident in the teacher's classroom.

#### *Qualified Educator Preparation Programs*

H.B. 1 requires the SBEC to propose rules specifying the requirements for its approval of an educator preparation program as a qualified educator preparation program for purposes of the Texas Teacher Residency Partnership Program. The rules must require an educator preparation program to, as follows:

- use research-based best practices for recruiting and admitting candidates into the educator preparation program to participate in the partnership program;
- integrate curriculum, classroom practice, and formal observation and feedback;
- use multiple assessments to measure a partnership resident's progress in the partnership program; and
- partner with a district or charter school.

H.B. 1 authorizes the commissioner, until the SBEC adopts rules specifying the requirements for approval of an educator preparation program as a qualified educator preparation program, to approve a program as a qualified educator preparation program for purposes of the Texas Teacher Residency Partnership Program if the commissioner determines that the program meets the requirements for qualified educator preparation programs set out by the bill. An educator preparation program's designation as a qualified educator preparation program by the commissioner remains effective until the first anniversary of the earliest effective date of an applicable rule adopted by the SBEC.

#### *Participating Districts and Charter Schools*

H.B. 1 sets out the requirements for districts and charter schools participating in the Texas Teacher Residency Partnership Program and provides for the authorized uses for the residency partnership allotment created by the bill. A district or charter school participating in the partnership program must do the following:

- enter into a written agreement with a qualified educator preparation program to:
  - provide a partnership resident with at least one school year of clinical teaching in a residency position at the district or school in the subject area and grade level for which the resident seeks certification; and
  - pair the partnership resident with a cooperating teacher;
- specify the amount of money the district receives under the allotment that the district will provide to the program;
- only use money received under the allotment to:
  - implement the partnership program;
  - provide compensation to partnership residents in residency positions at the district or school and cooperating teachers who are paired with partnership residents at the district or school; and
  - provide an amount equal to at least 10 percent of the funding received by the district or school to the qualified educator preparation program with which the district or school partners;
- pay at least 50 percent of the compensation paid to partnership residents using money other than money received under the allotment; and
- provide any information required by TEA regarding the district's or school's implementation of the program.

H.B. 1 establishes that a district or charter school may only pair a partnership resident with a cooperating teacher who agrees to participate in that role in a partnership program at the district or charter school partnership program. The bill prohibits a partnership resident from serving as a teacher of record, defined by reference as a person employed by a district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

#### *Texas Teacher Residency Partnership Program Allotment*

H.B. 1 entitles a district to a residency partnership allotment equal to a base amount of \$22,000 increased by the high needs and rural factor to an amount capped at \$42,000 for each partnership resident employed at the district in a residency position under the Texas Teacher Residency Partnership Program. The high needs and rural factor is determined by multiplying \$5,000 by the lesser of 4.0 or the average of the point value assigned to each student at a district campus with respect to the high needs and rural factor under the teacher incentive allotment. The bill entitles a district that qualifies for the residency partnership allotment to an additional \$2,000 for each partnership resident employed in a residency position at the district who is a candidate for special education certification or bilingual education certification.

H.B. 1 also entitles TSD and TSBVI to the residency partnership allotment. The bill authorizes the commissioner, if the commissioner determines that assigning point values to students enrolled in TSD or TSBVI is impractical, to use the average point value assigned for those students' home districts for purposes of calculating the high needs and rural factor.

#### *Rules for Issuance of Residency Educator Certificate*

H.B. 1 requires the SBEC to propose rules specifying the requirements for the issuance of a residency educator certificate to a candidate who has successfully completed a qualified educator preparation program. The bill prohibits the rules from requiring the resident to pass a pedagogy examination unless the examination tests subject-specific content appropriate for the grade and subject area for which the candidate seeks certification.

#### *TEA Support*

H.B. 1 requires TEA to provide technical assistance, planning, and support to districts, charter schools, and qualified educator preparation programs, which must include the following:

- providing model forms and agreements a district, school, or educator preparation program may use to comply with the requirements of the Texas Teacher Residency Partnership Program; and
- support for district and school strategic staffing and compensation models to incentivize participation in a partnership program.

#### *Commissioner Authority to Accept Certain Funds*

H.B. 1 authorizes the commissioner to solicit and accept gifts, grants, and donations from public and private entities to use for the purposes of the Texas Teacher Residency Partnership Program.

#### *Rules for Program Implementation*

H.B. 1 requires the SBEC to propose rules necessary to implement the Texas Teacher Residency Partnership Program, including rules for the approval of qualified educator preparation programs and for issuance of the residency educator certificate. The bill requires the SBEC, in using negotiated rulemaking procedures for any proposed rule related to the approval of qualified educator preparation programs or the issuance of the residency educator certificate, to appoint to the negotiated rulemaking committee persons representing institutions of higher education, as defined under the Texas Higher Education Coordinating Act of 1965. The bill requires the

commissioner to adopt rules as necessary to implement the partnership program after considering the recommendations of the appointed negotiated rulemaking committee.

#### Tuition-Free Prekindergarten for Certain Children

H.B. 1 makes a child eligible for enrollment in a tuition-free prekindergarten class if the child is at least three years of age and is the child of a person who is employed as a classroom teacher at a public primary or secondary school in the district that offers a tuition-free prekindergarten class under applicable statutory provisions.

#### Recommendations Relating to Pension Contributions

H.B. 1 requires the commissioner, not later than September 1, 2026, and with the assistance of the executive director of TRS and the comptroller of public accounts, to make recommendations to the legislature to improve and coordinate pension contribution appropriations for public school employees.

#### Effective Date

ARTICLE 1 of H.B. 1 takes effect September 1, 2024.

### **ARTICLE 2. Changes Related to Public School Finance Effective for 2023-2024 School Year**

#### Support of Students Enrolled in TSBVI or TSD

H.B. 1 requires the commissioner of education, for purposes of determining a district's share of the cost of providing education services to a student enrolled in the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf, to reduce the dollar amount of maintenance and debt service taxes imposed by the district for a year by the amount, if any, by which the district is required to reduce the district's local revenue level in excess of entitlement for that year. The bill includes such a reduction among the reductions in a district's share of the costs for students enrolled in those schools that are compensated by appropriations from the foundation school fund.

#### College, Career, or Military Readiness Outcomes Bonus

H.B. 1 increases from \$2,000 to \$4,000 the amount of the college, career, or military readiness outcomes bonus to which a district is entitled for each annual graduate enrolled in a special education program who demonstrates college, career, or military readiness in excess of the minimum number of students determined for the applicable district cohort.

#### Fine Arts Allotment

H.B. 1 establishes a fine arts allotment for each student in average daily attendance (ADA) enrolled in a fine arts education course approved by TEA in grades 6 through 12. The bill entitles a district to an annual allotment in the following amounts:

- for a student who is not educationally disadvantaged, an amount equal to the basic allotment, or, if applicable, the sum of the basic allotment and the small and mid-sized district allotment to which the district is entitled, multiplied by 0.008; or
- for a student who is educationally disadvantaged, the amount determined for a student who is not educationally disadvantaged multiplied by two.

The bill requires TEA to approve fine arts education courses that qualify for the allotment, requires TEA to annually publish a list of the approved courses, and provides that such courses must:

- be authorized by the State Board of Education, including music, art, theater, and dance;

- provide students with the knowledge and skills necessary for success in the fine arts; and
- require a student in full-time attendance to receive not less than 225 minutes of fine arts instruction per week.

#### Property Value Study Hardship Grants

H.B. 1 authorizes the commissioner, for the 2023-2024 and 2024-2025 school years, from money appropriated for the purpose, to administer a grant program to provide grants to eligible districts to offset a reduction in the district's funding under the foundation school program resulting from the use of the state value for the district's taxable value of property, according to the comptroller's study of school district property values, for the 2022 and 2023 tax years. The amount of a grant awarded is the difference, if that difference is greater than zero, between:

- the funding the district would have received under provisions relating to assistance with instructional facilities and payment of existing debt, the foundation school program, and options for local revenue levels in excess of entitlement for the applicable school year if the local value for the district's taxable value of property was used for the applicable tax year; and
- the funding to which the district is entitled under such provisions for the applicable school year.

A charter school is not eligible to receive such a grant.

H.B. 1 establishes that such grant funding provided to a district is in addition to all other funding provided under provisions relating to assistance with instructional facilities and payment of existing debt, the foundation school program, and options for local revenue levels in excess of entitlement.

H.B. 1 authorizes the commissioner to require a district to submit, or request from a state agency or a political subdivision, additional information as needed to make a determination regarding the property value study hardship grants.

H.B. 1 caps the total amount of grants that may be awarded for a school year at \$60 million. The bill requires the commissioner, in awarding grants, to prioritize districts experiencing the greatest percentage reduction in funding resulting from the use of the state value for the district's taxable value of property. The bill prohibits the commissioner from adjusting the amount of a grant based on data revisions received after the grant has been awarded. A determination by the commissioner under the grant program is final and may not be appealed.

The bill's provisions regarding property value study hardship grants expire September 1, 2025.

#### Additional State Aid for Retention Stipends

H.B. 1 entitles a district, including a district that is otherwise ineligible for state aid under the foundation school program, to state aid for the 2023-2024 school year in an amount equal to the sum of the following:

- the product of \$4,000 multiplied by the number of full-time employees subject to the minimum salary schedule employed by the district; and
- the product of \$2,000 multiplied by the number of part-time classroom teachers, part-time librarians, part-time certified school counselors, and part-time school nurses employed by the district.

The bill requires a district to use such state aid to provide a one-time stipend to each employee for whom the district received state aid in the amount of the state aid provided for that employee. A charter school is entitled to such state aid in the same manner as a district and is required to provide a one-time stipend to each employee in a comparable role as an applicable district employee as if those employees were subject to the minimum salary schedule.

H.B. 1 provides the following:

- a determination by the commissioner under these provisions relating to retention stipends is final and may not be appealed; and
- a district or charter school is not entitled to funding under these provisions beginning with the 2024-2025 school year.

The bill's provisions relating to additional state aid for retention stipends expire September 1, 2025.

H.B. 1 provides for the additional state aid for retention stipends to be excluded from the state and local funding that the commissioner must consider for purposes of calculating M&O revenue for a district's formula transition grant allotment.

#### Effective Date

ARTICLE 2 of H.B. 1 takes effect on passage, or, if the bill does not receive the necessary vote, on the 91st day after the last day of the legislative session.

### **ARTICLE 3: Changes Related to Public School Finance Effective for 2024-2025 School Year**

#### Bilingual Education Allotment

H.B. 1 authorizes TEA, for purposes of implementing the bilingual education allotment and notwithstanding PEIMS reporting requirements under current law, to require a public school district that is granted an exception from implementing a bilingual education program in kindergarten through the elementary grades to do the following:

- include in the district's PEIMS report additional information TEA specifies related to the alternative language education methods the district uses; and
- classify the alternative language education method the district uses under the PEIMS report as TEA specifies.

H.B. 1 requires TEA to review districts that are granted that exception and offer alternative language methods approved by TEA to meet the needs of emergent bilingual students and approve districts to receive an allotment in the amount provided by the bill, as subsequently described, for that biennium in a manner that provides not more than \$10 million total under the allotment to such districts in each biennium. Each approved district is entitled to an annual allotment, for each student in ADA in an alternative language method approved by TEA and offered by the district, equal to the basic allotment multiplied by:

- 0.15 for an emergent bilingual student, defined by reference as a student whose primary language is other than English and whose English language skills are such that the student has difficulty performing ordinary classwork in English, if the student is in an alternative language method using a dual language immersion/one-way or two-way program model; and
- 0.05 for a student other than such an emergent bilingual student, if the student is in an alternative language method using a dual language immersion/one-way or two-way program model.

In approving districts to receive the allotment, TEA must, to the extent possible, approve eligible districts from a cross section of Texas.

H.B. 1 replaces salary supplements for teachers with teacher salaries as an authorized use of the bilingual education allotment.

### Basic Allotment

H.B. 1 increases the basic allotment as follows:

- removes the \$6,160 maximum amount of the allotment; and
- sets the base amount used to calculate the allotment at the greater of \$6,700, an amount equal to the district's base amount for the preceding school year, or the amount provided by appropriation.

The bill replaces the specification that the calculation of students in ADA for purposes of the basic allotment does not include the time students spend each day in special education programs in an instructional arrangement other than mainstream with a specification that such calculation does not include the time students spend each day in special education programs in a setting other than a general education setting.

### Small and Mid-Sized District Allotment

H.B. 1 increases the multipliers in the formulas used to calculate the small and mid-sized district allotment as follows:

- from .0004 to .00044 for a district that has fewer than 1,600 student in ADA;
- from .000025 to .000034 for a district that offers a kindergarten through grade 12 program and has less than 5,000 students in ADA; and
- from .00047 to .00054 for a district that has fewer than 300 students in ADA and is the only district located in and operating in a county.

The bill specifies that ADA, for purposes of this allotment, does not include students in ADA who do not reside in the district and are enrolled in a full-time virtual program.

### Special Education Full Individual and Initial Evaluation

H.B. 1 establishes a special education full individual and initial evaluation allotment of \$500, or a greater amount provided by appropriation, for each student for whom a district conducts a full individual and initial evaluation under applicable provisions of state law or the federal Individuals with Disabilities Education Act.

### Allotment for Student With Dyslexia or Related Disorder

H.B. 1 removes language setting a cap of 20 percent on the amount of the allotment for a student with dyslexia or a related disorder that a district may use to contract with a private provider to provide supplemental academic services to the qualifying student.

### Compensatory Education Allotment

H.B. 1 increases each of the funding weights used to calculate compensatory education allotment funding for a student who is educationally disadvantaged by .005.

### Early Education Allotment

H.B. 1 entitles a district to an annual allotment equal to the basic allotment multiplied by 0.2 for each student in ADA enrolled in a tuition-free prekindergarten class provided through a contract with a community-based child-care provider under applicable law, in addition to the existing early education allotment for educationally disadvantaged students and certain emergent bilingual students. The bill caps the number of students in ADA statewide for whom this new allotment may be provided at 10,000 students, beginning with the 2027-2028 school year, and if the number of students in ADA for whom a district is entitled to the existing early education allotment or the annual allotment under this provision exceeds this cap, the commissioner of education must allocate the allotments to districts in accordance with commissioner rule. However, the bill, in a temporary provision expiring September 1, 2027, sets out the following caps on the number of students in ADA for whom the allotment may be provided for the

specified school year:

- for the 2024-2025 school year, 2,000 students;
- for the 2025-2026 school year, 4,500 students; and
- for the 2026-2027 school year, 7,000 students.

#### Military Transition Aid

H.B. 1 entitles a district to an annual allotment equal to the basic allotment multiplied by 0.08 for each eligible student in ADA that may be used only to maintain a transition program that assists military families with relocation, enrollment, registration, records transfer, academic planning, counseling, and other support services available at a Purple Star Campus, as described by applicable state law. For purposes of the allotment, a student is eligible if the student is in their first year of enrollment in the district and is a military-connected student, defined by reference as a student enrolled in a district or charter school who is a dependent of a current or former member of the U.S. military, the Texas National Guard, or a reserve force of the U.S. military or was a dependent of a member of such a military or reserve force who was killed in the line of duty.

#### Local Revenue Level in Excess of Entitlement

H.B. 1 requires TEA to adjust the amount of the reduction required in the district's tier one revenue level up to the amount of local funds necessary to provide the district with the amount of M&O revenue per student in ADA available to the district for the 2023-2024 school year if, as follows:

- an applicable district received a formula transition grant for the 2023-2024 school year and adopts an M&O tax rate for the current school year equal to or greater than the sum of the district's maximum compressed tax rate and four cents; and
- after reducing the tier one revenue level in excess of entitlement, the district's M&O revenue per student in ADA for a school year would be less than the M&O revenue per student in ADA available to the district for the 2023-2024 school year, excluding any funding provided to the district for maintenance of state financial support for special education and maintenance of effort and equity for federal money related to the COVID-19 pandemic.

#### Regional Disaster Insurance Variation Allotment

H.B. 1 entitles a district to an annual allotment for each student in ADA equal to the basic allotment, or, if applicable, the sum of the basic allotment and the small and mid-sized district allotment to which the district is entitled, multiplied by the product, if the product is greater than zero, of the district's variation factor and 0.012. The bill requires the commissioner to determine a district's variation factor by doing the following:

- assigning each district to the county in which the district's central administrative office is located;
- determining the percentage spent on expenses related to property and casualty insurance by calculating the average of the quotient of property and casualty insurance expenses incurred by all districts assigned to a county divided by total expenditures made by those districts for each of the three most recent school years; and
- subtracting one percentage point from the determined percentage.

