

BILL ANALYSIS

C.S.H.B. 123
By: Dutton
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to research from the Annie E. Casey Foundation, students who are not reading proficiently in third grade are four times more likely to not graduate from high school on time compared to students who are proficient readers in that grade. Additionally, Texas 2036 reported that the 2024 results from the National Assessment of Educational Progress (NAEP) for Texas indicate that 43 percent of fourth grade students and 39 percent of eighth grade students failed to reach NAEP's basic reading skills threshold, and 44 percent of eighth grade students failed to reach that basic skills threshold in mathematics.

The bill author has informed the committee that previous legislation passed in Texas has not sufficiently addressed students' early literacy and numeracy skills and that a critical issue in Texas education policy is the lack of consistent progress monitoring between kindergarten and third grade. C.S.H.B. 123 aims to address these challenges by implementing structured, research-based progress monitoring and targeted academic interventions. The bill includes provisions relating to teacher literacy achievement academies and mathematics achievement academies, the adoption and use of certain mathematics and reading instruments, and early literacy intervention, among others. The bill also establishes a grant program for supplementary supports for certain first through third grade students and provides for certain additional funding under the foundation school program.

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 SECTIONS 8, 9, 10, and 18 of this bill.

ANALYSIS

C.S.H.B. 123 amends the Education Code to set out provisions relating to measures to support kindergarten readiness and early literacy and numeracy skills for public school students and relating to funding to support those measures.

Teacher Literacy Achievement and Reading Intervention Academies

C.S.H.B. 123 repeals the expiration date for statutory provisions relating to teacher literacy achievement academies and removes the requirement for such an academy to include, for teachers who provide reading instruction to students at the seventh or eighth grade level, training in the administration and interpretation of a seventh grade reading test that is eliminated by the

bill and strategies for long-term intensive intervention to target student needs in word recognition, vocabulary, fluency, and comprehension.

C.S.H.B. 123 revises provisions relating to the literacy achievement academy stipend to which certain teachers are entitled as follows:

- conditions eligibility for the stipend on completion of such an academy, rather than attendance at one as under current law;
- specifies that the teacher receives the stipend from the applicable public school district;
- restricts entitlement to the stipend to a classroom teacher who provides instruction to students in kindergarten through third grade but authorizes a district to provide the stipend to a classroom teacher who provides instruction to students in a grade level above third grade;
- authorizes use of the early education allotment or any other available funds to provide the mandatory stipends but specifies that the voluntary stipends are provided from funds appropriated for that purpose, which is the funding source specified for the stipends under current law; and
- establishes that a district is not required to provide a stipend to a classroom teacher if the teacher meets the following criteria:
 - attends the literacy achievement academy as part of an educator preparation program in which the teacher is enrolled;
 - attends the academy on a day or during hours of service included in the term of the teacher's contract; or
 - is not directed or approved by the district at which the teacher is employed to attend the academy.

C.S.H.B. 123 requires the Texas Education Agency (TEA) to develop a method for evaluating a teacher literacy achievement academy to determine the effectiveness of the academy, including whether the academy improves teaching practices and student literacy proficiency. The bill requires a district or open-enrollment charter school to provide any information requested by TEA for purposes of evaluating these academies.

C.S.H.B. 123 requires the commissioner of education, in addition to literacy achievement academies, to develop and make available reading intervention academies for teachers or other professionals who provide reading interventions to students who require targeted instruction in foundational reading skills. The bill authorizes the commissioner to establish an advisory board to assist TEA in fulfilling its duties relating to teacher literacy achievement and reading intervention academies and exempts the advisory board from Government Code provisions relating to state agency advisory committees.

The bill's provisions relating to teacher literacy achievement and reading intervention academies apply beginning with the 2025-2026 school year.

Teacher Mathematics Achievement and Interventionist Academies

C.S.H.B. 123 repeals the expiration date for statutory provisions relating to teacher mathematics achievement academies. The bill specifies that the stipend for teachers regarding such academies applies to a classroom teacher who completes the academy, rather than a teacher who attends the academy as under current law, and that the stipend is provided by the applicable district. The bill establishes that a district is not required to provide such a stipend to a classroom teacher if the teacher meets the following criteria:

- attends the academy as part of an educator preparation program in which the teacher is enrolled;
- attends the academy on a day or during hours of service included in the term of the teacher's contract; or
- is not directed or approved by the district at which the teacher is employed to attend the academy.

