

AN ACT

relating to establishing the Rural Pathway Excellence Partnership (R-PEP) program and creating an allotment and outcomes bonus under the Foundation School Program to support the program.

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

SECTION 1. Subchapter 2, Chapter 29, Education Code, is amended by adding Section 29.912 to read as follows:

Sec. 29.912. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP) PROGRAM. (a) In this section, "program" means the Rural Pathway Excellence Partnership (R-PEP) program.

(b) The commissioner shall 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.

(b-1) The commissioner shall ensure that agency employees assigned to administer the program have experience with or training in the procedures relating to a school district contracting to partner to operate a district campus under Section 11.174.

(c) The program must enable an eligible school district that has fewer than 1,600 students in average daily attendance to partner with at least one other school district located within a distance of 100 miles to offer a broader array of robust college and

1 career pathways. Each partnership must:

2 (1) offer college and career pathways that align with
3 regional labor market projections for high-wage, high-demand
4 careers; and

5 (2) be managed by a coordinating entity that:

6 (A) has or will have at the time students are
7 served under the partnership the capacity to effectively coordinate
8 the partnership;

9 (B) has entered into a performance agreement
10 approved by the board of trustees of each partnering school
11 district that confers on the coordinating entity the same authority
12 with respect to pathways offered under the partnership provided to
13 an entity that contracts to operate a district campus under Section
14 [11.174](#);

15 (C) is an eligible entity as defined by Section
16 [12.101\(a\)](#); and

17 (D) has on the entity's governing board as either
18 voting or ex officio members, or has on an advisory body,
19 representatives of each partnering school district and members of
20 regional higher education and workforce organizations.

21 (d) The performance agreement described by Subsection
22 (c)(2)(B) must:

23 (1) include ambitious and measurable performance
24 goals and progress measures tied to current college, career, and
25 military readiness outcomes and longitudinal postsecondary
26 completion and employment-related outcomes;

27 (2) allocate responsibilities for accessing and

1 managing progress and outcome information and annually publish that
2 information on the Internet website of each partnering district and
3 the coordinating entity;

4 (3) authorize the coordinating entity to optimize the
5 value of each college and career pathway offered through the
6 partnership by:

7 (A) determining scheduling;

8 (B) adding or removing a pathway;

9 (C) selecting and assigning pathway-specific
10 personnel;

11 (D) developing and exercising final approval of
12 pathway budgets, which must include at least 80 percent of the state
13 and local funding to which each partnering school district is
14 entitled under Sections 48.106, 48.110, and 48.118; and

15 (E) determining any other matter critical to the
16 efficacy of the pathways; and

17 (4) provide that any eligible student enrolled in a
18 partnering school district may participate in a college or career
19 pathway offered through the partnership.

20 (e) An employee of a coordinating entity that manages a
21 partnership under the program is eligible for membership in and
22 benefits from the Teacher Retirement System of Texas if the
23 employee would be eligible for membership and benefits by holding a
24 similar position at a partnering school district. An employee is
25 eligible for membership under this subsection if a partnership
26 would be authorized to participate in the program, as determined by
27 the commissioner, but for the maximum expenditure established in

1 Section 48.118(f).

2 (f) A student enrolled in a college or career pathway
3 offered through a partnership under the program is not considered
4 for accountability purposes under Chapter 39 to have dropped out of
5 high school or failed to complete the curriculum requirements for
6 high school graduation until the sixth anniversary of the student's
7 first day in high school.

8 (g) A school district proposing to enter into a performance
9 agreement under this section shall notify the commissioner of the
10 district's intent to enter into the agreement. The commissioner
11 shall establish procedures for a district to notify the
12 commissioner, including establishing the period within which
13 notification is required before the school year in which the
14 proposed agreement would take effect, and to provide any additional
15 information required by the commissioner.

16 (h) In authorizing partnerships to participate in the
17 program, the commissioner shall give priority to partnerships in
18 which participating districts contract with a coordinating entity
19 that has at least two years' experience or employs an executive
20 officer with at least two years' experience managing college and
21 career pathways under a performance contract.

22 (i) Not later than the 60th day after the date the
23 commissioner receives notification of a proposed agreement and all
24 other information required by the commissioner, the commissioner
25 shall notify the school districts whether the proposed performance
26 agreement is approved and the partnering districts are authorized
27 for participation in the program.

1 (j) The commissioner shall make grants available for use by
2 a coordinating entity for a two-year period to assist with costs
3 associated with the planning, development, establishment, or
4 expansion, as applicable, of partnerships under the program using a
5 portion of state funds allocated under Section 48.118 as well as
6 money appropriated for that purpose, federal funds, and any other
7 funds available. The commissioner may award a grant only to a
8 coordinating entity that has entered into a performance agreement
9 approved under Subsection (i) or, if in the planning stage, has
10 entered into a memorandum of understanding to enter into a
11 performance agreement, unless the source of funds does not permit a
12 grant to the coordinating entity, in which case the grant shall be
13 made to a participating school district acting as fiscal agent.
14 Eligible use of grant funds shall include planning, development,
15 establishment, or expansion of partnerships under the program. The
16 commissioner may use not more than 15 percent of the money allocated
17 for the grants to cover the cost of administering grants awarded
18 under the program and to provide technical assistance and support
19 to partnerships under the program.