The bill requires the commissioner to use the variation factor determined for the 2024-2025 school year for a district for purposes of determining a district's regional disaster insurance variation allotment for any subsequent school year.

### Fast Growth Allotment

H.B. 1 repeals provisions setting a cap on the total amount that may be awarded under the fast growth allotment and providing for a proportionate reduction of each district's allotment if the total amount to which districts are entitled exceeds the cap.

### Effective Date

ARTICLE 3 of H.B. 1 takes effect September 1, 2024.

## **ARTICLE 4: Changes Related to Public School Finance Effective for 2025-2026 School Year**

### Facilities Funding for Open-Enrollment Charter Schools

H.B. 1 raises the cap on the total amount of state funds that may be used to provide allotments for charter school facilities funding in a school year from \$60 million to the following amounts:

- for the 2025-2026 school year, \$108 million;
- for the 2026-2027 school year, \$156 million;
- for the 2027-2028 school year, \$204 million;
- for the 2028-2029 school year, \$252 million; and
- for subsequent school years, \$300 million or a greater amount provided by appropriation.

The bill provisions setting the caps for the 2025-2026 through 2028-2029 school years expire September 1, 2030.

### Teacher Designations Under Local Optional Teacher Designation Systems

H.B. 1 creates the designation of "acknowledged teacher" as one of the types of designations a district or charter school may apply to a classroom teacher for a five-year period based on the results from single year or multiyear appraisals under a local optional teacher designation system. The bill replaces the designation of "recognized" for a classroom teacher who holds a National Board Certification issued by the National Board for Professional Teaching Standards with the designation of "nationally board certified."

H.B. 1 requires a district or charter school, immediately following the effective date of ARTICLE 4 of the bill, to redesignate a teacher who holds a designation under a local optional teacher designation system made before that effective date to reflect changes to the teacher's designation made by the bill. The bill requires funding provided to a district under the teacher incentive allotment for a teacher who held a designation made under the law as it existed immediately before that effective date to be increased to reflect the teacher's redesignation.

H.B. 1 expands the duties of TEA with respect to its development and provision of technical assistance for districts and charter schools that request assistance in implementing a local optional teacher designation system. In addition to providing assistance in prioritizing high needs campuses as specified under current law, TEA must, as follows:

- provide examples or models of local optional teacher designation systems to reduce the time required for a district or school to implement a teacher designation system;
- establish partnerships between districts and schools that request assistance and districts and schools that have implemented a teacher designation system;
- apply the performance and validity standards established by the commissioner of education for each local optional teacher designation system;
- provide centralized support for the analysis of the results of tests administered to district students; and
- facilitate effective communication on and promotion of local optional teacher designation systems.



### State Funding for a District Experiencing Decline in Average Daily Attendance

H.B. 1 raises the threshold of decline in a district's ADA that triggers an adjustment to the ADA for funding purposes from two percent or more to more than five percent and revises the adjustment amount. While current law requires that a district eligible for an adjustment be funded on the basis of the actual ADA of the preceding school year, if the decline is the result of the closing or reduction in personnel of a military base, or an ADA not to exceed 98 percent of the actual ADA of the preceding school year otherwise, the bill requires an eligible district to be funded on the basis of an ADA of 95 percent of the actual ADA of the preceding school year, regardless of the reason for the decline.

H.B. 1 changes the cap on the total cost to the state for funding based on adjusted ADA from the amount specifically appropriated for that year to \$50 million.

### Incentive for Additional Instructional Days

H.B. 1 revises the incentive for additional instructional days by decreasing from 180 to 175 the minimum number of days of instruction over which a district or charter school must provide the minimum number of minutes of operational and instructional time in order to qualify for the incentive under the foundation school program.

### Adjustment of Basic Allotment for Inflation

Effective September 1, 2026, H.B. 1 requires the commissioner, for the second year of each state fiscal biennium, to adjust the value of the base amount used to calculate the basic allotment for the preceding state fiscal year by a factor equal to the average annual percentage increase, if any, in the Texas Consumer Price Index for the preceding 10 years.

### Special Education Allotment

H.B. 1 revises the annual allotment to which a district is entitled for students in a special education program as follows:

- changes from each student in ADA in a special education program to each enrolled student in such a program the students for which a district is entitled to the allotment;
- removes the formula used to calculate the allotment under current law, including allotment funding weights established according to a student's instructional arrangement; and
- entitles a district to an allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the small and mid-sized district allotment to which the district is entitled, multiplied by a weight in an amount set by the legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualifies.

The bill requires the commissioner by rule to define seven tiers of intensity of service for use in determining funding under the allotment and to include one tier specifically addressing students receiving special education services in residential placement. The bill requires the commissioner, not later than December 1 of each even-numbered year, to submit to the Legislative Budget Board (LBB) proposed weights for the tiers of intensity of service for the next state fiscal biennium. The bill makes changes to conform to the new method of allotment funding, including by removing requirements relating to contact hours credited per day for each student in specified instructional arrangements.

H.B. 1 expands the scope of the requirement for the commissioner to adopt rules and procedures governing contracts for residential placement of special education students by making it applicable instead to contracts for residential and day program placement of students receiving special education services. The bill removes the requirement for the legislature to provide by appropriation for the state's share of the costs of residential program placements.

H.B. 1 replaces a requirement for TEA to encourage the placement of students in special education programs, including students in residential instructional arrangements, in the least restrictive environment with an express requirement for TEA to ensure the placement of students in special education programs, including students in residential placement, in such an environment.

#### Special Education Service Group Allotment

H.B. 1 entitles a district, for each six-week period in which a student in a special education program receives eligible special education services, to an allotment in an amount set by the legislature in the General Appropriations Act for the service group for which the student is eligible. The bill requires the commissioner by rule to establish four service groups for use in determining funding under the allotment and to consider the level of services, equipment, and technology required to meet the needs of students receiving special education services in establishing the groups.

H.B. 1 establishes that a district is entitled to receive an allotment for each service group for which a student is eligible and is entitled to the full amount of the allotment for a student receiving eligible special education services during any part of a six-week period. At least 55 percent of the funds allocated under the allotment must be used for a special education program. The bill requires the commissioner, not later than December 1 of each even-numbered year, to submit to the LBB proposed amounts of funding for the service groups for the next state fiscal biennium.

#### Special Education Transition Funding

H.B. 1 provides the following with respect to the 2025-2026 and 2026-2027 school years:

- the commissioner may adjust weights or amounts under the special education allotment or special education service group allotment as necessary to ensure compliance with requirements regarding maintenance of state financial support under a specified provision of the federal Individuals with Disabilities Education Act as well as maintenance of local financial support under applicable federal law; and
- the commissioner must determine the formulas through which districts receive funding under those allotments for the applicable years and, in determining the formulas, may combine the methods of funding under those allotments, as provided by the bill, with the method of funding provided by the special education allotment as it existed on September 1, 2024.

The sum of funding provided under the allotments for either of those school years as adjusted under these provisions may not exceed the sum of the amount set by the legislature in the General Appropriations Act and funding that would have been provided under the special education allotment as it existed on September 1, 2024.

H.B. 1 authorizes the commissioner, for the 2027-2028 school year, to adjust the weights or amounts set by the legislature in the General Appropriations Act for the special education allotment or special education service group allotment. Before making this adjustment, however, the commissioner must notify and receive approval from the LBB.

H.B. 1 requires each district and charter school to report to TEA information necessary to implement the bill's provisions relating to the special education transition funding and requires TEA to provide technical assistance to districts and charter schools to ensure a successful transition in funding formulas for special education.

The bill's provisions relating to special education transition funding expire September 1, 2029.

H.B. 1, in provisions set to expire September 1, 2027, requires the amount of the special education allotment and the amount of the special education service group allotment, for the 2025-2026 and 2026-2027 school years, to be determined in accordance with the bill's special education transition funding provisions.

#### Eligibility to Receive Multiple Allotments

H.B. 1 replaces the authorization for a district to receive funding for a student under the allotment for a student with dyslexia or a related disorder and the special education allotment, if applicable requirements are satisfied, with an authorization for a district to receive funding for a student under each provision relating to the allotment for a student with dyslexia or a related disorder, the special education allotment, and the special education service group allotment for which the student qualifies.

#### Pathways in Technology Early College High Schools (P-TECH) and New Tech Network Entitlement

H.B. 1 increases from \$50 to \$150 the amount to which a district is entitled, for each student in ADA, for each of the following in which the student is enrolled:

- a campus designated as a P-TECH school under state law regarding the P-TECH school designation and grant program; or
- a campus that is a member of the New Tech Network and focuses on project-based learning and work-based education.

#### Early Education Allotment

H.B. 1 expands the types of students for which a district is entitled to the early education allotment for educationally disadvantaged students or emergent bilingual students to include prekindergarten students, in addition to students in kindergarten through third grade as provided under current law.

#### Teacher Incentive Allotment

H.B. 1 increases the base amount of and cap on, as increased by the high needs and rural factor, the teacher incentive allotment under the foundation school program as follows:

- the cap for each master teacher is increased from \$32,000 to \$36,000;
- the base amount for each exemplary teacher is increased from \$6,000 to \$9,000 and the cap for each exemplary teacher is increased from \$18,000 to \$25,000; and
- the base amount for each recognized teacher is increased from \$3,000 to \$5,000 and the cap for each recognized teacher is increased from \$9,000 to \$15,000.

The bill entitles a district to a teacher incentive allotment with a base amount equal to \$3,000 or, if increased by the high needs and rural factor, capped at \$9,000 for each acknowledged teacher or teacher designated as nationally board certified.

H.B. 1, with respect to the calculation of the high needs and rural factor for the allotment, increases the applicable amounts by which the average of the point value assigned to each student at a district campus is multiplied, as follows:

- for each master teacher, from \$5,000 to \$6,000;
- for each exemplary teacher, from \$3,000 to \$4,000; and
- for each recognized teacher, from \$1,500 to \$2,500.

The bill sets the amount for each acknowledged teacher or teacher designated as nationally board certified at \$1,500.

### Mentor Program Allotment

H.B. 1 repeals the requirement for the commissioner to adopt a formula to determine the amount to which a district that has implemented a mentoring program for classroom teachers is entitled under the mentor program allotment. The bill entitles an eligible district instead to an allotment of \$2,000 for each classroom teacher with less than two years of experience who participates in such a mentoring program. Furthermore, the bill does the following:

- adds as a condition of the entitlement that the mentor teachers assigned under the mentoring program complete a training program that is required or developed by TEA for mentor teachers; and
- establishes that a district may receive such an allotment for no more than 40 teachers during a school year unless an appropriation is made for the purposes of providing a greater number of allotments per district.

### Rural Pathway Excellence Partnership (R-PEP) Allotment and Outcomes Bonus

H.B. 1 provides an exception to the annual \$5 million cap on state funding for R-PEP allotments and outcomes bonuses by which money that is specifically appropriated for the allotments and outcomes bonuses and designated as money in excess of the \$5 million cap may be used for such purposes.

### Special Education Services Transportation Allotment

H.B. 1 revises the state allocation for a district or county that provides special transportation services for eligible special education students. While current law specifies that the district or county is entitled to a state allocation paid on a previous year's cost-per-mile basis and that the rate per mile allowable is set by appropriation based on data gathered from the first year of each preceding biennium, the bill specifies that the district or county is entitled to a state allocation at a rate of \$1.75 per mile or a greater amount provided by appropriation.

### Allotment for Advanced Mathematics Pathways and Certain Programs of Study

H.B. 1 establishes an allotment for advanced mathematics pathways and certain programs of study and makes a district eligible for the allotment if the district offers the following through in-person instruction, remote instruction, or a hybrid of in-person and remote instruction:

- an advanced mathematics pathway that begins with Algebra I in grade eight and continues through progressively more advanced mathematics courses in each grade from grade 9 through 12;
- a program of study in computer programming and software development or in cybersecurity; and
- a program of study in a specialized skilled trade, such as:
  - plumbing and pipefitting;
  - electrical;
  - welding;
  - diesel and heavy equipment;
  - aviation maintenance; or
  - applied agricultural engineering.

H.B. 1 also makes a district eligible for the allotment for students in ADA in a high school in the district that does not offer the computer programming/software development or cybersecurity program of study or the specialized skilled trade program of study under one of the following conditions:

- if high school students who reside in the attendance zone of the high school may participate in such a program of study by enrolling in another high school to and from which transportation is provided for those students and that:
  - is in the same district or a neighboring district;

- was assigned the same or a better campus overall performance rating as the high school in whose attendance zone the students reside; and
- offers the program of study; or
- if students in ADA in the high school are offered instruction for the program of study at another location, such as another high school in the same district or a neighboring district, and receive transportation to and from the other location.

The bill authorizes the commissioner by rule to establish requirements to ensure students in ADA in such a high school that does not offer the applicable program of study have meaningful access to those programs.

H.B. 1 entitles an eligible district to an annual allotment of \$10 for each student in ADA at a high school in the district that offers a pathway or program of study from each of the categories specified by the bill if each student in ADA at the high school takes a progressively more advanced mathematics course each year of enrollment and, for each of those pathways or programs of study, at least one student in ADA at the high school completes a course in the pathway or program of study. The bill provides for an additional allotment equal to the product of 0.1 and the small and mid-sized district allotment for an eligible district receiving the \$10 allotment and the small and mid-sized district allotment. The bill establishes that a charter school is not eligible for the additional allotment.

H.B. 1 authorizes TEA to reduce the amount of a district's allotment if TEA determines that the district has not complied with any of the bill's provisions relating to the allotment.

#### Communities In Schools Expansion Allotment

H.B. 1 makes a district eligible to receive an annual allotment of \$50,000 for each campus in the district that participates in the Communities In Schools program. The bill authorizes the commissioner by rule to establish requirements for the use of the allotment by a district for purposes of ensuring that the allotment is used to establish or expand a Communities In Schools program on a district campus. The bill caps the amount appropriated for such allotments at \$50 million in a school year. If the total amount of allotments to which districts are entitled for a school year exceeds the amount appropriated, the commissioner is required to proportionately reduce each district's allotment.

H.B. 1 authorizes the commissioner to reduce the amount of a district's allotment if the commissioner determines that the district has not complied with any of the bill's provisions relating to the allotment.

#### Tier Two Allotment

H.B. 1 revises the formula for the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort for a district, as used in the formula for determining the district's tier two allotment, to account for the bill's changes relating to the maximum amount of the basic allotment.

#### Day Placement Program Funding

H.B. 1 entitles a regional education service center, for each qualifying day placement program that the center makes available in partnership with a district, charter school, or shared services arrangement, to an allotment of \$250,000 for the first year of the program's operation and \$150,000 for each year of the program's operation after the first year. For purposes of this funding, a day placement program qualifies under the following conditions:

- the program complies with commissioner rules governing contracts for placement of students receiving special education services;
- the program offers services to students who are enrolled at any district or charter school in the county in which the program is offered, unless the commissioner by rule waives or

- modifies the requirement for the program to serve all students in a county; and
- TEA has designated the program for service in the county in which the program is offered and determined that, at the time of designation, the program increases the availability of day placement services in the county.

#### Parent-Directed Services for Students Receiving Special Education Services Grant

H.B. 1 revises provisions relating to the supplemental special education services and instructional materials program. In addition to changing the nature of the program to a parent-directed program for students receiving special education services, as provided in ARTICLE 5, the bill makes changes relating to the amount of a program grant, effective September 1, 2025. The bill removes the requirement for TEA to provide each approved student a grant of not more than \$1,500 and instead entitles a student to whom TEA awards a grant to receive an amount of \$1,500 or a greater amount provided by appropriation. The bill requires the legislature to include in the appropriations for the foundation school program state aid sufficient for TEA to award such grants in the amount specified by the bill and authorizes a student to receive one such grant unless the legislature appropriates money for an additional grant in the General Appropriations Act. The bill establishes that a determination of the commissioner under the bill provisions establishing the grant amount is final and may not be appealed.

#### Effective Date

Except as otherwise provided, ARTICLE 4 of H.B. 1 takes effect September 1, 2025.