The bill changes the specified source of funding for the stipend from funds appropriated for that purpose to funds provided under the early education allotment or other available funds.

C.S.H.B. 123 requires TEA to develop a method for evaluating a teacher mathematics achievement academy to determine the effectiveness of the academy, including whether the academy improves teaching practices and student math proficiency. The bill requires a district or charter school to provide any information requested by TEA for purposes of evaluating these academies.

C.S.H.B. 123 requires the commissioner, in addition to mathematics achievement academies, to develop and make available mathematics interventionist academies for teachers or other professionals who provide mathematics interventions to students who require targeted instruction in foundational mathematics skills. The bill authorizes the commissioner to establish an advisory board to assist TEA in fulfilling its duties relating to teacher mathematics achievement and interventionist academies and exempts the advisory board from Government Code provisions relating to state agency advisory committees.

The bill's provisions relating to teacher mathematics achievement and interventionist academies apply beginning with the 2025-2026 school year.

Research on Mathematics Skills Acquisition and Program Effectiveness

C.S.H.B. 123 repeals provisions requiring the commissioner to award to one or more institutions a grant to be used for specified purposes relating to mathematics instructional strategies that improve student performance, including research on mathematics skills acquisition and the effect and effectiveness of teacher mathematics achievement academies.

Adoption and Use of Mathematics and Reading Instruments

C.S.H.B. 123 eliminates certain existing requirements relating to instruments used to diagnose student reading and mathematics skills but provides for the measurement of those skills in new provisions relating to early literacy and numeracy instruments, as subsequently described in the analysis. The bill also revises certain provisions relating to reading readiness for kindergarten students.

C.S.H.B. 123, applicable beginning with the 2025-2026 school year, revises the requirement for the commissioner to develop recommendations for districts for administering certain reading instruments by changing the specified purpose of the reading instruments from the diagnosis of student reading development and comprehension to the measurement of student foundational literacy skills in reading development and comprehension.

Kindergarten Reading Readiness

C.S.H.B. 123 removes the requirement for the commissioner to adopt a multidimensional assessment tool for use in diagnosing the reading development and comprehension of kindergarten students that includes a reading instrument and tests at least three developmental skills, including literacy. The bill requires the commissioner instead to adopt a reading instrument that a district must use at the beginning of the school year to measure a kindergarten student's foundational literacy skills in reading development and comprehension and authorizes such an instrument to include other developmental skills as part of a multidimensional assessment tool. The bill changes from one to not more than two the number of alternative reading instruments for kindergarten students that the commissioner may approve.

C.S.H.B. 123 sets a deadline of not later than the 60th day after the beginning of the school year for each district's required administration to kindergarten students of a reading instrument adopted or approved by the commissioner and specifies that such administration must occur in

accordance with policies developed by commissioner rule. The bill makes the requirement for the commissioner by rule to determine the performance on the commissioner-adopted reading instrument that indicates kindergarten readiness also applicable to an approved alternative reading instrument. The bill requires that each reading instrument adopted or approved by the commissioner under the provisions regarding kindergarten reading readiness provide for the ability to compare the performance that indicates kindergarten readiness on that instrument with the performance that indicates kindergarten readiness on other instruments adopted or approved under those provisions.

C.S.H.B. 123 applies requirements under current law that relate to diagnostic reading instruments generally to a kindergarten reading readiness instrument specifically but makes the following changes:

- updates the provisions requiring that an instrument be based on certain scientific research and provide for diagnosis of students participating in a bilingual education or special language program to reflect the instruments' new purpose of measuring foundational literacy skills in reading development and comprehension and to clarify that an instrument must measure such skills for all applicable students, including those in such a program;
- in provisions establishing requirements for superintendent reporting of instrument results:
 - changes the deadline for the required report of a student's results to their parent or guardian from not later than the 60th calendar day after the date on which the results are available to not later than the 30th calendar day after that date; and
 - specifies that such a report may be made electronically; and
- replaces the requirement for TEA to ensure at least one reading instrument for each applicable grade level is available to districts at no cost with a requirement for TEA to ensure that all the adopted or approved kindergarten reading instruments are available to districts at no cost.

C.S.H.B. 123 establishes that nothing in its provisions relating to reading readiness for kindergarten students may be construed to circumvent or supplant federal or state law regarding a student who participates in, or who is suspected to have a disability and who may be eligible to participate in, a special education program.

