

BILL ANALYSIS

C.S.H.B. 2209
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Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Leaders from House District 43 launched the Rural Schools Innovation Zone (RSIZ) in 2019 as a collaborative partnership between three districts: Freer ISD, Premont ISD, and Brooks County ISD. Each ISD shares the vision of expanding opportunities for rural students in the region to attain meaningful and valuable career opportunities. Programs in the RSIZ have expanded opportunities for underserved students to access high-quality college and career pathways that lead to success in school and life, while growing the economic development of the region. However, the RSIZ now struggles to financially afford and continuously improve their high-quality college, career, and military readiness programming. Rural districts do not individually have the economies of scale required to provide the range of specialized college and career pathways sought by their students. C.S.H.B. 2209 seeks to provide ongoing support for multidistrict partnerships that expand the pathways available to students in each district and incentivize pathways that lead to postsecondary success, including by creating a pathways allotment and outcomes bonus.

CRIMINAL JUSTICE IMPACT

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

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of education in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2209 amends the Education Code to require the commissioner of education to establish and administer the Rural Pathway Excellence Partnership (R-PEP) program to incentivize and support multidistrict, cross-sector, rural college and career pathway partnerships that expand opportunities for underserved students to succeed in school and life while promoting economic development in rural areas. The bill requires the R-PEP program to enable an eligible public school district that lacks an economy of scale, as determined by commissioner rule, to partner with at least one other district to offer a broader array of robust college and career pathways.

C.S.H.B. 2209 requires each R-PEP program partnership to offer college and career pathways that align with regional labor market projections for high-wage, high-demand careers and to be managed by a coordinating entity that meets the following qualifications:

- has the capacity to effectively coordinate the partnership or will have such capacity at the time students are served under the partnership;
- is an entity that may be granted a charter to operate an open-enrollment charter school under applicable law;

- has on the entity's governing board as either voting or ex officio members representatives of each partnering district and members of regional higher education and workforce organizations; and
- has entered into a performance agreement approved by the board of trustees of each partnering district that does the following:
 - confers to the coordinating entity the same authority with respect to the pathways offered under the partnership as provided to an entity that contracts to operate a district campus as an alternative to intervention due to receiving an overall rating of unacceptable performance;
 - includes ambitious and measurable performance goals and progress measures tied to current college, career, and military readiness outcomes and longitudinal postsecondary completion and employment-related outcomes;
 - allocates responsibilities for accessing and managing progress and outcome information and annually publishing that information on the website of each partnering district and the coordinating entity;
 - authorizes the coordinating entity to optimize the value of each college or career pathway offered through the partnership by determining scheduling; adding or removing a pathway; hiring pathway-specific personnel; and developing and exercising final approval of pathway budgets; and
 - provides that any eligible student residing in a partnering district may participate in a college or career pathway offered through the partnership.

The bill specifies that a pathway budget must include at least 80 percent of the state and local funding to which each partnering district is entitled under the foundation school program and that is attributable to students' participation in the program, including the career and technology education allotment or the R-PEP allotment created by the bill and the college, career, or military readiness outcomes bonus or the R-PEP outcomes bonus created by the bill. The bill expressly does not prohibit an agreement between a district and another entity for the provision of services at a district campus.

C.S.H.B. 2209 makes an employee of a coordinating entity that manages an R-PEP program partnership eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits by holding the same position at a partnering district. The bill establishes that a student enrolled in a college or career pathway offered through a partnership is not considered for accountability purposes to have dropped out of high school or failed to complete the curriculum requirements for high school graduation until the sixth anniversary of the student's first day in high school.

C.S.H.B. 2209 requires a district proposing to enter into a performance agreement under the R-PEP program to notify the commissioner of the district's intent to enter into the agreement and requires the commissioner to do the following:

- establish certain procedures for a district to provide the notice; and
- notify the district whether the proposed agreement is approved or denied not later than the 60th day after the date the commissioner receives notice of the proposed agreement and all other information required by the commissioner.

If the commissioner fails to notify the district whether the proposed agreement is approved or denied by the deadline, the proposed agreement is considered approved.

C.S.H.B. 2209 requires the commissioner to establish a grant program, from money appropriated for that purpose, to assist in the planning and implementation of an R-PEP program partnership. Grants may be awarded only to a coordinating entity that has entered into an approved performance agreement. The bill prohibits the commissioner from using more than 15 percent of the money appropriated for the grant program to cover the cost of its administration and to provide technical assistance and support to partnerships under the R-PEP program.

C.S.H.B. 2209 requires the commissioner to adopt rules as necessary to implement the R-PEP program, including rules establishing:

- requirements for a coordinating entity and a performance agreement with the entity;
- the period for which a partnership may operate after commissioner approval before renewal of commissioner approval is required; and
- standards for renewal of commissioner approval for a partnership.

C.S.H.B. 2209 authorizes the commissioner to accept gifts, grants, and donations from any source, including private and nonprofit organizations, for the R-PEP program. A private or nonprofit organization that contributes to the program may receive an Employers for Education Excellence Award. The bill's provisions relating to the establishment and administration of the program apply beginning with the 2023-2024 school year.

C.S.H.B. 2209 creates both an allotment and an outcomes bonus tied to the R-PEP program. The bill entitles a district to an allotment for each full-time equivalent student in average daily attendance in grades 9 through 12 in a college or career pathway offered through an R-PEP program partnership in an amount equal to the basic allotment, or the sum of the basic allotment and the small and mid-sized district allotment, multiplied by:

- 1.15, if the student is educationally disadvantaged; or
- 1.11, if the student is not educationally disadvantaged.

The bill requires the commissioner, each year, to determine for each district the minimum number of annual graduates of a college or career pathway in each cohort who would have to obtain not later than five years after high school graduation a postsecondary credential of value, including a degree, certificate, or other credential that prepares students for continued learning and greater earnings in the state economy, in order for the district to qualify for the outcomes bonus. For each annual graduate who earns such a postsecondary credential of value during the preceding school year in excess of the minimum number of students determined for the applicable district cohort for that year, a district is entitled to an additional annual outcomes bonus as follows:

- \$2,000, if the annual graduate is educationally disadvantaged;
- \$1,000, if the annual graduate is not educationally disadvantaged; and
- \$2,000, if the annual graduate is enrolled in a special education program, regardless of whether the annual graduate is educationally disadvantaged.

A district is entitled to an outcomes bonus under each category for which an annual graduate qualifies. The bill authorizes a district to receive funding for an R-PEP program student under these provisions and any other statutory provision for which the student qualifies. The bill's provisions regarding the allotment and outcomes bonus take effect September 1, 2023.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2209 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced included the condition that a coordinating entity be granted a charter by each partnering district for the coordinating entity to manage the partnership authorized by the bill, the substitute does not include this condition.

Both the introduced and substitute require a performance agreement for each partnership to authorize the coordinating entity to optimize the value of the partnership by taking specified actions. The substitute includes developing and exercising final approval of pathway budgets among the actions that may be taken for that purpose, whereas the introduced only included setting pathway-specific budgets. The substitute includes a requirement not in the introduced

for a pathway budget to include at least 80 percent of the state and local funding to which each partnering school district is entitled and that is attributable to students' participation in the program, including specified allotments and outcome bonuses.

Whereas the introduced establishes that an annual graduate of a college or career pathway offered through a R-PEP partnership must demonstrate college, career, or military readiness, as determined by commissioner rule, for purposes of a district's qualification for the R-PEP outcomes bonus or the additional outcomes bonus, the substitute specifies that such a graduate must instead obtain not later than five years after high school graduation a postsecondary credential of value, including a degree, certificate, or other credential that prepares students for continued learning and greater earnings in the state economy for purposes of the district's qualification for those R-PEP outcomes bonuses.