### **ARTICLE 5: Changes Related to Special Education Effective for 2024-2025 School Year**

#### Implementation of Special Education Law

H.B. 1 removes requirements for TEA to develop, and modify as necessary, a statewide design for the delivery of services to children with disabilities in Texas that includes rules for the administration and funding of the special education program so that a free appropriate public education is available to all of those children between the ages of 3 and 21 and to develop and implement a related statewide plan with specified programmatic content. The bill instead requires TEA, as the state education agency responsible for carrying out the purposes of provisions of the federal Individuals with Disabilities Education Act (IDEA) relating to services for school-aged children, to develop, and revise as necessary, a comprehensive system to ensure statewide and local compliance with federal and state law related to special education.

H.B. 1 requires the comprehensive system to focus on maximizing student outcomes; to include the pursuit of strategies to meet statewide special education and related services personnel needs; and to include rulemaking, technical assistance, guidance documents, monitoring protocols, and other resources as necessary to implement and ensure compliance with federal and state law related to special education. The bill also requires the comprehensive system to include the following elements, which are the same as or similar to elements of the statewide design or plan under current law:

- the provision of services primarily through public school districts and shared services arrangements, supplemented by regional education service centers;
- the facilitation of interagency coordination when other state agencies are involved in the delivery of instructional or related services to students with disabilities;
- ensuring that regional education service centers throughout the state maintain a regional support function, which may include direct service delivery and a component designed to facilitate the placement of students with disabilities who cannot be appropriately served in their resident districts;
- effectively monitoring and periodically conducting site visits of all districts to ensure that:
  - applicable rules are applied in a consistent and uniform manner;

- districts are complying with those rules; and
- annual statistical reports filed by the districts and not otherwise available through PEIMS are accurate and complete; and
- the provision of training and technical assistance to ensure that:
  - appropriately trained personnel are involved in the diagnostic and evaluative procedures operating in all districts and that those personnel routinely serve on district admissions, review, and dismissal (ARD) committees;
  - an individualized education program (IEP) for each student with a disability is properly developed, implemented, and maintained in the least restrictive environment that is appropriate to meet the student's educational needs;
  - when appropriate, each student with a disability is provided an opportunity to participate in career and technology and physical education classes;
  - each student with a disability is provided necessary related services;
  - an individual assigned to act as a surrogate parent for a child with a disability, as provided by applicable federal law, is required to take specified actions regarding the child's education; and
  - each district develops a process to be used by a teacher who instructs a student with a disability in a regular classroom setting for the teacher to take specified actions regarding the student's IEP.

H.B. 1 removes requirements for the statewide plan to include procedures designed to do the following and does not make the requirements applicable to the comprehensive system:

- ensure state compliance with requirements for supplemental federal funding for all state-administered programs involving the delivery of instructional or related services to students with disabilities; and
- periodically assess statewide personnel needs in all areas of specialization related to special education and pursue strategies to meet those needs through a consortium of representatives from regional education service centers, local education agencies, and institutions of higher education and through other available alternatives.

#### Annual Meeting on Special Education

H.B. 1 requires the board of trustees of a district or the governing body of a charter school, at least once each year, to include during a public meeting a discussion of the performance of students receiving special education services at the district or school. The bill requires TEA by rule to adopt a set of performance indicators for measuring and evaluating the quality of learning and achievement for students receiving special education services at the district or charter school to be considered at such a meeting. The bill requires that the indicators include performance on the college, career, or military readiness outcomes described by statutory provisions relating to the annual bonus based on those outcomes.

#### Special Education Eligibility Criteria

H.B. 1 revises the conditions under which a student is eligible to participate in a district's special education program as follows:

- removes the requirement for TEA to reference contemporary diagnostic or evaluative terminologies and techniques in developing specific eligibility criteria and requires TEA instead to develop such criteria in accordance with federal law;
- with respect to eligibility for a student who is not more than 21 years of age and has a visual or auditory impairment that prevents the student from being adequately or safely educated in public school without the provision of special services:
  - replaces the reference to a student with an auditory impairment with a reference to a student who is deaf or hard of hearing; and
  - specifies that the students are eligible from birth through 21 years of age;
- makes a student from three years of age through five years of age eligible for the program if the student is experiencing developmental delays, as described by IDEA and defined

by commissioner of education rule; and

- replaces a specific list of disabilities qualifying a student who is at least 3 but not more than 21 years of age for the program if the disability prevents the student from being adequately or safely educated in public school without the provision of special services with a reference to the disabilities described in a provision of IDEA defining "child with a disability" and changes the specified age bracket to apply to students from 3 years of age through 21 years of age.

#### Information Regarding State Supported Living Centers

H.B. 1 requires the Health and Human Services Commission, in collaboration with TEA and stakeholders who represent the full continuum of educational residential placement options, to develop and provide to TEA materials regarding educational residential placement options for children who may qualify for placement in a state supported living center, as defined under the Health and Safety Code. The bill requires TEA to make the developed materials available to districts and requires a district, at a meeting of a child's ARD committee at which residential placement is discussed, to provide the materials to the child's parent.

#### Contracts for Services for Students in Residential Placement

H.B. 1 revises provisions relating to the authority of a district, shared services arrangement unit, or regional education service center to contract with a public or private facility, institution, or agency inside or outside of Texas for the provision of services to students with disabilities. The bill clarifies that the contracts are for the provision of services to students with disabilities in a residential placement and requires the commissioner to establish a list of approved public or private facilities, institutions, or agencies inside or outside of Texas with which a district, shared services arrangement unit, or regional education service center may contract for the provision of such services. The bill includes a programmatic evaluation of costs among required actions the commissioner must take before approving a contract.

H.B. 1 establishes a September 1, 2027, expiration date for the statutory provision authorizing costs of an approved contract for residential placement to be paid from a combination of federal, state, and local funds and setting the local share and state share of the total contract cost.

#### General Supervision and Compliance

H.B. 1 revises requirements relating to a comprehensive system for monitoring district compliance with federal and state laws relating to special education as follows:

- replaces the requirement for TEA to adopt such a system with a requirement for TEA to develop such a system;
- removes the requirement that the monitoring system provide for an ongoing analysis of district special education data and of complaints filed with TEA concerning special education services and for inspections of districts at district facilities;
- removes the requirement that TEA use the information obtained through analysis of district data and from the complaints management system to determine the appropriate schedule for and extent of the inspection;
- requires the monitoring system to include a comprehensive cyclical process and a targeted risk-based process;
- requires TEA to establish criteria and instruments for use in determining district compliance with special education laws; and
- retains the requirement that TEA obtain information from applicable parents and teachers but removes the specification that TEA obtains such information to complete the inspection and instead requires that TEA obtain such information as part of the monitoring process.



H.B. 1 makes the following changes relating to sanctions:

- replaces the requirement for TEA to develop and implement a system of sanctions for districts whose most recent monitoring visit shows a failure to comply with major requirements of IDEA, federal regulations, state statutes, or TEA requirements necessary to carry out federal law or regulations or state law relating to special education with a requirement for TEA to develop and implement a system of interventions and sanctions for districts TEA identifies as being in noncompliance with those laws, rules or regulations;
- specifies that TEA must establish a graduated process of sanctions to apply to districts that remain in noncompliance for more than one year and removes the requirement that the first stage of those sanctions begin with annual or more frequent monitoring visits; and
- replaces the provision authorizing the sanctions to range in severity up to the withholding of funds with a provision requiring that the sanctions range in severity and authorizing the sanctions to include the withholding of funds.

H.B. 1 removes the provision establishing that statutory provisions relating to special education compliance do not create an obligation for or impose a requirement on a district or charter school that is not also created or imposed under another state law or a federal law.

#### Special Education Grant; Expiration

H.B. 1 establishes a September 1, 2026, expiration date for statutory provisions providing for the distribution of special education grants to assist districts in covering the cost of educating students with disabilities.

#### Grant Programs Relating to Autism and Dyslexia

##### *Grant Program Providing Services to Students with Autism*

H.B. 1 requires the commissioner to establish a program to award grants to districts and charter schools that provide innovative services to students with autism. The bill authorizes a district, including a district acting through a district charter, and a charter school, including a charter school that primarily serves students with disabilities, to apply for a grant.

H.B. 1 makes a program eligible for such a grant if the program gives priority for enrollment to students with autism and incorporates evidence-based and research-based design, the use of empirical data on student achievement and improvement, parental support and collaboration, the use of technology, meaningful inclusion, and the ability to replicate the program for students statewide. The bill prohibits a district or charter school from doing the following with respect to the program:

- charging a fee for the program, other than those authorized by law for students in public schools;
- requiring a parent to enroll a child in the program;
- allowing an ARD committee to place a student in the program without the written consent of the student's parent or guardian; or
- continuing the placement of a student in the program after the student's parent or guardian revokes consent, in writing, to the student's placement in the program.

H.B. 1 authorizes an applicable program to do the following:

- alter the length of the school day or school year or the number of minutes of instruction received by students;
- coordinate services with private or community-based providers;
- allow the enrollment of students without disabilities or with other disabilities, if approved by the commissioner; and

- adopt staff qualifications and staff to student ratios that differ from applicable statutory requirements.

H.B. 1 requires the commissioner to create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants. In selecting programs to receive a grant, the commissioner must prioritize programs that are collaborations between multiple districts, multiple charter schools, or districts and charter schools. The bill requires that the selected programs reflect the diversity of Texas. A program selected to receive a grant is to be funded for two years.

*Grant Program Providing Training in Dyslexia for Teachers and Staff*

H.B. 1 requires the commissioner to establish a program to award grants to districts and charter schools to increase local capacity to appropriately serve students with dyslexia. The bill makes a district, including a district acting through a district charter, and a charter school, including a charter school that primarily serves students with disabilities, eligible to apply for a grant if the district or school submits to the commissioner a proposal on the use of grant funds that, as follows:

- incorporates evidence-based and research-based design; and
- increases local capacity to appropriately serve students with dyslexia by providing training to intervention staff resulting in appropriate credentialing related to dyslexia or high-quality training to classroom teachers and administrators in meeting the needs of students with dyslexia.

The bill requires the commissioner to create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants. Such a grant is to be awarded for two years.

*Grant Funding and Administration*

H.B. 1 establishes that a grant awarded to a district or charter school under the grant program for providing innovative services to students with autism or the grant program for providing training in dyslexia to teachers and staff is in addition to the foundation school program funds that the district or charter school is otherwise entitled to receive. Such a grant may not come out of foundation school program funds. The bill requires the commissioner to use funds appropriated or otherwise available to fund such grants and authorizes the commissioner and any selected program or grant recipient to accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program or grant, as applicable. The bill prohibits the commissioner and any selected program or grant recipient from requiring any financial contribution from parents to implement and administer the program or grant, as applicable. The bill authorizes a regional education service center to administer awarded grants.

Supports for Recruiting Special Education Staff

H.B. 1 requires TEA, from funds appropriated or otherwise available for the purpose, to provide grants to districts and charter schools to increase the number of qualified and appropriately credentialed special education staff, including special education teachers, special education paraprofessionals, evaluation personnel, ancillary instruction personnel, and related service personnel. A district or charter school that receives such a grant must require each person the district or school uses the grant money to assist in becoming licensed, certified, or otherwise credentialed to work at the district or school for a period established by commissioner rule. The bill requires the commissioner to adopt rules establishing that period of required employment and any other rules necessary to implement the grant for recruiting special education staff.

## Parent-Directed Services for Students Receiving Special Education Services

### *Parent-Directed Program*

H.B. 1 replaces the requirement for TEA by rule to establish and administer a supplemental special education services and instructional materials program for students who meet the program eligibility requirements with a requirement for TEA by rule to establish and administer a parent-directed program for students receiving special education services through which a parent may direct supplemental services and supplemental instructional materials for the parent's student who meets the program eligibility requirements. The parent-directed program is subject to the statutory provisions that currently govern the supplemental special education services and instructional materials program, including a provision requiring the commissioner to adopt rules as necessary to implement the program. The bill removes the phrase "special education" from each instance of the terms "supplemental special education services" and "supplemental special education instructional materials" in those statutory provisions but does not change the meaning of the terms. The bill makes conforming changes in SECTION 5.10.

H.B. 1 authorizes a student to receive one grant under the parent-directed program unless the legislature appropriates money for an additional grant in the General Appropriations Act.

H.B. 1 removes language specifying that the requirement for TEA to approve each student who meets the program eligibility criteria and assign a program account to the student is subject to available funding.

### *Program Participant, Provider, and Vendor Autonomy*

H.B. 1 establishes that a provider of supplemental services or vendor of supplemental instructional materials that receives money distributed under the parent-directed program is not a recipient of federal financial assistance on the basis of receiving that money.

H.B. 1 prohibits a rule adopted or action taken related to the program by an individual, governmental entity, court of law, or program administrator from, as follows:

- considering the actions of a provider of supplemental services, vendor of supplemental instructional materials, or program participant to be the actions of an agent of state government;
- limiting the ability of a provider of supplemental services to determine the methods used to educate the provider's students or to exercise the provider's religious or institutional values;
- limiting a program participant's ability to determine the participant's educational content or to exercise the participant's religious values;
- obligating a provider of supplemental services or program participant to act contrary to the provider's or participant's religious or institutional values, as applicable;
- imposing any regulation on a provider of supplemental services, vendor of supplemental instructional materials, or program participant beyond those regulations necessary to enforce the program requirements; or
- requiring, as a condition of receiving money distributed under the program, the following:
  - a provider of supplemental services to modify the provider's creed, practices, admissions policies, curriculum, performance standards, employment policies, or assessments; or
  - a program participant to modify the participant's creed, practices, curriculum, performance standards, or assessments.

H.B. 1 establishes that, in a proceeding challenging a rule adopted by a state agency or officer under the program, the agency or officer has the burden of proof to establish by clear and convincing evidence that the rule, as follows:

- is necessary to implement or enforce the program as provided by applicable law;
- does not violate the bill's provisions relating to program participant, provider, and vendor autonomy;
- does not impose an undue burden on a program participant or a provider of supplemental services or vendor of supplemental instructional materials that participates or applies to participate in the program; and
- is the least restrictive means of accomplishing the program's purpose while recognizing the independence of a provider of supplemental services to meet the educational needs of students in accordance with the provider's religious or institutional values.

#### *ARD Committee Duties*

H.B. 1 makes the following changes to the requirement for the ARD committee of a student approved for participation in the program to provide certain program-related information to the student's parent at an ARD committee meeting for the student:

- includes information regarding the types of supplemental instructional materials available under the program among the information to be provided, in addition to information regarding the types of available services as required under current law; and
- establishes an exception to the requirement if the district first verifies that a program account has been assigned to the student.

The bill specifies that a student's ARD committee must develop a student's IEP without consideration of any supplemental instructional materials that may be provided under the program, as is already specified under current law with respect to supplemental services.

#### *Commissioner Determination*

H.B. 1 establishes that a determination of the commissioner under the parent-directed program is final and may not be appealed.

#### Memorandums of Understanding for Texas School for the Deaf and Texas School for the Blind and Visually Impaired

H.B. 1 removes the requirement for TEA and TSD to agree to and by commissioner rule adopt a memorandum of understanding (MOU) regarding certain aspects of the school's operation but retains the requirement for the entities to develop such an MOU.

H.B. 1 removes the requirement for TEA and TSBVI to agree to and by commissioner rule adopt an MOU regarding certain aspects of the school's operation but retains the requirement for the entities to develop such an MOU.

#### Excess Funds for Video Surveillance of Special Education Settings

H.B. 1 removes the requirement for the commissioner, if the commissioner determines that the amount appropriated for the purposes of the foundation school program exceeds the amount to which districts are entitled under that program, to establish by rule a grant program through which excess funds are awarded as grants for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings. The bill replaces that requirement with an authorization for the commissioner to provide such grants using the excess money.

#### Definition Repeal; Updated Terms

H.B. 1 repeals the definition of "special services" under the special education program. The bill instead refers to "special education services" in applicable Education Code provisions.

H.B. 1 replaces the requirement that the commissioner's plan for the regional coordination of services to children with disabilities include procedures for providing for special services with a requirement that the plan include procedures for providing for special education supports.

H.B. 1 replaces a reference to preschool programs for students with disabilities with a reference to early childhood special education programs in a provision regarding public notice concerning such programs.

#### Effective Date

ARTICLE 5 of H.B. 1 takes effect on passage, or, if the bill does not receive the necessary vote, on the 91st day after the last day of the legislative session.

### **ARTICLE 6: Education Savings Account Program**

#### Establishment of Program; Rules; Procedures

H.B. 1 requires the comptroller of public accounts to establish an education savings account program, applicable beginning with the 2024-2025 school year, to provide funding for approved education-related expenses of children participating in the program. The bill requires the comptroller to adopt rules and procedures as necessary to implement, administer, and enforce the bill's provisions regarding the program. The comptroller must adopt the rules not later than May 15, 2024.

#### Definitions

H.B. 1 defines the following terms for the purposes of the bill's provisions establishing the program:

- "account" means an education savings account established under the program;
- "certified educational assistance organization" means an organization certified by the comptroller under the bill's provisions to support the administration of the program;
- "child with a disability" means a child who is eligible to participate in a public school district's special education program under applicable state law;
- "higher education provider" means an institution of higher education or a private or independent institution of higher education, as those terms are defined by the Education Code for purposes of the Texas Higher Education Coordinating Act of 1965;
- "parent" means a resident of Texas who is a natural or adoptive parent, managing or possessory conservator, legal guardian, custodian, or other person with legal authority to act on behalf of a child;
- "participating child" means a child enrolled in the program;
- "participating parent" means a parent of a participating child who submitted an application under the bill's provisions regarding the program on behalf of the child;
- "program" means the education savings account program established under the bill's provisions; and
- "program participant" means a participating child or a participating parent.

#### Amount of Appropriation

H.B. 1 caps the amount of money appropriated for a state fiscal biennium for purposes of the program at the greater of the following:

- the amount of money appropriated for purposes of the program for the preceding biennium; or
- the amount of money necessary for the biennium to provide the program payment amount specified under the bill's provisions for each participating child and each child on the program waiting list maintained by the comptroller under the bill's provisions on the January 1 preceding the biennium.

### Program Fund

H.B. 1 establishes a fund for the program as an account in the general revenue fund to be administered by the comptroller, provides that money in the fund may be appropriated only for the uses specified by the bill, and establishes that the fund is composed of the following:

- money appropriated to the fund;
- gifts, grants, and donations received under the bill's provisions, as subsequently described, for expenses related to the administration of the program; and
- any other money available for the purposes of the program.

H.B. 1 prohibits the governor and the LBB from transferring or repurposing money under a proposal under Government Code provisions relating to state budget execution to provide funding to administer the program.

### Promotion of Program

H.B. 1 authorizes the comptroller or the comptroller's designee, notwithstanding applicable state law governing the use of appropriated money, to enter into contracts or agreements and engage in marketing, advertising, and other activities to promote, market, and advertise the development and use of the program. The comptroller may use money from the program fund to pay for those authorized activities.

### Selection of Certified Educational Assistance Organizations

H.B. 1 authorizes an organization to apply to the comptroller for certification as a certified educational assistance organization (CEAO) during an application period established by the comptroller.

H.B. 1 establishes that, to be eligible for certification, an organization must, as follows:

- have the ability to perform one or more of the duties and functions required of a CEAO under the bill's provisions regarding the program;
- be in good standing with the state; and
- be able to assist the comptroller in administering the program in whole or in part, such as the ability to:
  - accept, process, and track applications for the program;
  - assist prospective applicants, applicants, and program participants with finding preapproved education service providers and vendors of educational products;
  - accept and process payments for approved education-related expenses; and
  - verify that program funding is used only for approved education-related expenses.

H.B. 1 authorizes the comptroller to certify one or more educational assistance organizations to support the administration of the program, including by:

- administering in whole or in part the program application process and the program expenditures process under the respective bill provisions regarding those processes; and
- assisting prospective applicants, applicants, and program participants with understanding approved education-related expenses and finding the preapproved education service providers and vendors of educational products.

H.B. 1 establishes that a CEAO is not considered to be a provider of professional or consulting services under Government Code provisions regarding such services.

### Eligible Child

H.B. 1 establishes that a child is eligible to participate in the program and may, subject to available funding and the bill's requirements relating to the program, initially enroll in the

program for the following school year if the child is eligible to attend a public school under applicable state law and if the child, as follows:

- either:
- was enrolled in a public school in Texas for at least 90 percent of the school year preceding the school year for which the child applies to enroll in the program;
- is enrolling in kindergarten or first grade for the first time; or
- attended a private school on a full-time basis or was home-schooled for the preceding school year; or
- is a sibling of a child who is eligible to participate in the program and:
- applies to enroll in the program for the same school year in which the sibling applies to enroll in the program; or
- is participating in the program.

H.B. 1 establishes that a child who establishes eligibility under these bill provisions may, subject to available funding and the applicable requirements of the bill, participate in the program until the earliest of the following dates:

- the date on which the child graduates from high school;
- the date on which the child is no longer eligible to attend a public school under applicable state law;
- the date on which the child enrolls in a public school, including a charter school, in a manner in which the child will be counted toward the school's ADA for purposes of the allocation of funding under the foundation school program;
- the date on which the child fails to perform satisfactorily for the second consecutive year on a statewide standardized test or nationally norm-referenced test required under the applicable bill provisions; or
- the date on which the child is declared ineligible for the program by the comptroller under the bill's provisions regarding the program.

H.B. 1 establishes that a child is not eligible to participate in the program during the period in which the child's parent or legal guardian is a state representative or state senator.

#### Application to Program

##### *Application by Parent*

H.B. 1 authorizes a parent of an eligible child to apply to a CEAO designated by the comptroller to enroll the child in the program for the following school year.

##### *Application Deadlines*

H.B. 1 requires the comptroller to establish deadlines by which an applicant must complete and submit an application form to participate in the program.

##### *Applicant Priority*

H.B. 1 requires a CEAO, on receipt of more acceptable applications during an application period for admission than available positions in the program due to insufficient funding, to prioritize applicants, at the direction of the comptroller, as follows:

- in the following order:
  - children to whom the following bulleted item does not apply; and
  - children who previously ceased participation in the program due to enrollment in a public school; and
- within each of those described groups, as follows, as applicable:
  - children with a disability who are members of a household with a total annual income that is at or below 400 percent of the federal poverty guidelines;

- children who are members of a household with a total annual income that is at or below 185 percent of the federal poverty guidelines;
- children who are members of a household with a total annual income that is above 185 percent of the federal poverty guidelines and below 400 percent of the federal poverty guidelines; and
- children who are members of a household with a total annual income that is at or above 400 percent of the federal poverty guidelines.

H.B. 1 requires a CEAO to prioritize a participating child's sibling who is initially eligible to participate in the program under the bill's provisions in the same manner as the participating child.

H.B. 1 requires TEA to provide to the comptroller the information necessary to make determinations required under the bill's provisions requiring a CEAO to prioritize applicable applicants.

#### *Program Application Form*

H.B. 1 requires the comptroller to create a program application form and further provides the following:

- the comptroller must ensure the application form is made readily available through various sources, including a CEAO's website;
- the application form must state the application deadlines established by the comptroller under the applicable bill provisions; and
- each CEAO designated by the comptroller must ensure that the application form, including any required supporting document, is capable of being submitted to the organization electronically.

#### *Waiting List*

H.B. 1 requires the comptroller to create and maintain a waiting list based on the priority categories described by the bill if, during an application period, there are more acceptable applications for admission than there are available positions.

#### *Information for Prospective Applicants*

H.B. 1 requires each CEAO designated by the comptroller to post on its website program information for prospective applicants, including the following:

- a description of the program;
- expenses allowed under the program under the applicable bill provisions;
- a link to a list of preapproved education service providers and vendors of educational products under the applicable bill provisions;
- descriptions of the application process and the applicant selection process;
- a description of the program expenditures process under the applicable bill provisions; and
- a description of the responsibilities of program participants.

#### *Participant Handbook*

H.B. 1 requires a CEAO to produce and provide to each participating parent a comptroller-approved program participant handbook that includes, as follows:

- information regarding education-related expenses allowed under the applicable bill provisions;
- if the handbook is provided electronically, a link to a list of preapproved education service providers and vendors of educational products under the applicable bill



- provisions;
- a description of the program expenditures process under the applicable bill provisions; and
- a description of the responsibilities of program participants.

#### *Provision of Information and Participant Handbook*

H.B. 1 requires each designated CEAO on enrollment and annually to provide to each participating parent the information described by the bill's provisions regarding the prospective applicant information and the participant handbook. The CEAO may provide such information electronically.

#### *Continued Program Participation*

H.B. 1 establishes the following:

- the comptroller or a designated CEAO may require a participating parent to submit annual notice regarding the parent's intent for the child to continue participating in the program for the next school year; and
- the comptroller or the CEAO may not require a program participant in good standing to annually resubmit an application for continued program participation.

#### Participation in Program

H.B. 1 requires a participating parent, in order to receive program funding, to agree to do the following:

- spend money received through the program only for expenses allowed as approved education-related expenses under the applicable bill provisions;
- ensure the administration of statewide standardized tests or nationally-norm referenced tests to the participating child in accordance with the applicable bill provisions and share or authorize the test administrators to share with the child's CEAO the results of those tests;
- refrain from selling an item purchased with program money while the child is participating in the program; and
- notify the applicable CEAO not later than 30 days after the date on which the child, as follows:
  - enrolls in a public school, including a charter school in a manner in which the child will be counted toward the school's ADA for purposes of the allocation of funding under the foundation school program;
  - graduates from high school; or
  - is no longer eligible to enroll in a public school under applicable state law.

#### Preapproved Providers and Vendors

##### *Preapproval Process*

H.B. 1 requires the comptroller by rule to establish a process for the preapproval of education service providers and vendors of educational products for participation in the program. The bill requires the comptroller to allow for the submission of applications on a rolling basis.

##### *Conditions for Approval*

H.B. 1 requires the comptroller to approve an education service provider or vendor of educational products if the entity meets any of the following conditions, as applicable:

- the provider or vendor has previously been approved by TEA to provide supplemental special education services under applicable state law and remains in good standing with TEA;

- for a private school, the provider or vendor demonstrates accreditation by an organization recognized by TEA or the Texas Private School Accreditation Commission;
- for a public school, the provider or vendor demonstrates accreditation by TEA and the ability to provide services or products to participating children in a manner in which the children are not counted toward the school's ADA;
- for a private tutor, therapist, or teaching service, as follows:
  - the provider or vendor demonstrates that the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child, as follows:
    - is an educator employed by or a retired educator formerly employed by a school accredited by TEA, an organization recognized by TEA, or an organization recognized by the Texas Private School Accreditation Commission;
    - holds a relevant license or accreditation issued by a state, regional, or national certification or accreditation organization; or
    - is employed in or retired from a teaching or tutoring capacity at a higher education provider;
  - the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child provided to the comptroller a national criminal history record information review completed by the tutor, therapist, or employee, as applicable, within a period established by comptroller rule; and
  - the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child is not required to be discharged or refused to be hired by a district based on being convicted of or placed on deferred adjudication community supervision for certain offenses or is not included in the registry of persons not eligible for employment in public schools; or
- for a higher education provider, the provider or vendor demonstrates nationally recognized postsecondary accreditation.

*Comptroller's Review of National Criminal History Record Information; Related Amendments*

H.B. 1 requires the comptroller to review the national criminal history record information or documentation for each private tutor, therapist, or teaching service employee who submits information or documentation under the applicable bill provisions. The tutor, therapist, or service must provide the comptroller with any information requested by the comptroller to enable the comptroller to complete the review. Accordingly, the bill revises current law to reflect the comptroller's prescribed review duties under these bill provisions, as follows:

- the bill amends the Government Code to entitle the comptroller to obtain criminal history record information maintained or indexed, as applicable, by the FBI, the Department of Public Safety, or any other criminal justice agency in Texas about a person who is a private tutor, a therapist, or an employee of a teaching service or school who intends to provide educational services to a child participating in the program and is seeking approval to receive money distributed under the program; and
- the bill amends the Education Code, with respect to current law governing the registry of persons not eligible for employment in public schools and those to whom TEA must provide equivalent access to the registry, to require TEA to provide such equivalent access to the comptroller for the purpose of preapproving education service providers and vendors of educational products under the applicable bill provisions.

*Verifying Eligibility for Preapproval*

H.B. 1 requires an education service provider or vendor of educational products to provide information requested by the comptroller to verify the provider's or vendor's eligibility for preapproval under the applicable bill provision.

H.B. 1 prohibits the comptroller from approving a provider or vendor if the comptroller cannot verify the provider's or vendor's eligibility.

*Required Agreement by Provider or Vendor*

H.B. 1 establishes that an education service provider or vendor of educational products must agree to do the following:

- abide by the program fund disbursement schedule under the applicable bill provision regarding verified expense requests and all other requirements under the bill's provisions relating to the program;
- accept money from the program only for education-related expenses approved under the applicable bill provision;
- notify the comptroller not later than the 30th day after the date that the provider or vendor no longer meets the preapproval eligibility requirements; and
- return any money received in violation of the bill's provisions relating to the program or other relevant law to the comptroller for deposit into the program fund.

An education service provider or vendor of educational products that receives approval may participate in the program until the earliest of the date on which the provider or vendor no longer meets the preapproval eligibility requirements or violates the bill's provisions relating to the program or other relevant law.

*Prohibited Construction of Preapproval Provisions*

H.B. 1 establishes that its provisions relating to preapproved providers and vendors may not be construed to allow a learning pod or a home school to qualify as an approved provider or vendor. The bill provides for the definition of "learning pod" by reference to its Education Code definition as a group of children who, based on the voluntary association of the children's parents, meet together at various times and places to participate in or enhance the children's primary or secondary academic studies, including participation in an activity or service provided to the children in exchange for payment.

Approved Education-Related Expenses

H.B. 1 establishes that money received under the program may be used only for the following education-related expenses incurred by a participating child at a preapproved education service provider or vendor of educational products:

- tuition and fees for a private school, a higher education provider, an online educational course or program, or a program that provides training for an industry-based credential;
- the purchase of textbooks or other instructional materials or uniforms required by a private school, higher education provider, or course in which the child is enrolled, including purchases made through a third-party vendor of educational products;
- fees for classes or other educational services provided by a public school, including a charter school, if the classes or services do not qualify the child to be included in the school's ADA;
- costs related to academic assessments;
- fees for services provided by a private tutor or teaching service;
- fees for transportation provided by a fee-for-service transportation provider for the child to travel to and from a preapproved education service provider or vendor of educational products;
- fees for educational therapies or services provided by a practitioner or provider, only for fees that are not covered by any federal, state, or local government benefits such as Medicaid or CHIP or by any private insurance that the child is enrolled in at the time of receiving the therapies or services;
- costs of computer hardware and software and other technological devices prescribed by a

physician to facilitate a child's education, not to exceed in any year 10 percent of the total amount paid to the participating child's account that year;

- costs of breakfast or lunch provided to a child during the school day by a private school; and
- before- and after-school academic child care from a provider that has a partnership with a public school to provide before- or after-school child care.

H.B. 1 prohibits money received under the program from being used to pay any person who is related to the program participant within the third degree by consanguinity or affinity, as determined under applicable state law.

H.B. 1 establishes that a finding that a program participant used money distributed under the program to pay for an expense not allowed under the bill's provisions does not affect the validity of any payment made by the participant for an approved education-related expense that is allowed under the bill's provisions.

### Program Expenditures

H.B. 1 requires the comptroller to disburse from the program fund to each CEO the amount specified by the bill, as subsequently described, for each participating child for which the CEO is responsible. The bill provides the following:

- the participating parent must submit a request in a form prescribed by comptroller rule to the applicable CEO in order to initiate payment to a provider or vendor for an approved education-related expense;
- on receiving a request, a CEO must verify that the request is for an approved education-related expense and, not later than the 15th business day after the date of the verification, send payment to the provider or vendor, but such a disbursement may not exceed the applicable participating child's account balance;
- such a disbursement may not exceed the applicable participating child's account balance; and
- a CEO must provide the participating parent for which the CEO is responsible with electronic access to, as follows:
  - view the current balance of the participating child's account;
  - initiate the payment process under the applicable bill provision; and
  - view a summary of the past activity on the participating child's account, including payments from the account to education service providers and vendors of educational products.

### Amount of Payment; Financing

#### *Payment Amount*

H.B. 1 establishes that, regardless of the deadline by which the participating parent applies for enrollment in the program under the applicable bill provisions and except as provided by subsequently described bill provisions regarding prorated payments and a cap on payments to a home-schooled student, a participating parent must receive each school year that the parent's child participates in the program payments to the child's account from the state to be held in trust for the benefit of the child from funds available under the applicable bill provisions. The payments from the state are equal to 75 percent of the estimated statewide average amount of funding per student in ADA for the applicable school year, as determined by the commissioner of education not later than January 15 preceding the applicable school year.

H.B. 1 further provides that, for purposes of determining the estimated statewide average amount of funding per student, the commissioner must include state and local funding under statutory provisions relating to the following:

- assistance with instructional facilities and payment of existing debt;

- the foundation school program;
- options for local revenue levels in excess of entitlement; and
- the collection of state contributions under TRS.

*Prorated Amount*

H.B. 1 requires that the comptroller, if a child enrolls in the program after the beginning of a school year, prorate the amount the participating parent of the child receives based on the enrollment date.

*Parent Requests for Payment From Child's Account*

H.B. 1 requires a participating parent to submit to the comptroller all requests for payment from their child's account for expenses incurred during a fiscal year not less than 90 days after the end of that fiscal year.

*Cap on Payment to Home-Schooled Student*

H.B. 1 also prohibits a participating child who is a home-schooled student from receiving payment to the child's account in an amount that exceeds \$1,000 for a school year. The bill provides for the definition of "home-schooled student" for purposes of the payment cap by reference to its Education Code definition as a student who predominantly receives instruction in a general elementary or secondary education program that is provided by the parent, or a person standing in parental authority, in or through the child's home.

*Money Remaining in Account*

H.B. 1 requires that any money remaining in a participating child's account at the end of a fiscal year that is not obligated for expenses incurred during that fiscal year be returned to the comptroller for deposit to the program fund. The bill requires the comptroller to provide to a participating parent adequate notice of the return of money in the account under this bill provision.

*Authorization to Make Payments for Expenses*

H.B. 1 authorizes a participating parent to make payments for the expenses of educational programs, services, and products not covered by money in the account of the parent's child.

*Prohibited Sources of Financing*

H.B. 1 prohibits a payment made to a participating parent under these bill provisions from being financed using federal money or money from the available school fund or instructional materials fund.

*Payments Not Taxable Income*

H.B. 1 establishes that payments received under the program do not constitute taxable income to a participating parent, unless otherwise provided by federal or another state's law.

*TEA Calculation of Payment Amount*

H.B. 1 requires TEA, on dates consistent with satisfying the program application deadlines established by the comptroller, to calculate and report to the comptroller the payment amount specified under the applicable bill provisions for each participating child.

## Enrollment in Public School

H.B. 1 establishes that, if a child ceases participation in the program due to the child's enrollment in a public school, including a charter school:

- the public school is entitled to receive an amount equal to the amount in the child's account returned to the comptroller upon closure of the account under the applicable bill provision; and
- the child may not be considered in evaluating the performance of a public school under the public school accountability system for the first school year after the child ceases participation in the program.

## Administration of Accounts

H.B. 1 requires a CEAO, on receipt of money distributed by the comptroller for purposes of making payments to accounts, to hold the money in trust for the benefit of participating children and make quarterly payments to the account of each participating child for which the CEAO is responsible in equal amounts on or before the first day of July, October, January, and April.

H.B. 1 sets out the following additional provisions regarding such administration:

- each year, the comptroller may deduct from the total amount of money appropriated for the program's purposes an amount, not to exceed three percent of that total amount, to cover the comptroller's cost of administering the program;
- each quarter, each CEAO must submit to the comptroller a breakdown of the CEAO's actual costs of administering the program for the previous quarter;
- each quarter, the comptroller must disburse from money appropriated for the program to each CEAO the amount necessary to cover the CEAO's actual costs of administering the program for that quarter;
- the total amount of such quarterly disbursement to CEAOs by the comptroller for a state fiscal year may not exceed five percent of the amount appropriated for the purposes of the program for that fiscal year;
- each CEAO, on or before the first day of October and February or another date determined by comptroller rule, must do the following:
  - verify with TEA that each participating child for which the CEAO is responsible is not enrolled in a public school, including a charter school, in a manner in which the child is counted toward the school's ADA for purposes of the allocation of state funding under the foundation school program; and
  - notify the comptroller if the CEAO determines that a participating child for which the CEAO is responsible is enrolled in a public school, including a charter school, in a manner in which the child is counted toward the school's ADA for purposes of the allocation of state funding under the foundation school program;
- the comptroller by rule must establish a process by which a participating parent may authorize the comptroller or the CEAO to make a payment directly from the account of the parent's child to a preapproved education service provider or vendor of educational products for an expense allowed under the applicable bill provisions;
- a child's account must be closed and any remaining money returned to the comptroller for deposit in the program fund on the date on which the child who participated in the program is no longer eligible to participate in the program under the applicable bill provisions and payments for any education-related expenses allowed under the bill's provisions from the child's account have been completed; and
- each quarter, any interest or other earnings attributable to money held by a CEAO for the purposes of the program must be remitted to the comptroller for deposit in the program fund.

## Auditing

H.B. 1 requires the comptroller to contract with a private entity to audit accounts and program participant eligibility data not less than once per year to ensure compliance with applicable law and program requirements. The audit must include a review of the following:

- each CEO's internal controls over program transactions; and
- compliance by CEOs, program participants, and education service providers and vendors of educational products with applicable program requirements.

H.B. 1 authorizes the private entity, in conducting such an audit, to require a CEO, program participant, or education service provider or vendor of educational products to provide information and documentation regarding any transaction occurring under the program.

H.B. 1 requires the private entity to report to the comptroller any violation of the bill's provisions relating to the program or other relevant law and any transactions the entity determines to be unusual or suspicious found by the entity during an audit conducted under the applicable bill provision. The comptroller must report the violation or transaction to the following:

- the applicable CEO;
- the education service provider or vendor of educational products, as applicable; and
- the participating parent of each participating child who is affected by the violation or transaction.

## Suspension of Account

H.B. 1 requires the comptroller to suspend the account of a program participant who fails to remain in good standing by complying with applicable law or a requirement of the program. The bill further provides the following:

- on suspension of an account, the comptroller must, as follows:
  - notify the participating parent in writing that the account of the parent's child has been suspended and that no additional payments may be made from the account; and
  - specify in the notification the grounds for the suspension and state that the participating parent has 30 days to respond and take any corrective action required by the comptroller; and
- on the expiration of the 30-day period, the comptroller must, as follows:
  - order closure of the suspended account;
  - order temporary reinstatement of the account, conditioned on the performance of a specified action by the program participant; or
  - order full reinstatement of the account.

H.B. 1 authorizes the comptroller to recover money distributed under the program that was used for expenses not allowed under the applicable bill provisions regarding approved education-related expenses, for a child who was not eligible to participate in the program at the time of the expenditure, or from an education service provider or vendor of educational products that was not approved at the time of the expenditure. Moreover, the bill provides the following:

- the money may be recovered from the program participant or the provider or vendor that received the money if the participating child's account is suspended or closed under the bill's provisions regarding such suspension;
- failure to reimburse the state on demand by the comptroller constitutes a debt to the state for purposes of Government Code provisions regarding prohibited payments to debtors or delinquents; and
- the bill requires the comptroller to deposit money recovered under this provision into the program fund.

### Tuition and Fees; Refund Prohibited

H.B. 1 prohibits an education service provider or vendor of educational products from charging a participating child an amount greater than the standard amount charged for that service or product by the provider or vendor.

H.B. 1 prohibits an education service provider or vendor of educational products receiving money distributed under the program from in any manner rebating, refunding, or crediting to or sharing with a program participant, or any person on behalf of a program participant, any program money paid or owed by the program participant to the provider or vendor.

### Referral to District Attorney

H.B. 1 requires the comptroller, if the comptroller obtains evidence of fraudulent use of an account or money distributed under the program or any other violation of law by a CEO, program participant, or education service provider or vendor of educational products to notify the appropriate local county or district attorney with jurisdiction over, as applicable, the principal place of business of the CEO or provider or vendor or the residence of the program participant.

### Special Education Notice

H.B. 1 requires each CEO designated by the comptroller under the bill's provisions to post on its website and provide to each parent who submits an application for the program a notice that, as follows:

- states that a private school is not subject to federal and state laws regarding the provision of educational services to a child with a disability in the same manner as a public school; and
- provides information regarding rights to which a child with a disability is entitled under federal and state law if the child attends a public school, including rights provided under the federal Individuals with Disabilities Education Act and rights provided under state law with respect to the state special education program.

H.B. 1 requires a private school in which a participating child with a disability enrolls to provide to the participating parent a copy of the notice required under this bill provision.

### Program Participant, Provider, and Vendor Autonomy

H.B. 1 establishes that an education service provider or vendor of educational products that receives money distributed under the program is not a recipient of federal financial assistance and may not be considered to be an agent of state government on the basis of receiving that money.

H.B. 1 prohibits a rule adopted or other action taken related to the program from limiting the ability of an education service provider, vendor of educational products, or program participant to do the following:

- determine, as follows:
  - the methods of instruction or curriculum used to educate students;
  - admissions and enrollment practices, policies, and standards; or
  - employment practices, policies, and standards; or
- exercise the provider's, vendor's, or participant's religious or institutional practices as determined by the provider, vendor, or participant.

### Student Records and Information

H.B. 1 sets out the following provisions regarding student records of a child participating or seeking to participate in the program:



- on request by the child's parent, a district or charter school that the child would otherwise attend must provide a copy of the child's school records possessed by the district or charter school, if any, to the child's parent or, if applicable, the private school the child attends;
- as necessary to verify the child's eligibility for the program, TEA, a district, or a charter school must provide to the applicable CEAO any information available to the respective entity requested by the CEAO regarding the child, including information regarding the following:
  - the child's public school enrollment status; and
  - whether the child:
    - is a child with a disability; or
    - can be counted toward a public school's ADA for purposes of the allocation of funding under the foundation school program;
- a CEAO may not retain such information beyond the period necessary to determine eligibility; and
- a CEAO or an education service provider or vendor of educational products that obtains information regarding a participating child, as follows:
  - must comply with state and federal law regarding the confidentiality of student educational information; and
  - may not sell or otherwise distribute information regarding a child participating in the program.

#### Gifts, Grants, and Donations

H.B. 1 authorizes the comptroller and a CEAO to solicit and accept gifts, grants, and donations from any public or private source for any expenses related to the administration of the program, including establishing the program and contracting for the annual longitudinal report required by the bill and subsequently described.

#### Administration of Statewide Standardized Tests

H.B. 1 requires TEA to ensure that each participating child is annually administered the following:

- each required statewide standardized test at the child's grade and course level under state law regarding adoption and administration of instruments, subject to any applicable exemptions or accommodations provided under state law regarding public school system accountability; or
- a nationally norm-referenced test that assesses student performance in an equivalent manner to the applicable statewide standardized tests.

H.B. 1 requires TEA, for the purposes of the annual longitudinal report required by the bill's provisions regarding the program and subsequently described, to provide to the comptroller the results of the tests administered under this bill provision, in aggregate and disaggregated by race, ethnicity, socioeconomic status, and status as a child with a disability. A child's results on a test administered under this bill provision are confidential, are not subject to disclosure under state public information law, and may only be shared as necessary to develop the required annual report. The bill requires TEA, in providing the test results, to ensure compliance with state and federal law regarding the confidentiality of student educational information, including the federal Family Educational Rights and Privacy Act of 1974.

H.B. 1 requires TEA to require a regional education service center to administer the applicable tests. A district may administer the tests. If authorized by TEA, a private school may, but is not required to, administer the applicable tests in accordance with TEA rule.

## Annual Report

H.B. 1 requires the comptroller to require that the CEAOs collaborate to compile program data and produce an annual longitudinal report regarding the following information:

- the number of program applications received, accepted, and wait-listed, disaggregated by age;
- program participant satisfaction;
- the results of statewide standardized tests or nationally norm-referenced tests provided in accordance with the applicable bill provisions;
- the program's effect on public and private school capacity and availability;
- the amount of cost savings accruing to the state as a result of the program;
- in a report submitted in an even-numbered year only, an estimate of the total amount of funding required for the program for the next state fiscal biennium;
- the amount of gifts, grants, and donations received under the applicable bill provisions; and
- based on surveys of former program participants or other sources available to the CEAOs, the number and percentage of participating children who, within one year after graduating from high school, are, as follows:
  - college ready, as indicated by earning a minimum of 12 non-remedial semester credit hours or the equivalent or an associate degree from a postsecondary educational institution;
  - career ready, as indicated by earning a credential of value included in a library of credentials established under the tri-agency workforce initiative or by employment at or above the median wage in the child's region; or
  - military ready, as indicated by achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery and enlisting in the armed forces of the United States or the Texas National Guard.

H.B. 1 requires the CEAOs, in producing the report, to do the following:

- use appropriate analytical and behavioral science methodologies to ensure public confidence in the report; and
- comply with the requirements regarding the confidentiality of student educational information under the federal Family Educational Rights and Privacy Act of 1974.

The report must cover a period of not less than five years and include, subject to those federal confidentiality requirements for student educational information, the data analyzed and methodology used. The bill requires the comptroller and the applicable CEAOs to post the report on their respective websites.

## Appeal; Finality of Decisions

H.B. 1 authorizes a program participant to appeal to the comptroller an administrative decision made by a CEAO under the bill's provisions regarding the program, including a decision regarding eligibility, allowable expenses, or the participant's removal from the program. The bill prohibits its provisions relating to the program from being construed to confer a property right on a CEAO, education service provider, vendor of educational products, or program participant. A decision of the comptroller made under the bill's provisions relating to the program is final and not subject to appeal.

## Sunset Review of Program

H.B. 1 requires the Sunset Advisory Commission's review of TEA under the Texas Sunset Act to include a review of the education savings account program established by the bill.

## Determination of Constitutionality and Other Validity of ARTICLE 6 Provisions

H.B. 1 sets out provisions establishing that the constitutionality and other validity under the Texas Constitution or the U.S. Constitution of all or any part of the bill's provisions establishing the education savings account program may be determined in an action for declaratory judgment under the Uniform Declaratory Judgments Act in a district court in Travis County. Accordingly, the bill establishes the following under these provisions:

- an order, however characterized, of a trial court granting or denying a temporary or otherwise interlocutory injunction or a permanent injunction on the grounds of the constitutionality or unconstitutionality, or other validity or invalidity, under the Texas Constitution or the U.S. Constitution of all or any part of the bill's provisions establishing the education savings account program may be reviewed only by direct appeal to the Texas Supreme Court filed not later than the 15th day after the date on which the order was entered;
- the supreme court must give precedence to such appeals over other matters;
- the direct appeal is an accelerated appeal;
- the filing of a direct appeal will automatically stay any temporary or otherwise interlocutory injunction or permanent injunction granted in accordance with these bill provisions relating to determinations of constitutionality and other validity pending final determination by the supreme court, unless the supreme court makes specific findings that the applicant seeking such injunctive relief has pleaded and proved that, as follows:
  - the applicant has a probable right to the relief it seeks on final hearing;
  - the applicant will suffer a probable injury that is imminent and irreparable, and that the applicant has no other adequate legal remedy; and
  - maintaining the injunction is in the public interest;
- such an appeal under these bill provisions relating to determinations of constitutionality and other validity, including an interlocutory, accelerated, or direct appeal, is governed, as applicable, by the Texas Rules of Appellate Procedure, including the following rules as specifically cited by the bill:
  - Rule 25.1(d)(6): Perfecting Appeal—Civil Cases, regarding the contents of notice of appeal in an accelerated appeal;
  - Rule 28.1: Accelerated Appeals, regarding the types of accelerated appeals, perfection of accelerated appeal, appeals of interlocutory orders, quo warranto appeals, and record and briefs;
  - Rule 32.1(g): Docketing Statement—Civil Cases, regarding the inclusion in the docketing statement as to whether the appeal's submission should be given priority, whether the appeal is an accelerated one under Rule 28 or another rule or statute, and whether it is a parental termination or child protection case, as defined in Rule 28.4;
  - Rule 37.3(a)(1): Duties of the Appellate Clerk on Receiving the Notice of Appeal and Record If No Record Filed—Civil Cases, regarding notice of late record;
  - Rule 38.6(a) and (b): Time to File Briefs, regarding the appellant's filing date and regarding the appellee's filing date;
  - Rule 40.1(b): Order of Decision—Civil Cases, regarding an accelerated appeal; and
  - Rule 49.4: Motions for Rehearing and En Banc Reconsideration—Accelerated Appeals, regarding the authority of the court to deny the right to file a motion for rehearing or shorten the time to file such a motion;
- these bill provisions relating to determinations of constitutionality and other validity do not authorize an award of attorney's fees against the state; and
- the provision of the Uniform Declaratory Judgments Act granting the court the authority to award costs and reasonable and necessary attorney's fees as are equitable and just does not apply to an action filed under these bill provisions relating to determinations of constitutionality and other validity.

H.B. 1 further provides that these bill provisions relating to determinations of constitutionality and other validity exercise the authority granted to the legislature by Section 3-b, Article V, Texas Constitution, with respect to its power to provide by law for the direct appeal to the Texas Supreme Court from an order granting or denying an interlocutory or permanent injunction on the grounds of the constitutionality or unconstitutionality of any statute of the state, or on the validity or invalidity of any administrative order issued by any state agency under any statute of the state.

#### Severability of ARTICLE 6 Provisions

H.B. 1 provides for the severability of its ARTICLE 6 provisions by specifying that:

- it is the intent of the legislature that every provision, section, subsection, sentence, clause, phrase, or word in the bill's ARTICLE 6 provisions regarding the education savings account program, and every application of those bill provisions to each person or entity, is severable from each other; and
- if any application of any provision in the bill's ARTICLE 6 provisions regarding the education savings account program to any person, group of persons, or circumstances is found by a court to be invalid for any reason, the remaining applications of that provision to all other persons and circumstances shall be severed and may not be affected.

#### Effective Date

ARTICLE 6 of H.B. 1 takes effect on passage, or, if the bill does not receive the necessary vote, on the 91st day after the last day of the legislative session.

#### **ARTICLE 7: Changes Related to Public Schools Generally**

H.B. 1 sets out and revises certain provisions relating to the following matters, applicable beginning with the 2024-2025 school year:

- protections for certain military dependents;
- notice regarding benchmark assessment results;
- reading diagnosis and reading intervention programs;
- supplemental reading instruction for certain students;
- the college credit program;
- a prekindergarten community-based child-care partnership grant program;
- a career and military technical grant pilot program; and
- interlocal contracting between local education agencies to procure health insurance coverage.

#### Protections for Certain Military Dependents

H.B. 1 provides for additional protections for certain military dependents by making certain provisions of the Interstate Compact on Educational Opportunity for Military Children applicable to the following children as if those children were children described by the compact's applicability provisions:

- a child of a veteran of the uniformed services who was discharged or released through retirement, for a period of four years after the date of the veteran's retirement, if the veteran returns to the veteran's home of record on military orders; and
- a child of a member of the uniformed services who dies on active duty or as a result of injuries sustained on active duty, for a period of four years after the member's death.

The applicable provisions of the compact are the following:

- Article IV of the compact, which relates to educational records and enrollment and includes provisions regarding the following:
  - unofficial or hand-carried education records;
  - official education records/transcripts;

- immunizations; and
  - kindergarten and first grade entrance age;
- Article V of the compact, which relates to placement and attendance and includes provisions regarding the following:
  - course placement;
  - educational program placement;
  - special education services;
  - placement flexibility; and
  - absence as related to deployment activities;
- Article VI of the compact, which relates to eligibility and includes provisions regarding the following:
  - eligibility for enrollment; and
  - eligibility for extracurricular participation; and
- Article VII of the compact, which relates to graduation and includes provisions regarding the following:
  - waiver requirements;
  - exit exams; and
  - transfers during senior year.

H.B. 1, for purposes of these bill provisions, defines "uniformed services" as the U.S. Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard; the Commissioned Corps of the National Oceanic and Atmospheric Administration; or the Commissioned Corps of the United States Public Health Service.

H.B. 1 requires each district and charter school that maintains a website to post on the district's or school's website an easily accessible link to information regarding the compact and the additional protections for military dependents provided by the bill.

#### Notice Regarding Benchmark Assessment Results

H.B. 1 requires a district to report in writing to each student's parent the results of a benchmark assessment administered to the student not later than the 30th calendar day after the date on which the results of the assessment are available. The results may be made available to the parent through a parent portal.

H.B. 1 adds the following definitions for purposes of statutory provisions and these bill provisions regarding parental rights and responsibilities:

- "benchmark assessment" includes a district-required assessment instrument designed to prepare students for a corresponding state-administered assessment instrument and a district-required assessment designed to evaluate students against a set of national or state comparison points; and
- "test" includes a benchmark assessment.

#### Reading Diagnosis; Reading Intervention

##### *Generally*

H.B. 1 revises current law, with respect to provisions governing reading diagnosis in public schools, that requires the commissioner of education to develop recommendations for school districts for administering reading tests to diagnose student reading development and comprehension, for training educators in administering the tests, and for applying the results of the tests to the instructional program. The bill revises that provision of current law as follows:

- replaces the requirement to develop recommendations for districts with a requirement to adopt procedures for both districts and charter schools;
- specifies that the procedures for administering reading tests are for the purpose of ensuring the results of the reading tests are valid, reliable, and equated and identifying

students at risk for dyslexia or other reading difficulties, in addition to the purpose of diagnosing student reading development and comprehension as specified under current law; and

- provides for the test results to be applied to intervention practices in addition to being applied to the instructional program.

#### *Commissioner's List of Reading Tests*

H.B. 1 revises current law requiring the commissioner to adopt a list of reading tests that a district may use to diagnose student reading development and comprehension, requiring the commissioner to also adopt a multidimensional assessment tool for use in diagnosing such development and comprehension of kindergarten students, authorizing a school district-level site-based and decision-making committee to adopt a list of reading tests for use in the district in a grade level other than kindergarten that are in addition to the reading tests on the commissioner's list, and authorizing the approval by the commissioner of alternative reading tests that comply with current law and that are used in diagnosing the reading development and comprehension of kindergarten students.

H.B. 1 revises those provisions of current law by specifying that the commissioner-adopted list is a comprehensive list, by specifying that the reading tests on the comprehensive list are for use in diagnosing reading development and comprehension for students who are enrolled in kindergarten through third grade, by specifying that both districts and charter schools must select tests from that list for use in such diagnosis, and by doing the following:

- removing the authorization in current law for a school district-level committee to adopt a separate list of additional reading tests for use in a grade level other than kindergarten and repealing the authorization in current law for the commissioner to approve an alternative reading test for use in diagnosing kindergarten students;
- authorizing a district or charter school to use additional reading tests that are not on the commissioner's list, without specification as to grade level, but further providing that:
  - a district or charter school that uses one or more reading tests not included on the list must submit the test to the commissioner to verify that it satisfies applicable requirements for inclusion on the list;
  - the commissioner must place on the list a test that satisfies such requirements; and
  - TEA by rule must provide a process under which a district or charter school may submit an application for inclusion of a reading test on the commissioner's list;
- replacing the requirement for the commissioner to adopt a multidimensional assessment tool for use in diagnosing the reading development and comprehension of kindergarten students with a requirement for the commissioner to adopt multiple such tools and requiring that the skills tested by such a tool include the foundational literacy components, rather than literacy as provided by current law;
- requiring a test included on the commissioner's list to include the foundational literacy components of phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension;
- retaining the requirements that each test included on the commissioner's list satisfy the following criteria and also applying those requirements to other reading tests administered by a district or charter school:
  - the test must be based on scientific research concerning reading skills development and reading comprehension; and
  - the test must provide for diagnosing the reading development and comprehension of students participating in bilingual and special education programs under applicable state law;
- requiring the commissioner to include on the commissioner's list any reading test that is based on scientific research concerning reading skills development and reading comprehension and that is submitted to the commissioner by a district or charter school for verification and inclusion on the list; and
- establishing as additional requirements that must be met by a reading test included on the

commissioner's list or administered by a district or charter school that such a test satisfy the following criteria:

- provide progress monitoring capabilities;
- provide a diagnostic tool to assist teachers in developing research-based targeted instruction;
- allow screening of students three times each school year;
- assess only foundational literacy components not already mastered by the student; and
- assess whether a student needs reading instruction intervention.

The bill expands the scope of the requirement for the commissioner to determine by rule the performance on the reading test that indicates kindergarten readiness to require the commissioner by rule to determine the performance on each applicable reading test that indicates kindergarten readiness.

#### *Required Updates to Commissioner's List*

H.B. 1 requires the commissioner to update the list of reading tests at least once every four years, including the multidimensional assessment tools for use in diagnosing the reading development and comprehension of kindergarten students.

#### *Display of Commissioner's List*

H.B. 1 requires the commissioner to prominently display on the TEA website information regarding the commissioner's list of reading tests and the process for applying for inclusion on the list as provided by TEA rule.

#### *Administration of Reading Tests*

H.B. 1 makes the following requirements regarding the administration of reading tests by a district also applicable to charter schools:

- the requirements for a district to administer reading tests at the kindergarten, first, and second grade levels; and
- the requirement for a district to administer a reading test at the beginning of the seventh grade to each student whose performance on the statewide standardized reading test administered to the student in grade six did not demonstrate reading proficiency.

The bill specifies that a reading test administered at the first and second grade levels must be based on scientific research concerning reading skills development and reading comprehension.

#### *Cap on Number of Reading Tests*

H.B. 1 prohibits a district or charter school from administering a reading test to a student more than three times during a school year.

#### *Prohibited Use of Collected Data*

H.B. 1 prohibits TEA from using data collected from a reading test administered under provisions relating to reading diagnosis, as amended by the bill, in evaluating the performance of a school district or campus to assign the district or campus an overall performance rating.

#### *Reading Intervention*

H.B. 1 requires a district or charter school to provide reading intervention to each student in kindergarten through grade three who is determined to need reading intervention using a test administered in accordance with reading diagnosis provisions as amended by the bill.

H.B. 1 requires a district to continue to offer a student reading intervention until the student achieves satisfactory performance on a reading test.

H.B. 1 requires a reading intervention program offered under these provisions to, as follows:

- include targeted instruction to improve the student's reading skills in the relevant areas identified through the test;
- monitor the progress of the student's reading skills throughout the school year;
- be implemented during regular school hours and in addition to core instruction;
- use high-quality instructional materials, curricula, and curricular tools that are research based and effective for early childhood literacy intervention; and
- be provided by a teacher who has attended a literacy achievement academy provided under current law for teachers who provide reading instruction to students.

H.B. 1 prohibits a district or charter school, in providing reading intervention under the bill's provisions, from removing the student from instruction in the foundation curriculum and enrichment curriculum for the grade level in which the student is enrolled or from recess or other physical activity that is available to other students enrolled in the same grade level. However, a student may be removed under circumstances for which a student in the same grade level who is not receiving reading intervention would be removed.

#### *Notification of Need for Reading Intervention*

H.B. 1 requires a district or charter school to notify the parent or guardian of each student in kindergarten through grade three who is determined to need reading intervention and specifies that this notification is in addition to the report of a student's results on a reading test that a superintendent must send to a student's parent or guardian under current law. The notification must, as follows:

- be distributed not later than the 30th day after the date the test result indicating that the student needs intervention is available;
- describe the current reading services the district or school provides to the student;
- describe the reading interventions that will be provided to the student to ensure the student will meet or exceed grade-level reading standards; and
- include high-quality resources for the student's parent or guardian to use at home to help the student succeed at reading.

#### *Compliance Assistance*

H.B. 1 authorizes the commissioner, from money appropriated for teacher literacy achievement academies and in collaboration with regional education service centers, to provide assistance to districts and charter schools in complying with the requirements in current law relating to reading standards for kindergarten through third grade. The bill requires the commissioner to prioritize providing such assistance under this provision in districts with the highest rate of students performing below satisfactory levels on reading tests administered under reading diagnosis provisions as amended by the bill.

#### *Funds Appropriated for Purposes of Reading Diagnosis*

H.B. 1, with respect to funds appropriated statewide for the purposes of reading diagnosis and certified by the commissioner as being sufficient for such purposes, removes the provision capping at 15 percent the amount of such funds so certified that may be spent on indirect costs under reading diagnosis provisions and also removes the following related provisions:

- the provision authorizing the commissioner to audit the expenditures of funds appropriated for purposes of reading diagnosis; and
- the requirement that the use of funds appropriated for purposes of reading diagnosis be verified as part of a school district's annual audit.



### Early Education Reporting

H.B. 1 revises the requirement for TEA to produce and make available to the public on the TEA website annual district and campus-level reports containing information from the previous school year on early education in districts and charter schools. While current law requires such a report to contain certain information about reading tests required to be administered to students at the kindergarten, first, and second grade levels, the bill requires the inclusion of that information for any diagnostic reading test administered as provided by the reading diagnosis provisions amended by the bill.

### Supplemental Reading Instruction for Certain Students

H.B. 1 requires a district or charter school to make available supplemental accelerated instruction provided in accordance with requirements applicable to a district that receives certain federal COVID-19 relief funds to address a student's reading deficiency if the student's results on both of the reading tests administered in two consecutive school years indicate the student needs reading intervention.

H.B. 1 authorizes a parent or guardian of such a student to select a tutor from a list of high-quality tutors approved by TEA or by the district or charter school the student attends to provide the supplemental instruction.

H.B. 1 does the following with respect to providing such a tutor to a student:

- requires the district or charter school to contract directly with the selected tutor;
- provides that the selected tutor may be a classroom teacher employed at the district or school;
- entitles a classroom teacher selected as a student's tutor to supplemental pay from the district or school;
- prohibits the district or charter school from providing money directly to a parent or guardian of a student for purposes of selecting a tutor;
- requires a district or charter school to submit the district's or school's list of high-quality tutors to TEA and to publish the list on the district's or school's website; and
- requires a district or charter school that provides a tutor to a student under the bill's provisions to continue to provide the student any other reading support required of the district or school by federal or state law.

### College Credit Program

H.B. 1 includes dual credit courses provided through OnRamps among the courses through which students may earn college credit in high school.

H.B. 1 requires each district to report through PEIMS the number of district students who, during that school year, were enrolled in an OnRamps course and provide the name of the OnRamps courses in which the students were enrolled. The commissioner must establish a unique identifier in PEIMS for each OnRamps course offered.

### Prekindergarten Community-Based Child-Care Partnership Grant Program

H.B. 1 requires the commissioner to establish and administer a grant program to support districts and charter schools in increasing partnerships with community-based child-care providers to provide tuition-free prekindergarten classes for eligible children under applicable current law.

H.B. 1 authorizes a district or charter school to apply for a grant under the program in partnership with a community-based child-care provider. These providers are described under applicable current law as providers who, as follows:

- are a Texas Rising Star Program provider with a three-star certification or higher;
- are nationally accredited;
- are a Head Start program provider;
- are a Texas School Ready! participant; or
- meet the prekindergarten program requirements established under applicable state law.

The bill requires a district or charter school to use money received under the grant program to fund the enrollment of eligible children in tuition-free prekindergarten classes through a partnership between the district or school and a community-based child-care provider so described. The bill further provides:

- a child is eligible for enrollment in a prekindergarten class provided through such a partnership using money received under the grant program if the child is at least three years of age and receives subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission;
- the commissioner may provide grants under the grant program for the enrollment in each school year of not more than 3,500 children in a prekindergarten class provided through such a partnership; and
- TEA must report annually to the legislature regarding the number of eligible children described under these bill provisions who are enrolled in a prekindergarten class.

#### Career and Military Technical Grant Pilot Program

H.B. 1 requires TEA to establish a pilot program to award grants, capped at \$50,000 per grant and at \$2 million for the total amount of grants awarded, to districts to implement or maintain a program under which the district does the following:

- establishes a junior reserve officer training corps program under applicable federal law for students in high school;
- annually administers the Armed Services Vocational Aptitude Battery test to each student in grades 9 through 12; and
- provides career counseling at least once each year to each student to whom that test is administered based on the results of the test.

H.B. 1 provides the following regarding the pilot program:

- TEA, not later than December 1, 2026, must submit to the legislature a report on the results of the pilot program;
- the report must include TEA's recommendation on whether the pilot program should be continued, expanded, or terminated;
- the commissioner may adopt rules necessary to implement the pilot program; and
- the pilot program expires September 1, 2027.

#### Interlocal Contracting Between Local Education Agencies to Procure Health Insurance Coverage

##### *General Provisions*

H.B. 1 amends the Government Code to add provisions to the Interlocal Cooperation Act that provide for interlocal contracting between local education agencies to procure health insurance coverage. The bill provides the following definitions for purposes of these added provisions:

- "cooperative" means a cooperative established under these provisions by an interlocal contract for group health coverage;
- "local education agency" means a school district or an open-enrollment charter school; and
- "participating local education agency" means, with respect to a cooperative, a local education agency that participates in the cooperative.