20 (k) The commissioner shall adopt rules as necessary to
21 implement this section, including rules establishing:

22 (1) requirements of a performance agreement between
23 participating districts and the coordinating entity;

24 (2) the period during which a partnership under the
25 program may operate after receiving commissioner approval and
26 before a renewal of commissioner authorization is required; and

27 (3) performance standards for a renewal of

1 commissioner authorization to participate in the program.

2 (1) This section does not prohibit an agreement between a
3 school district and another entity for the provision of services at
4 a district campus.

5 (m) The commissioner may accept gifts, grants, and
6 donations from any source, including private and nonprofit
7 organizations, for the program. A private or nonprofit
8 organization that contributes to the program may receive an award
9 under Section 7.113.

10 SECTION 2. Subchapter C, Chapter 48, Education Code, is
11 amended by adding Section 48.118 to read as follows:

12 Sec. 48.118. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP)
13 ALLOTMENT AND OUTCOMES BONUS. (a) For each full-time equivalent
14 student in average daily attendance in grades 9 through 12 in a
15 college or career pathway offered through a partnership under the
16 Rural Pathway Excellence Partnership (R-PEP) program under Section
17 29.912, a school district is entitled to an allotment equal to the
18 basic allotment, or, if applicable, the sum of the basic allotment
19 and the allotment under Section 48.101 to which the district is
20 entitled, multiplied by:

21 (1) 1.15 if the student is educationally
22 disadvantaged; or

23 (2) 1.11 if the student is not educationally
24 disadvantaged.

25 (b) Each year, the commissioner shall determine for each
26 school district the minimum number of annual graduates of a college
27 or career pathway described by Subsection (a) in each cohort

1 described by Section 48.110(b) who would have to obtain not later
2 than five years after high school graduation a postsecondary
3 credential of value, as determined by the Texas Higher Education
4 Coordinating Board based on analyses of wages and costs associated
5 with the credential, including a degree, certificate, or other
6 credential from credit and noncredit programs that equip students
7 for continued learning and greater earnings in the state economy,
8 in order for the district to qualify for an outcomes bonus under
9 Subsection (c).

10 (c) In addition to the allotment under Subsection (a), for
11 each annual graduate in a cohort described by Subsection (b) who
12 obtains a postsecondary credential of value in excess of the
13 minimum number of students determined for the applicable district
14 cohort under Subsection (b), a school district is entitled to an
15 annual outcomes bonus of:

16 (1) if the annual graduate is educationally
17 disadvantaged, \$1,500;

18 (2) if the annual graduate is not educationally
19 disadvantaged, \$750; and

20 (3) if the annual graduate is enrolled in a special
21 education program under Subchapter A, Chapter 29, \$1,500,
22 regardless of whether the annual graduate is educationally
23 disadvantaged.

24 (d) A school district is entitled to an outcomes bonus under
25 each subdivision in Subsection (c) for which an annual graduate
26 qualifies.

27 (e) A school district may receive funding for a student

1 under this section and any other section for which the student
2 qualifies. At least 80 percent of funds allocated under this
3 section must be spent as provided in the budget adopted by the board
4 of the coordinating entity.

5 (f) The total amount of state funding for allotments and
6 outcomes bonuses under this section may not exceed \$5 million per
7 year. If the total amount of allotments and outcomes bonuses to
8 which school districts are entitled under this section exceeds the
9 amount permitted under this subsection, the agency shall allocate
10 state funding to districts under this section in the following
11 order:

12 (1) allotments under Subsection (a) for which school
13 districts participating in partnerships prioritized under Section
14 29.912(h) are eligible;

15 (2) allotments under Subsection (a) for which school
16 districts that entered into a memorandum of understanding or letter
17 of commitment regarding a multidistrict pathway partnership, as
18 defined by commissioner rule, before May 1, 2023, are eligible;

19 (3) allotments under Subsection (a) for which school
20 districts that have entered into a performance agreement under
21 Section 29.912 with a coordinating entity that is an institution of
22 higher education, as defined by Section 61.003, are eligible;

23 (4) allotments under Subsection (a) for which school
24 districts with the highest percentage of students who are
25 educationally disadvantaged, in descending order, are eligible;
26 and

27 (5) outcomes bonuses under Subsection (c) for which

1 school districts with the highest percentage of students who are
2 educationally disadvantaged, in descending order, are eligible.

3 SECTION 3. Section 29.912, Education Code, as added by this
4 Act, applies beginning with the 2023-2024 school year.

5 SECTION 4. (a) Except as provided by Subsection (b) of this
6 section, this Act takes effect immediately if it receives a vote of
7 two-thirds of all the members elected to each house, as provided by
8 Section 39, Article III, Texas Constitution. If this Act does not
9 receive the vote necessary for immediate effect, this Act takes
10 effect September 1, 2023.

11 (b) Section 48.118, Education Code, as added by this Act,
12 takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 2209 was passed by the House on April 28, 2023, by the following vote: Yeas 108, Nays 38, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2209 on May 15, 2023, by the following vote: Yeas 120, Nays 23, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2209 was passed by the Senate, with amendments, on May 11, 2023, by the following vote: Yeas 28, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor