

1-1 By: Lozano, Raymond (Senate Sponsor - Hinojosa) H.B. No. 2209
 1-2 (In the Senate - Received from the House May 1, 2023;
 1-3 May 1, 2023, read first time and referred to Committee on
 1-4 Education; May 9, 2023, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 12, Nays 0;
 1-6 May 9, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			

1-22 COMMITTEE SUBSTITUTE FOR H.B. No. 2209 By: West

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to establishing the Rural Pathway Excellence Partnership
 1-26 (R-PEP) program and creating an allotment and outcomes bonus under
 1-27 the Foundation School Program to support the program.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Subchapter 2, Chapter 29, Education Code, is
 1-30 amended by adding Section 29.912 to read as follows:

1-31 Sec. 29.912. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP)
 1-32 PROGRAM. (a) In this section, "program" means the Rural Pathway
 1-33 Excellence Partnership (R-PEP) program.

1-34 (b) The commissioner shall establish and administer the
 1-35 Rural Pathway Excellence Partnership (R-PEP) program to
 1-36 incentivize and support multidistrict, cross-sector, rural college
 1-37 and career pathway partnerships that expand opportunities for
 1-38 underserved students to succeed in school and life while promoting
 1-39 economic development in rural areas.

1-40 (c) The program must enable an eligible school district that
 1-41 has fewer than 1,600 students in average daily attendance to
 1-42 partner with at least one other school district located within a
 1-43 distance of 100 miles to offer a broader array of robust college and
 1-44 career pathways. Each partnership must:

1-45 (1) offer college and career pathways that align with
 1-46 regional labor market projections for high-wage, high-demand
 1-47 careers; and

1-48 (2) be managed by a coordinating entity that:

1-49 (A) has or will have at the time students are
 1-50 served under the partnership the capacity to effectively coordinate
 1-51 the partnership;

1-52 (B) has entered into a performance agreement
 1-53 approved by the board of trustees of each partnering school
 1-54 district that confers on the coordinating entity the same authority
 1-55 with respect to pathways offered under the partnership provided to
 1-56 an entity that contracts to operate a district campus under Section
 1-57 11.174;

1-58 (C) is an eligible entity as defined by Section
 1-59 12.101(a); and

1-60 (D) has on the entity's governing board as either

2-1 voting or ex officio members, or has on an advisory body,
2-2 representatives of each partnering school district and members of
2-3 regional higher education and workforce organizations.

2-4 (d) The performance agreement described by Subsection
2-5 (c)(2)(B) must:

2-6 (1) include ambitious and measurable performance
2-7 goals and progress measures tied to current college, career, and
2-8 military readiness outcomes and longitudinal postsecondary
2-9 completion and employment-related outcomes;

2-10 (2) allocate responsibilities for accessing and
2-11 managing progress and outcome information and annually publish that
2-12 information on the Internet website of each partnering district and
2-13 the coordinating entity;

2-14 (3) authorize the coordinating entity to optimize the
2-15 value of each college and career pathway offered through the
2-16 partnership by:

2-17 (A) determining scheduling;

2-18 (B) adding or removing a pathway;

2-19 (C) selecting and assigning pathway-specific
2-20 personnel;

2-21 (D) developing and exercising final approval of
2-22 pathway budgets, which must include at least 80 percent of the state
2-23 and local funding to which each partnering school district is
2-24 entitled under Chapter 48, including an allotment under Section
2-25 48.106 or 48.118 and an outcome bonus under Section 48.110 or
2-26 48.118; and

2-27 (E) determining any other matter critical to the
2-28 efficacy of the pathways; and

2-29 (4) provide that any eligible student enrolled in a
2-30 partnering school district may participate in a college or career
2-31 pathway offered through the partnership.

2-32 (e) An employee of a coordinating entity that manages a
2-33 partnership under the program is eligible for membership in and
2-34 benefits from the Teacher Retirement System of Texas if the
2-35 employee would be eligible for membership and benefits by holding a
2-36 similar position at a partnering school district. An employee is
2-37 eligible for membership under this subsection if a partnership
2-38 would be authorized to participate in the program, as determined by
2-39 the commissioner, but for the maximum expenditure established in
2-40 Section 48.118(f).

2-41 (f) A student enrolled in a college or career pathway
2-42 offered through a partnership under the program is not considered
2-43 for accountability purposes under Chapter 39 to have dropped out of
2-44 high school or failed to complete the curriculum requirements for
2-45 high school graduation until the sixth anniversary of the student's
2-46 first day in high school.

2-47 (g) A school district proposing to enter into a performance
2-48 agreement under this section shall notify the commissioner of the
2-49 district's intent to enter into the agreement. The commissioner
2-50 shall establish procedures for a district to notify the
2-51 commissioner, including establishing the period within which
2-52 notification is required before the school year in which the
2-53 proposed agreement would take effect, and to provide any additional
2-54 information required by the commissioner.

2-55 (h) In authorizing partnerships to participate in the
2-56 program, the commissioner shall give priority to partnerships in
2-57 which participating districts contract with a coordinating entity
2-58 that has at least two years' experience or employs an executive
2-59 officer with at least two years' experience managing college and
2-60 career pathways under a performance contract.

2-61 (i) Not later than the 60th day after the date the
2-62 commissioner receives notification of a proposed agreement and all
2-63 other information required by the commissioner, the commissioner
2-64 shall notify the school districts whether the proposed performance
2-65 agreement is approved and the partnering districts are authorized
2-66 for participation in the program.

2-67 (j) The commissioner shall make grants available for use by
2-68 a coordinating entity for a two-year period to assist with costs
2-69 associated with the planning, development, establishment, or

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

3-17 (k) The commissioner shall adopt rules as necessary to
 3-18 implement this section, including rules establishing:

3-19 (1) requirements of a performance agreement between
 3-20 participating districts and the coordinating entity;

3-21 (2) the period during which a partnership under the
 3-22 program may operate after receiving commissioner approval and
 3-23 before a renewal of commissioner authorization is required; and

3-24 (3) performance standards for a renewal of
 3-25 commissioner authorization to participate in the program.

3-26 (l) This section does not prohibit an agreement between a
 3-27 school district and another entity for the provision of services at
 3-28 a district campus.

3-29 (m) The commissioner may accept gifts, grants, and
 3-30 donations from any source, including private and nonprofit
 3-31 organizations, for the program. A private or nonprofit
 3-32 organization that contributes to the program may receive an award
 3-33 under Section 7.113.

3-34 SECTION 2. Subchapter C, Chapter 48, Education Code, is
 3-35 amended by adding Section 48.118 to read as follows:

3-36 Sec. 48.118. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP)
 3-37 ALLOTMENT AND OUTCOMES BONUS. (a) For each full-time equivalent
 3-38 student in average daily attendance in grades 9 through 12 in a
 3-39 college or career pathway offered through a partnership under the
 3-40 Rural Pathway Excellence Partnership (R-PEP) program under Section
 3-41 29.912, a school district is entitled to an allotment equal to the
 3-42 basic allotment, or, if applicable, the sum of the basic allotment
 3-43 and the allotment under Section 48.101 to which the district is
 3-44 entitled, multiplied by:

3-45 (1) 1.15 if the student is educationally
 3-46 disadvantaged; or

3-47 (2) 1.11 if the student is not educationally
 3-48 disadvantaged.

3-49 (b) Each year, the commissioner shall determine for each
 3-50 school district the minimum number of annual graduates of a college
 3-51 or career pathway described by Subsection (a) in each cohort
 3-52 described by Section 48.110(b) who would have to obtain not later
 3-53 than five years after high school graduation a postsecondary
 3-54 credential of value, as determined by the Texas Higher Education
 3-55 Coordinating Board based on analyses of wages and costs associated
 3-56 with the credential, including a degree, certificate, or other
 3-57 credential from credit and noncredit programs that equip students
 3-58 for continued learning and greater earnings in the state economy,
 3-59 in order for the district to qualify for an outcomes bonus under
 3-60 Subsection (c).

3-61 (c) In addition to the allotment under Subsection (a), for
 3-62 each annual graduate in a cohort described by Subsection (b) who
 3-63 obtains a postsecondary credential of value in excess of the
 3-64 minimum number of students determined for the applicable district
 3-65 cohort under Subsection (b), a school district is entitled to an
 3-66 annual outcomes bonus of:

3-67 (1) if the annual graduate is educationally
 3-68 disadvantaged, \$1,500;

3-69 (2) if the annual graduate is not educationally

4-1 disadvantaged, \$750; and
4-2 (3) if the annual graduate is enrolled in a special
4-3 education program under Subchapter A, Chapter 29, \$1,500,
4-4 regardless of whether the annual graduate is educationally
4-5 disadvantaged.

4-6 (d) A school district is entitled to an outcomes bonus under
4-7 each subdivision in Subsection (c) for which an annual graduate
4-8 qualifies.

4-9 (e) A school district may receive funding for a student
4-10 under this section and any other section for which the student
4-11 qualifies. At least 80 percent of funds allocated under this
4-12 section must be spent as provided in the budget adopted by the board
4-13 of the coordinating entity.

4-14 (f) The total amount of state funding for allotments and
4-15 outcomes bonuses under this section may not exceed \$5 million per
4-16 year.

4-17 SECTION 3. Section 29.912, Education Code, as added by this
4-18 Act, applies beginning with the 2023-2024 school year.

4-19 SECTION 4. (a) Except as provided by Subsection (b) of this
4-20 section, this Act takes effect immediately if it receives a vote of
4-21 two-thirds of all the members elected to each house, as provided by
4-22 Section 39, Article III, Texas Constitution. If this Act does not
4-23 receive the vote necessary for immediate effect, this Act takes
4-24 effect September 1, 2023.

4-25 (b) Section 48.118, Education Code, as added by this Act,
4-26 takes effect September 1, 2023.

4-27 * * * * *