The bill's provisions relating to kindergarten reading readiness apply beginning with the 2025-2026 school year.

Early Literacy and Numeracy Instruments

C.S.H.B. 123 repeals provisions providing for the development and availability of tests that a district may use to diagnose student mathematics skills and removes the following provisions relating to reading diagnosis:

- the requirement for the commissioner to adopt a list of reading instruments that a district may use to diagnose student reading development and comprehension; and
- the authorization for a district-level committee to adopt a list of reading instruments for use in the district in a grade level other than kindergarten in addition to the reading instruments on the commissioner's list.

C.S.H.B. 123 requires instead that the commissioner adopt a list of reading and mathematics instruments approved or developed by the commissioner for district use in kindergarten through grade three to measure students' foundational literacy skills in reading development and comprehension and foundational numeracy skills in mathematics. The bill requires such a reading or mathematics instrument to satisfy the following criteria:

- be based on scientific research concerning, as applicable, foundational literacy skills in reading development and comprehension or foundational numeracy skills in mathematics;
- be capable of being administered at the beginning, middle, and end of the school year;

- be designed to assess student performance in, as applicable, the foundational literacy skills components or the foundational numeracy skills components of the state curriculum standards for language arts or mathematics;
- be capable of monitoring student progress in a manner that allows district staff to identify specific foundational literacy or numeracy skills in need of targeted instruction;
- assess whether a student's skills identified as in need of targeted instruction indicate that the student is at risk, as determined by the commissioner, of not achieving satisfactory performance on the third grade reading or mathematics statewide standardized test;
- for a reading instrument for students in kindergarten and first grade, include the applicable elements and criteria to serve as the required screenings for dyslexia and related disorders; and
- for a reading instrument, allow a district to generate a report regarding a student's reading progress that is clear and easy to understand and that may be distributed to the student's parent in English, Spanish, or, to the extent practicable, any other language spoken by the parent.

The bill requires the commissioner to update the list of instruments not less than once every four years, to ensure the list includes multiple reading and mathematics instruments and instruments not developed by the commissioner, to develop a process by which a district may submit an instrument to the commissioner for approval, and to make publicly available the criteria for the evaluation and approval of a submitted instrument.

C.S.H.B. 123 requires the instruments adopted or approved by the commissioner under the bill's early literacy and numeracy instrument provisions to be administered according to the following schedule:

- for kindergarten, at the middle and end of the school year;
- for first and second grade, at the beginning, middle, and end of the school year; and
- for third grade, at the beginning and middle of the school year.

The bill requires the commissioner to align and determine comparability of those instruments with the following instruments:

- an instrument adopted or approved under the provisions relating to kindergarten reading readiness that is administered to a kindergarten student at the beginning of the school year; and
- a third grade statewide standardized test that is administered at the end of the school year for a third grade student.

The bill authorizes the commissioner, if the commissioner determines that an interim test for a subject or course subject to statewide standardized test requirements provides the same intended outcomes as a reading or mathematics instrument adopted or approved by the commissioner under the bill's early literacy and numeracy instrument provisions, to substitute that interim test for a commissioner-adopted or commissioner-approved instrument.

C.S.H.B. 123 repeals the requirement for each district to administer, at the first and second grade levels, a reading instrument on the list adopted by the commissioner or by the district-level committee under current law. The bill requires a district instead to administer to students in kindergarten through third grade a reading instrument and a mathematics instrument adopted under the bill's early literacy and numeracy instrument provisions in accordance with requirements and recommendations established by the commissioner, including requirements or recommendations related to administering the instruments, training staff on the instruments, and applying the results of the instruments to the district's instructional program. In a provision set to expire September 1, 2029, the bill authorizes a district to comply with this requirement by administering a reading or mathematics instrument selected by the district board of trustees that meets the requirements set out in the bill until the commissioner adopts the list of reading and mathematics instruments.

C.S.H.B. 123 requires the superintendent of each district to report to the commissioner and the district board of trustees the results of a reading or mathematics instrument administered to students under the bill's early literacy and numeracy instrument provisions and, not later than

the 30th calendar day after the date on which those results are available, to report the following information to a student's parent or guardian, in writing or electronically:

- the student's results on the instrument;
- for a reading instrument, a report regarding the student's reading progress; and
- if the student is determined to be at risk for dyslexia or a related disorder based on the results of the reading instrument, information regarding that determination.