### *Compliance Required*

H.B. 1 requires a local education agency to comply with the bill's provisions regarding interlocal contracting when procuring and administering employee group health coverage with another local education agency.

### *Interlocal Contract for Group Health Insurance Coverage*

H.B. 1 authorizes the governing body of a local education agency to by resolution enter into an interlocal contract and cooperate with one or more other local education agencies to establish a cooperative for the purposes of procuring group health insurance coverage. The governing body may renew an interlocal contract so entered.

H.B. 1 establishes that the bill's provisions regarding interlocal contracting between local education agencies to procure health insurance coverage do not affect the ability of local education agencies to provide group health coverage through a risk pool established in accordance with the Texas Political Subdivision Employees Uniform Group Benefits Act.

### *Cooperative*

H.B. 1 establishes that a cooperative is a legal entity that may procure employee group health insurance coverage for each participating local education agency. The bill provides the following related to such cooperatives:

- participating local education agencies may contract for the supervision and administration of the cooperative in accordance with the Interlocal Cooperation Act provision regarding the supervision and administration of interlocal contracts; and
- a cooperative is governed by a board of directors composed of the chief executive officers of each participating local education agency or the officers' designees but if the cooperative is composed of more than seven local education agencies, the cooperative must appoint at least seven directors to the cooperative's board.

### *Procurement*

H.B. 1 requires a cooperative to procure a contract for employee group health coverage under these bill provisions through a request for proposals to potential vendors. The request must be advertised in at least one county in which a participating local education agency's central office is located and must be advertised in a manner consistent with Education Code provisions relating to the publication of certain public notice regarding purchasing contracts,

H.B. 1 requires the cooperative board of directors to select the vendor that provides the best value to participating local education agencies considering the factors described by the Education Code provisions prescribing the considerations required in determining to whom to award a purchasing contract.

H.B. 1 establishes that a cooperative that enters into a contract in accordance with these bill provisions satisfies a competitive bidding requirement applicable to the procurement of group health coverage under other law.

### *Offer of Coverage; Premium Liability*

H.B. 1 requires a cooperative to offer one or more group health insurance plans procured under the bill's provisions to employees of participating local education agencies and dependents of those employees and further provides the following:

- the cooperative's board of directors may determine a participating local education agency's payment of all or part of the premiums for employees or dependents for a plan offered under the bill's provisions;

- a participating local education agency's payment is subject to the requirements described by Insurance Code provisions establishing an employer's required minimum effort in providing health coverage; and
- a participating local agency's payment must include the contributions made by the state to assist applicable employees in the purchase of group health coverage under the Texas School Employees Uniform Group Health Coverage Act.

Effective Date

ARTICLE 7 of H.B. 1 takes effect on the 91st day after the last day of the legislative session.

**ARTICLE 8: Virtual Education**

Replacement of State Virtual School Network

H.B. 1 repeals Education Code provisions relating to the state virtual school network and amends the Education Code to provide for the authority of districts and charter schools to do the following:

- deliver instruction through hybrid courses, virtual courses, full-time hybrid programs, and full-time virtual programs; and
- establish full-time hybrid campuses and full-time virtual campuses to deliver instruction in person and through virtual courses.

Accordingly, H.B. 1 makes a conforming change in SECTION 8.01 and, with respect to the following statutory provisions, replaces references to courses offered through the state virtual school network with references to hybrid or virtual courses offered under the bill's provisions:

- the requirement for the commissioner of education to adopt rules applicable to the Texas High Performance Schools Consortium according to the principle of engaging students in digital learning, including engagement through the use of courses offered through the network;
- the requirement for TEA, for purposes of assisting the transition of students who are homeless or in substitute care from one school to another, to promote access to electronic courses provided through the network at nominal or no cost;
- the requirement for a postsecondary education and career counseling academy, for purposes of providing postsecondary advisors with knowledge and skills in order to provide counseling to students, to include information relating to available methods for a student to earn credit for an electronic course provided through the network; and
- the requirement for the commissioner to exclude students enrolled in a district and receiving full-time instruction through the network in the determination of students enrolled in a district for purposes of the district's entitlement to the fast growth allotment.

With respect to the fast growth allotment, the bill, in a provision that expires September 1, 2029, requires the commissioner, in determining the number of students enrolled in the district, to exclude students enrolled in the district who receive full-time instruction through the state virtual school network under applicable statutory provisions as those provisions existed on September 1, 2023.

With respect to a district's entitlement to a compensatory education allotment, H.B. 1 replaces the authorization to include a student receiving full-time virtual education through the state virtual network in the determination of the number of students who are educationally disadvantaged and reside in an economically disadvantaged census block group, provided the district submits to the commissioner the requisite plan detailing the provision of enhanced services and the commissioner approves the plan, with a requirement for a student receiving a full-time virtual education through a full-time virtual campus under the bill's provision in that determination.

H.B. 1 repeals a provision establishing that a district or charter school from which a parent of a student requests permission to enroll the student in an electronic course offered through the state virtual school network has discretion to select a course provider approved by the network's administering authority for the course in which the student will enroll based on factors including the informed choice report.

### Definitions

H.B. 1 defines the following terms for purposes of virtual education under the bill:

- "full-time hybrid campus" as a district or charter school at which at least 50 percent of the enrolled students are enrolled in a full-time hybrid program;
- "full-time hybrid program" as a full-time educational program offered by a district or charter school campus in which a student is in attendance in person for less than 90 percent of the minutes of instruction provided and the instruction and content may be delivered synchronously or asynchronously over the Internet, in person, or through other means;
- "full-time virtual campus" as a district or charter school campus at which at least 50 percent of the enrolled students are enrolled in a full-time virtual program;
- "full-time virtual program" as a full-time educational program offered by a district or charter school campus in which a student is in attendance in person minimally or not at all and the instruction and content are delivered synchronously or asynchronously primarily over the Internet;
- "hybrid course" as a course in which a student is in attendance for less than 90 percent of the minutes of instruction provided and the instruction and content may be delivered synchronously or asynchronously over the Internet, in person, or through other means;
- "parent" as a student's parent or a person standing in parental relation to a student;
- "virtual course" as a course in which instruction and content are delivered synchronously or asynchronously primarily over the Internet; and
- "whole campus virtual instruction provider" as a private or third-party service that provides oversight and management of the virtual instruction services or otherwise provides a preponderance of those services for a full-time virtual or full-time hybrid campus or program.

### Hybrid and Virtual Courses

#### *Hybrid and Virtual Instruction Permitted*

H.B. 1 authorizes a district or charter school to deliver instruction through hybrid courses, virtual courses, full-time hybrid programs, and full-time virtual programs in the manner provided by the bill.

H.B. 1 also authorizes the following entities to deliver instruction through hybrid or virtual courses in the same manner provided for a district or charter school:

- a consortium of districts or charter schools;
- an institution of higher education, as defined under the Texas Higher Education Coordinating Act of 1965; or
- a regional education service center.

H.B. 1 requires a district or charter school that delivers instruction through a hybrid or virtual course to develop written information describing each hybrid or virtual course available for enrollment and complying with any other requirement of statutory and bill provisions relating to parental rights concerning virtual and hybrid courses.

H.B. 1 requires a district or charter school to make information regarding hybrid and virtual courses available to students and parents at the time students ordinarily select courses and

authorizes a district or charter school to provide that information to students and parents at other times as determined by the district or charter school.

H.B. 1 requires a district or charter school that offers a hybrid or virtual course under the bill's provisions to certify to the commissioner that the course:

- includes the appropriate essential knowledge and skills adopted by the State Board of Education (SBOE);
- provides instruction at the appropriate level of rigor for the grade level at which the course is offered and will prepare a student enrolled in the course for the student's next grade level or a subsequent course in a similar subject matter; and
- meets standards for hybrid or virtual courses adopted by the commissioner.

If the commissioner has not adopted applicable standards for such hybrid or virtual courses, a district or charter school must instead certify to the commissioner that the course meets the National Standards for Quality Online Courses published by the Virtual Learning Leadership Alliance, Quality Matters, and the Digital Learning Collaborative, or a successor publication.

#### *Administration of Tests*

H.B. 1 requires that, except as authorized by commissioner rule, statewide standardized tests and end-of-course tests administered under state law regarding adoption and administration of instruments and required secondary-level performance to a student enrolled in a hybrid or virtual course be administered to the student in the same manner in which the tests are administered to a student enrolled in an in-person course at the student's district or charter school.

#### *Tuition and Fees*

H.B. 1 authorizes a district or charter school to charge tuition and fees for a hybrid or virtual course provided to a student who is not eligible to enroll in a public school in Texas or is not enrolled in the district or charter school.

#### *Attendance for Class Credit or Grade*

H.B. 1 requires a district or charter school, notwithstanding state law regarding the minimum attendance required for class credit or final grade, to establish the participation necessary to earn credit or a grade for a hybrid or virtual course.

#### *TEA Publication of Available Virtual Courses*

H.B. 1 requires TEA to publish a list of virtual courses offered by districts and charter schools in Texas that includes the following information, which must be provided to TEA by the districts and charter schools:

- whether the course is available to a student who is not otherwise enrolled in the offering district or charter school;
- the cost of the course; and
- information regarding any third-party provider involved in the delivery of the course.

#### Provision of Computer Equipment or Internet Service

H.B. 1 establishes that its provisions relating to virtual and hybrid campuses, programs, and courses authorized by bill do not:

- require a district, a charter school, a virtual course provider, or the state to provide a student with home computer equipment or Internet access for a virtual course provided by a district or charter school; or
- prohibit a district or charter school from providing a student with home computer equipment or Internet access for a virtual course provided by the district or charter school.

## Full-Time Hybrid Campuses and Full-Time Virtual Campuses

### *Authorization to Operate Campus*

H.B. 1 authorizes a district or charter school to operate a full-time hybrid campus or full-time virtual campus if authorized by the commissioner in accordance with the bill's provisions. A campus approved under these bill provisions may only apply for and receive authorization to operate either as a full-time hybrid campus or a full-time virtual campus. The bill prohibits a campus from changing its operation designation during the authorization process or after the campus is authorized.

H.B. 1 establishes that the commissioner may only authorize a district or charter school to operate a full-time hybrid campus or a full-time virtual campus if the commissioner determines that the authorization is likely to result in improved student learning opportunities. The commissioner's determination is final and not subject to appeal.

### *Campus Designations*

H.B. 1 requires the commissioner to determine and assign a unique campus designation number to each full-time hybrid campus or full-time virtual campus authorized under the bill's provisions.

### *Rules for Applying to Operate Campus*

H.B. 1 requires the commissioner to adopt rules establishing the requirements for and process by which a district or charter school may apply for authorization to operate a full-time hybrid campus or full-time virtual campus. The rules may require certain written application materials and interviews. Furthermore, the rules must require a district or charter school to do the following:

- engage in a year of planning before offering a course under the bill's provisions to verify the course is designed in accordance with high-quality criteria;
- develop an academic plan that incorporates the following:
  - curriculum and instructional practices aligned with the appropriate essential knowledge and skills provided under applicable state law;
  - monitoring the progress of student performance and interventions;
  - a method for meeting the needs of and complying with federal and state requirements for special populations and at-risk students; and
  - compliance with the bill's requirements regarding virtual courses and full-time hybrid and full-time virtual campuses;
- develop an operations plan that addresses the following:
  - staffing models;
  - the designation of selected school leaders;
  - professional development for staff;
  - student and family engagement;
  - school calendars and schedules;
  - student enrollment eligibility;
  - cybersecurity and student data privacy measures; and
  - any educational services to be provided by a private or third party; and
- demonstrate the capacity to execute the district's or school's plan successfully.

### *Revocation of Authorization*

H.B. 1 establishes that the commissioner's authorization of a campus to operate a full-time hybrid campus or full-time virtual campus continues indefinitely unless the commissioner revokes the authorization. The commissioner must revoke the authorization if the campus

receives the following for the three preceding school years:

- a needs improvement or unacceptable performance rating for accreditation purposes;
- a rating of performance that needs improvement or unacceptable, as determined by the commissioner, on a performance evaluation approved by the commissioner under the bill's provisions; or
- any combination of such performance ratings.

H.B. 1 authorizes the commissioner, based on a special investigation authorized under statutory provisions relating to public school system accountability, to revoke an authorization of a full-time hybrid campus or full-time virtual campus or require any intervention authorized under those provisions. An appeal of a revocation of such an authorization that results in the closure of a campus must be made under statutory provisions relating to the review of sanctions by the State Office of Administrative Hearings (SOAH).

#### *Required Hybrid or Virtual Campus Grade Levels*

H.B. 1 requires a full-time hybrid campus or full-time virtual campus authorized under the bill's provisions to include the following:

- at least one grade level in which a statewide standardized test or end-of-course test is required to be administered under applicable state law, including each subject or course for which a test is required in that grade level;
- sufficient grade levels, as determined by the commissioner, to allow for the annual evaluation of the performance of students who complete the courses offered; or
- for a campus that does not include the previously described grade levels, another performance evaluation measure approved by the commissioner during the authorization process.

#### Private and Third-Party Providers

##### *Determination of Historical Performance*

H.B. 1, with respect to a full-time virtual campus or full-time hybrid campus that a district or charter school will use a private or third party to operate, the bill requires the commissioner to consider the historical performance of the private or third party, if known, in making a determination for a campus operation authorization. The commissioner's determination is final and not subject to appeal.

##### *Notice of Change in Affiliation*

H.B. 1 requires a district or charter school to provide notice to the commissioner of the use of or change in affiliation of a private or third party acting as a whole program virtual instruction provider for the full-time virtual campus or full-time hybrid campus.

##### *Evaluation of Provider*

H.B. 1 requires the commissioner, to the extent feasible, to evaluate the performance of a private or third party acting as a whole program virtual instruction provider for a district or charter school and to establish a standard to determine if a private or third party is ineligible to act as a whole program virtual education provider. A private or third party determined to be ineligible remains ineligible until after the fifth anniversary of that determination.

##### *Revocation of Authorization*

H.B. 1 requires the commissioner, if a private or third party is determined to be ineligible to act as a whole program virtual instruction provider, to revoke the authorization for operation, unless the commissioner approves a request by the district or charter school that operates the campus to



use an alternative private or third party. An appeal of a revocation of an authorization that results in the closure of a campus must be made under statutory provisions relating to sanction review by SOAH.

#### *Prohibition on Use of Ineligible Provider; Exception*

H.B. 1 provides that a district or charter school may not use a private or third party to act as a whole program virtual instruction provider if the party has been determined to be ineligible unless the following conditions are met:

- the district or school requests approval from the commissioner; and
- the commissioner determines that the reasons the private or third party was declared ineligible will not affect the operation of the party as a whole program virtual instruction provider at the district or charter school.

#### Eligibility for Enrollment

##### *Enrollment in a Hybrid Campus*

H.B. 1 establishes that a student is eligible to enroll at a full-time hybrid campus if the student is eligible to enroll in a Texas public school.

##### *Enrollment in a Virtual Campus*

H.B. 1 establishes that a student is eligible to enroll in a full-time virtual campus if the student, as follows:

- attended a public school in Texas for a minimum of six weeks in the current school year or in the preceding school year;
- is, in the school year in which the student first seeks to enroll in the full-time virtual campus, enrolled in the first grade or a lower grade level;
- was not required to attend public school in Texas due to nonresidency during the preceding school year;
- is a dependent of a member of the U.S. military who has been deployed; or
- has been placed in substitute care in Texas.

#### Extracurricular Activity

H.B. 1 authorizes a student enrolled in a virtual or hybrid course, program, or campus offered under the bill's provisions to participate in an extracurricular activity sponsored or sanctioned by the district or charter school in which the student is enrolled or by the University Interscholastic League in the same manner as other district or school students.

#### Virtual Education as Alternative to Expulsion

H.B. 1 requires a district or charter school, before expelling a student, to consider the appropriateness and feasibility of enrolling the student in a full-time hybrid program, full-time virtual education program, full-time hybrid campus, or full-time virtual campus as an alternative to expulsion. This requirement does not apply to a student who is expelled and placed in a disciplinary alternative education program or juvenile justice alternative education program or who is expelled for engaging in conduct that constitutes or contains elements of certain criminal offenses or for bringing a firearm to school.

#### Protections for Students Regarding Virtual Education

##### *Student Rights Regarding Hybrid and Virtual Courses*

H.B. 1 prohibits a district or charter school from doing the following:

- requiring a student enrolled in a district to enroll in a hybrid or virtual course; and
- actively discouraging a student, including by threat or intimidation, from enrolling in a virtual or hybrid course.

H.B. 1 requires a hybrid or virtual course offered under the bill's provisions to a student receiving special education services or other accommodations to meet the needs of the participating student in a manner consistent with state law regarding the special education program and with federal law, including the federal Individuals with Disabilities Education Act and Section 504 of the federal Rehabilitation Act of 1973, as applicable.

#### *Student Rights Regarding Full-Time Hybrid and Full-Time Virtual Campuses*

H.B. 1 prohibits a student enrolled in a district from being compelled to enroll in a full-time virtual or full-time hybrid campus. A district must offer the option for a student's parent to select in-person instruction for the student. However, notwithstanding this provision or the bill provision regarding student rights regarding hybrid and virtual courses previously described, the bill authorizes a charter school to require a student to attend a full-time virtual or full-time hybrid campus.

#### Teachers' Rights Regarding Hybrid and Virtual Courses

H.B. 1 prohibits a district or charter school from requiring a classroom teacher to provide both virtual instruction and in-person instruction for a course offered under the bill's provisions regarding virtual and hybrid campuses, programs, and courses during the same class period but authorizes the commissioner to waive this prohibition for courses included in the enrichment curriculum required under state law. This prohibition does not apply to a requirement that a classroom teacher simulcast the teacher's in-person instruction provided that the teacher is not required to interact with students observing the instruction virtually.

H.B. 1 prohibits a district or charter school from directly or indirectly coercing any classroom teacher hired to provide in-person instruction to agree to an assignment to teach a hybrid or virtual course.

H.B. 1 provides that a classroom teacher may not provide instruction for a hybrid or virtual course unless the teacher has received appropriate professional development in hybrid or virtual instruction, as determined by the district or charter school at which the teacher is employed, or the district or charter school has determined that the teacher has sufficient previous experience to not require that professional development.

#### Protections for Parents Regarding Virtual Education

H.B. 1, in addition to replacing references to courses offered through the state virtual school network with references to hybrid or virtual courses offered under the bill's provisions, as previously described, makes parental rights concerning courses offered through the state virtual school network applicable instead to a virtual or hybrid course with respect to the following:

- the requirement to notify parents and students of the option to enroll in a course;
- the prohibition against denying a parent's request for a full-time enrolled student's enrollment in a course; and
- the authorization for a district or charter school to deny a request to enroll a student in a course under certain circumstances or to decline to pay the cost for a student of more than three yearlong courses, or the equivalent, during any school year.

H.B. 1 makes a conforming change in SECTION 8.04 and makes additional changes relating to the authorization in current law for a district or charter school to deny a request to enroll a student in an applicable electronic course as follows:

- removes as a one of the grounds for such denial that the district or school offers a

- substantially similar course;
- adds as one of the grounds for such denial that the district or school determines that the cost of the course is too high;
- adds a requirement that a district or charter school that denies a request to enroll a student in a virtual or hybrid course provide a written explanation of the denial to the student and the student's parent, which must provide notice of the student's ability to appeal the decision and an explanation of the appeal process, including the process of pursuing a final appeal;
- changes the entity to whom a parent may appeal such a denial from the commissioner to the district's board of trustees or the charter school's governing board; and
- establishes that a determination made by the board of trustees of the district or the governing board of the charter school is final and may not be appealed.

## Funding

### *Average Daily Attendance*

H.B. 1 establishes that a student enrolled in a hybrid course, virtual course, full-time hybrid program, or full-time virtual program offered under the bill's provisions by a district or charter school is counted toward the district's or charter school's ADA in the same manner as district or charter school students who are not enrolled in a hybrid course, virtual course, full-time hybrid program, or full-time virtual program.

H.B. 1 requires the commissioner, for purposes of calculating the ADA of students attending a full-time hybrid campus or full-time virtual campus, to use the number of full-time equivalent students enrolled in the full-time hybrid or full-time virtual campus multiplied by the average attendance rate of the district or charter school that offers the full-time hybrid or full-time virtual campus not including any student enrolled full-time in a full-time hybrid or full-time virtual campus. In the event that a reliable attendance rate cannot be determined under this provision, the commissioner must use the statewide average attendance rate.

### *Proportionate Funding*

H.B. 1 requires the commissioner to provide proportionate funding to the applicable district or charter school for a student that alternates attendance between a traditional, in-person campus setting and the full-time hybrid or full-time virtual campus of any single district or school in the same school year.

### Allotment Under Foundation School Program for Certain Special-Purpose School Districts

H.B. 1 revises the entitlement of a special-purpose school district that is operated by a general academic teaching institution to foundation school program funding for certain students. While current law entitles such a district to such funding as if the district had no tier one local share for each applicable student enrolled in the district, the bill entitles a special-purpose district to such funding as if the district instead were a full-time hybrid campus or full-time virtual campus for purposes of the bill's previously described calculations of ADA with no tier one local share for each applicable student enrolled in the district.

### Grants and Federal Funds

H.B. 1 authorizes the commissioner, for purposes of virtual education under the bill's provisions, to seek and accept a grant from a public or private person and to accept federal funds. The bill requires the commissioner to use the federal funds in compliance with applicable federal law, regulations, and guidelines.

## State Support: Educator Professional Development and Development Grants for Virtual Education

H.B. 1 requires TEA, from funds appropriated or otherwise available, to do the following:

- develop professional development courses and materials aligned with research-based practices for educators in providing high-quality virtual education; and
- provide grants and technical assistance to districts and charter schools to aid in the establishment of high-quality full-time virtual or full-time hybrid campuses.

## Decrease in Average Daily Attendance Caused by Emergency or Crisis

H.B. 1 sets out a provision applicable to ADA in a school year in which the occurrence of an emergency or crisis as defined by commissioner rule causes a statewide decrease in ADA of districts entitled to foundation school program funding or, for an emergency or crisis occurring only within a specific region of Texas, causes a regional decrease in the ADA of districts located in the affected region. The bill establishes that, in such a school year, the commissioner must modify or waive requirements applicable to the affected districts under statutory provisions relating to ADA and adopt appropriate safeguards as necessary to ensure the continued support and maintenance of an efficient system of public free schools and the continued delivery of high-quality instruction under that system.

## Continued Provision of Courses; Determination of Applicable Funding

H.B. 1 provides the following:

- notwithstanding the repeal of statutory provisions relating to the state virtual school network by the bill, a district or charter school providing an electronic course through the state virtual school network in accordance with statutory provisions relating to the network as those provisions existed immediately before the effective date of ARTICLE 8 of the bill, may continue to provide that course and as if those provisions were still in effect until the end of the 2025-2026 school year; and
- the funding provided to a district or charter school for a student enrolled in an electronic course or full-time program offered through the state virtual school network in accordance with applicable statutory provisions, as those provisions existed immediately before the effective date of ARTICLE 8 of the bill, must be determined, as applicable, under the applicable provisions of the bill relating to foundation school funding and to funding based on ADA calculations.

## Rulemaking Requirements

H.B. 1 requires the commissioner to adopt rules as necessary to administer the bill's provisions regarding virtual and hybrid campuses, programs, and courses and, to the extent practicable, to consult districts, charter schools, and parents in adopting those rules. The bill authorizes TEA to form an advisory committee to comply with these rulemaking requirements but exempts the advisory committee from the applicability of Government Code provisions relating to state agency advisory committees.

## Rules Providing Expedited Authorization Process

H.B. 1 requires the commissioner to adopt rules providing an expedited authorization process for a district or charter school that applies to operate a full-time hybrid campus or full-time virtual campus under the bill's provisions if the district or charter school, as of the effective date of ARTICLE 8 of the bill, does any of the following:

- operates an electronic course or full-time program through the state virtual school network in accordance with applicable statutory provisions as those provisions existed immediately before that effective date; or
- operates a virtual education program, regardless of whether the district or charter school

received funding for students enrolled in the program during the 2022-2023 or 2023-2024 school year.

#### Effective Date

ARTICLE 8 of H.B. 1 takes effect on passage, or, if the bill does not receive the necessary vote, on the 91st day after the last day of the legislative session.

### **ARTICLE 9: Changes Related to Accountability**

#### Expiration of Provisions Relating to Public School System Accountability

H.B. 1 sets August 31, 2026, as the expiration date for Chapter 39, Education Code, relating to public school system accountability. Among other provisions, this chapter provides for accreditation, financial accountability, certain awards and distinctions, accountability-related reports, and the administration of academic skills tests, including the statewide standardized tests known as STAAR tests.

#### Accountability for 2022-2023 School Year

H.B. 1 establishes the following with respect to public school accountability for the 2022-2023 school year:

- notwithstanding any other law, the commissioner of education may not assign A through F ratings, domain-scaled scores, or overall scaled scores to an independent school district or district campus under Chapter 39, Education Code, for the 2022-2023 school year; and
- notwithstanding the provisions of the Administrative Procedure Act related to rulemaking, the commissioner may, using abbreviated notice as determined practicable by the commissioner and without a public hearing, but with input from the legislature, adopt rules for the accountability of public schools for the 2022-2023 school year.

#### Temporary Provision: Assignment of Performance Ratings and Scoring of Tests

H.B. 1 establishes a temporary provision, which expires August 31, 2026, regarding the assignment of performance ratings and the scoring of academic skills tests for the 2023-2024, 2024-2025, and 2025-2026 school years. The bill provides the following:

- notwithstanding any other law, for those school years, the commissioner must use the indicators, standards, procedures, criteria, and calculations prescribed by the 2022 Accountability Manual, adopted under the specified Texas Administrative Code rule, as that rule existed on September 1, 2023, to do the following:
  - evaluate school district and campus performance and assign each district and campus a performance rating; and
  - score the academic skills tests administered under applicable state law; and
- TEA must receive a direct appropriation from the legislature for any additional costs for scoring the tests so administered in the manner described by the bill.

#### Performance Indicators: Achievement

H.B. 1 creates, for purposes of the public school accountability system, performance indicators in the student achievement domain for evaluating the performance of high school campuses and public school districts that include those campuses for students who demonstrate military readiness by:

- achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery test; or
- successfully completing a Junior Reserve Officer Training Corps program.

H.B. 1 requires TEA to study the college, career, and military readiness indicators in the student achievement domain to determine the correlation of each indicator with post-secondary success, including the correlation of industry certifications with wages and available jobs. The assignment of value for an indicator must be based on the strength of the indicator's correlation with successful outcomes.

H.B. 1 requires TEA to maintain a list of industry certifications that are eligible for purposes of indicators in the student achievement domain for students who earn industry certifications. The certifications must, as follows:

- be aligned to a program of study that, according to labor market data, prepares students for high-wage, high-skill, in-demand occupations;
- allow students to demonstrate mastery of the skills required for occupations within an approved program of study; and
- be obtained through an assessment of the knowledge and skills provided by or determined by an independent, third-party certifying entity using predetermined standards for knowledge, skills, and competencies.

In addition, the bill requires TEA to determine the eligibility of industry certifications using the most current labor market information. An industry certification TEA determines is no longer eligible must be removed from the list not later than four years after the date TEA makes the determination. During the four years following a determination that an industry certification is no longer eligible, a district may receive the benefit of achievement indicators based on that industry certification only for a cohort of students who earn the industry certification and graduate within the four-year period.

#### Adoption of Indicators and Standards

H.B. 1 changes the provision in current law authorizing the commissioner to adopt indicators and standards under the public school system accountability provisions related to accreditation. While current law authorizes the commissioner to adopt those indicators and standards at any time during a school year before the evaluation of a district or campus, the bill provides that the commissioner may adopt them at any time before issuing the evaluation of a district or campus for a school year.

#### Explanatory Materials for Accountability Rating System

H.B. 1 changes the provision in current law requiring the commissioner to provide explanatory materials for the accountability rating system. While current law requires the commissioner, each school year, to provide to each district a document in a simple, accessible format that explains accountability performance measures, methods, and procedures that will be applied for that school year in assigning each district and campus a performance rating under applicable state law, the bill retains the requirement that such materials be provided but removes the requirement that they be provided each school year.

#### Local Accountability Grant Program

H.B. 1 requires TEA to establish, with funds appropriated or otherwise available for the purpose, a local accountability grant program with capacity to assist at least one district per education service center region in developing local accountability systems that comply with requirements for a local accountability system under applicable state law. The bill requires the commissioner to adopt rules to implement the grant program.

#### Texas Commission on Assessment and Accountability

H.B. 1 establishes the 15-member Texas Commission on Assessment and Accountability to develop and make recommendations for improvements to the current public school assessment and accountability systems and for the adoption of a new assessment and accountability system as provided by the federal Every Student Succeeds Act.

### *Composition*

H.B. 1 sets out the composition of the commission as follows:

- four members appointed by the governor, each of whom must have an interest in public education and including at least one each of the following:
  - a person who is a current or retired classroom teacher with at least 10 years of teaching experience;
  - a person who is a member of the business community; and
  - a person who is a member of the civic community;
- five members appointed by the lieutenant governor and five members appointed by the speaker of the house of representatives, which must each consist of:
  - three members of the applicable legislative chamber;
  - an administrator in the public school system or an elected member of the board of trustees of a school district; and
  - a member of the public who works in public education with experience in the assessment and accountability system; and
- a member of the SBOE, as designated by the chair of the SBOE.

The governor must designate the commission's presiding officer. In appointing commission members, the governor, lieutenant governor, and speaker must coordinate to ensure that the membership of the commission reflects, to the extent possible, the ethnic and geographic diversity of Texas.

### *Compensation and Reimbursement*

H.B. 1 establishes that a commission member is not entitled to compensation for service on the commission but is entitled to reimbursement for actual and necessary expenses incurred in performing commission duties.

### *Administrative Support and Funding*

H.B. 1 requires one full-time TEA employee to provide administrative support for the commission, requires funding for the full-time employee to be provided by legislative appropriation not to exceed \$100,000 made to TEA for that purpose, and requires funding for the administrative and operational expenses of the commission to be provided by legislative appropriation not to exceed \$100,000 made to TEA for that purpose.

### *Recommendations*

H.B. 1 requires the commission to develop recommendations under these bill provisions to address issues related to the public school statewide assessment and accountability system, including the following:

- the purpose of the assessment and accountability system and the relationship between state and local accountability in the system;
- the appropriate number of assessments per grade level that comply with federal requirements;
- changes in policy regarding the assessment and accountability system necessary to meet the needs of the state;
- grading systems and the impact that those grading systems will have on the assessment and accountability system, including the use of artificial intelligence in grading systems;
- the development and use of additional research-based indicators for the system; and
- the adoption of an assessment and accountability system that meets the needs of the 21st-century student.

The commission may establish one or more working groups composed of not more than five commission members to study, discuss, and address specific policy issues and recommendations to refer to the commission for consideration.

### *Report*

H.B. 1 requires the commission, not later than December 31, 2024, to prepare and deliver a report to the governor and the legislature that recommends statutory changes to improve the public school assessment and accountability system, including any adjustments to funding necessary to account for student demographics.

### *Public Meetings and Public Information*

H.B. 1 authorizes the commission to hold public meetings as needed to fulfill its duties under these provisions. The commission is subject to state open meetings law and to state public information law.

### *Abolishment; Expiration of Bill Provisions*

H.B. 1 abolishes the commission on January 7, 2025, and the bill's provisions relating to the commission expire on that date.

### Effective Date

ARTICLE 9 of H.B. 1 takes effect on the 91st day after the last day of the legislative session.

### **Repealed Provisions**

H.B. 1 repeals the following provisions:

- in ARTICLE 1:
  - Sections 21.402(b), (c), (c-1), (f), and (h), Education Code;
  - Sections 21.403(a) and (d), Education Code;
  - Subchapter Q, Chapter 21, Education Code; and
  - Section 825.4092(f), Government Code;
- in ARTICLE 3:
  - Sections 48.111(c), (c-1), and (c-2), Education Code;
- in ARTICLE 4:
  - Section 48.114(b), Education Code;
- in ARTICLE 5:
  - Section 29.002, Education Code;
- in ARTICLE 7:
  - Section 28.006(b-1), Education Code; and
- in ARTICLE 8:
  - Section 26.0031(f), Education Code; and
  - Chapter 30A, Education Code.

### **EFFECTIVE DATE**

Except as otherwise provided, the 91st day after the last day of the legislative session.