C.S.H.B. 123 requires TEA to establish a list of reading and mathematics instruments adopted under the bill's early literacy and numeracy instrument provisions for which TEA has negotiated a price. The bill establishes that a district is not required to use a method provided by statutory provisions relating to district purchasing contracts to purchase an instrument on that list.

C.S.H.B. 123 authorizes a student's parent or guardian to submit a written request to the administrator of the campus at which the student is enrolled to opt the student out of the administration of a reading or mathematics instrument required under the bill's early literacy and numeracy instrument provisions, but the bill prohibits a district from encouraging or directing a parent or guardian to submit such a request.

C.S.H.B. 123 requires the commissioner to adopt rules as necessary to implement the bill's provisions relating to early literacy and numeracy instruments and establishes that statutory requirements relating to a rule that imposes a cost on regulated persons do not apply to those rules.

C.S.H.B. 123 subjects a charter school to the bill's provisions relating to early literacy and numeracy instruments.

The bill's provisions relating to early literacy and numeracy instruments and the related repeals and removals of existing reading diagnosis provisions apply beginning with the 2025-2026 school year.

Early Literacy Intervention for Certain Students

C.S.H.B. 123 repeals provisions regarding accelerated reading instruction for students in kindergarten or first or second grade who are determined, on the basis of the results of a diagnostic reading instrument administered under current law, to be at risk for dyslexia or other reading difficulties. However, the bill sets out provisions relating to reading interventions for a student whose results on two consecutive reading instruments administered under the bill's early literacy and numeracy instrument provisions indicate that the student is at risk, as determined by the commissioner, of not achieving satisfactory performance in foundational literacy. The bill requires a district, as soon as practicable following the receipt of such a student's results, to provide reading interventions to the student and requires that the interventions satisfy the following criteria:

- include targeted instruction in the foundational literacy skills identified as areas in need of targeted instruction by the administered reading instrument;
- ensure that the student receives the interventions during a period and at a frequency sufficient to address the areas in need of targeted instruction;
- include effective instructional materials designed for reading intervention;
- be provided under the district's oversight and by a person with training in reading interventions and in the applicable instructional materials;
- to the extent possible, be provided by one person for the entirety of the student's reading intervention period; and
- meet any additional requirements adopted by the commissioner.

The bill authorizes the reading interventions to use automated, computerized, or other augmented methods to deliver or supplement the interventions and instructional materials provided to the student. The bill requires a district to continue providing reading intervention to an applicable student until the earlier of the date on which the student begins the fourth grade or

is no longer determined to be at risk, as determined by the commissioner, of not achieving satisfactory performance in foundational literacy on an administered reading instrument.

C.S.H.B. 123 prohibits a district, in providing reading interventions under the bill's provisions, from removing a student, except under circumstances for which a student enrolled in the same grade level who is not receiving reading interventions would be removed, from the following:

- instruction in the foundation curriculum and enrichment curriculum for the grade level in which the student is enrolled; or
- recess or other physical activity that is available to other students enrolled in the same grade level.

C.S.H.B. 123 requires TEA to approve one or more products that use an automated, computerized, or other augmented method for providing reading interventions and authorizes TEA to approve such a product only if evidence indicates that the product is effective at promoting mastery of foundational literacy skills. The bill requires TEA, subject to appropriation, to ensure that at least one approved product is available to districts at no or reduced cost.

C.S.H.B. 123 authorizes a student's parent or guardian to submit a written request to the administrator of the campus at which the student is enrolled to opt the student out of all or part of a reading intervention requirement under the bill's provisions, but the bill prohibits a district from encouraging or directing a parent or guardian to submit a request that would allow the district to not provide reading interventions to the student. The bill specifies that a district must provide to the parent or guardian of a student receiving reading interventions the notice that the district is required to provide regarding assistance for learning difficulties under current law.

C.S.H.B. 123 establishes that nothing in the bill's provisions relating to early literacy interventions may be construed as follows:

- to prevent or discourage reading interventions for a student whose results on an administered reading instrument indicate that the student is at risk, as determined by the commissioner, of not achieving satisfactory performance in foundational literacy; or
- to circumvent or supplant federal or state law regarding a student who participates in, or who is suspected to have a disability and who may be eligible to participate in, a special education program.

C.S.H.B. 123 requires the commissioner to adopt rules as necessary to implement the bill's provisions relating to early literacy interventions, including rules that define appropriate standards for implementing reading interventions that meet applicable requirements, and establishes that statutory requirements relating to a rule that imposes a cost on regulated persons do not apply to those rules.

C.S.H.B. 123, in a provision that expires September 1, 2029, establishes that a district is not required to comply with the bill's requirements relating to early literacy interventions until the commissioner adopts a list of reading and mathematics instruments, as required by the bill, and designates the first school year that districts must comply with the requirements.

C.S.H.B. 123 requires a student enrolled in a district to attend a reading intervention program to which the student is assigned under these bill provisions.

C.S.H.B. 123 subjects a charter school to the bill's provisions relating to early literacy interventions.

The bill's provisions relating to early literacy interventions and the repeal of the existing accelerated instruction provisions apply beginning with the 2025-2026 school year.

Repeal of Test Requirement for Certain Seventh Grade Students

C.S.H.B. 123, applicable beginning with the 2025-2026 school year, repeals the following requirements:

- the requirement for each district to administer a reading test at the beginning of the seventh grade for each student whose performance on the statewide standardized test in reading administered to the student in grade six did not demonstrate reading proficiency; and
- the requirement for a district to provide a seventh grade student who is required to take such a test with additional reading instruction and intervention as appropriate to improve the student's reading skills in the relevant areas identified through the test.

Repeal of Certain Reading Diagnosis Funding Provisions

C.S.H.B. 123, applicable beginning with the 2025-2026 school year, repeals provisions that do the following:

- require the commissioner to annually certify whether sufficient funds have been appropriated statewide for the purposes of the reading diagnosis provisions in current law;
- cap the amount of certified funds that may be spent on indirect costs;
- require the evaluation of programs that fail to meet a certain performance standard; and
- provide for audits of expenditures of funds appropriated for reading diagnosis purposes.

Adaptive Vocabulary Assessment Pilot Program

C.S.H.B. 123 requires TEA to develop and implement an adaptive vocabulary assessment pilot program to assess vocabulary development in students in kindergarten through third grade and authorizes TEA to develop an assessment under the pilot program to assess students in other grades. The bill establishes that nothing in these bill provisions relating to the pilot program may be construed to circumvent or supplant federal or state law regarding a student who participates in, or a student who is suspected to have a disability and who may be eligible to participate in, a special education program.

C.S.H.B. 123 authorizes the commissioner to adopt rules as necessary to implement the bill's provisions relating to the pilot program, and those bill provisions apply beginning with the 2025-2026 school year.

Mathematics Training for Kindergarten Through Eighth Grade

C.S.H.B. 123 requires each district and charter school to ensure the following relating to mathematics training:

- not later than the 2031-2032 school year, each classroom teacher that provides instruction in mathematics to students in kindergarten through eighth grade and each principal, assistant principal, mathematics instructional coach, and mathematics interventionist at a campus with one of those grade levels has attended a teacher mathematics achievement academy; and
- each classroom teacher and principal initially employed in such a grade level or at such a campus for the 2031-2032 school year or a subsequent school year has attended a teacher mathematics achievement academy by the end of the teacher's or principal's first year of placement in that grade level or campus.

The bill requires TEA to provide assistance to districts and charter schools in complying with these requirements, to monitor the implementation of these requirements, and to periodically report to the legislature on such implementation and on the effectiveness of these requirements in improving educational outcomes. The bill authorizes the commissioner to adopt rules to implement these bill provisions relating to mathematics training.

First Through Third Grade Supplementary Supports

C.S.H.B. 123 requires the commissioner to establish and administer a program designed to help improve student proficiency in reading by providing a grant, in the amount described under the bill's foundation school program provisions relating to this program, through which the student's parent may purchase tutoring services from TEA-approved providers to the following:

- a student at or below the third grade level who, beginning in the first grade, fails to perform satisfactorily on two or more tests administered to the student; and
- a student at or below the third grade level who fails to perform satisfactorily on two or more tests administered to the student after receiving the full extent of services available to the student under a program grant, regardless of whether the student received the services and failed to perform satisfactorily on the tests during the same school year.

The bill prohibits a student from receiving more than one grant under each category of eligibility, unless additional grants are provided for by appropriation. The bill requires a student's parent, not later than the 30th day after the date the student receives a grant, to select the TEA-approved provider from which the parent will purchase tutoring services or provide to the district or charter school in which the student is enrolled written notice of the parent's decision to opt the student out of the supplementary supports program. If the parent does not select a provider or provide such notice during that period, the district or charter school in which the student is enrolled may select the provider.

C.S.H.B. 123 requires TEA to do the following:

- maintain a system of online accounts under which each eligible student is assigned an account for the student's parent to access the grant; and
- implement the program in a manner that ensures ease of use for parents of eligible students and fidelity of spending.

The bill authorizes TEA to reserve from the total amount of money available for purposes of the program an amount, capped at five percent of the total amount, to cover TEA's cost of administering the program.

C.S.H.B. 123 establishes that a district or charter school in which a third grade student who receives a grant is enrolled remains subject to the requirements to provide accelerated instruction under current law. The bill requires a district or charter school to provide to the parent of an eligible student notice of the student's eligibility for a grant, in a form and manner established by TEA. The bill establishes that a decision by the commissioner regarding the supplementary supports program is final and may not be appealed and requires the commissioner to adopt rules as necessary to implement the program.

These bill provisions relating to first through third grade supplementary supports apply beginning with the 2025-2026 school year.

Parental Notification Regarding the Talking Book Program

C.S.H.B. 123 requires a district to notify the parent of a student identified with dyslexia or a related disorder of the Talking Book Program administered by the Texas State Library and Archives Commission (TSLAC) and other available audio book services. The bill repeals requirements for parental notification regarding the TSLAC program and regarding risk of dyslexia or other learning difficulties that exist under the reading diagnosis provisions in current law.

Early Education Reports

C.S.H.B. 123 replaces requirements for the annual district and campus-level early education reports produced by TEA to include certain information about diagnostic reading instruments administered to students at the kindergarten, first, and second grade levels under current law with requirements for those reports to include such information about kindergarten reading

readiness instruments under the bill's provisions. The bill accordingly replaces a reference to reading proficiency as a performance threshold in one of those requirements with a reference to kindergarten readiness. These changes apply beginning with the 2025-2026 school year.

Prekindergarten Teacher Qualifications

C.S.H.B. 123 revises the required qualifications of a teacher for a prekindergarten class provided by an entity with which a district contracts to provide a high quality prekindergarten program, as follows:

- provides the option for the teacher to be certified by the State Board for Educator Certification to teach prekindergarten as an alternative to being supervised by a person who meets the general requirements for being a teacher for a high quality prekindergarten program; and
- requires, when appropriate, that the teacher be appropriately certified or be supervised by a person who is appropriately certified to provide effective instruction to emergent bilingual students enrolled in the prekindergarten program.

In a provision that expires September 1, 2029, the bill makes the qualifications prescribed for teachers in such a contracted prekindergarten classroom and a related provision authorizing supervision of multiple prekindergarten classrooms applicable to any prekindergarten class provided by an entity with which a district contracts to provide a tuition-free prekindergarten program. The bill's provisions relating to prekindergarten teacher qualifications apply beginning with the 2025-2026 school year.

Communication Regarding High Quality Instructional Materials

C.S.H.B. 123 authorizes the commissioner to enter into contracts or agreements and engage in efforts to communicate information to parents, classroom teachers, districts, and charter schools regarding the educational value, particularly the impact on reading and math achievement, of open education resource instructional materials made available under applicable state law, including activities to promote, market, and advertise the content included in and how to use those materials. The bill authorizes the commissioner to use appropriated funds or funds appropriated for the development of open education resource instructional materials to pay for such activities.

Dyslexia Screening

C.S.H.B. 123 removes provisions requiring students enrolling in public schools in Texas to be screened or tested, as appropriate, for dyslexia and related disorders at appropriate times, including at the end of the school year for each kindergarten and first grade student, in accordance with a program approved by the State Board of Education (SBOE). The bill requires the SBOE instead to identify the necessary criteria and elements that provide for universal screening for dyslexia and related disorders for students in kindergarten and first grade. The bill requires those criteria and elements to be included in the reading instruments adopted or approved under the bill's early literacy and numeracy instrument provisions and administered in accordance with the timelines established under those bill provisions.

Foundation School Program Funding

Incentive for Additional Instructional Days for Reading Interventions

C.S.H.B. 123 requires the commissioner to adjust the average daily attendance (ADA) of a district or charter school that meets the following criteria:

- does not qualify for funding under the existing incentive for additional instructional days;
- provides the required minimum number of minutes of operational and instructional time; and

- offers up to an additional 30 days of half-day instruction consisting of reading interventions for students required to be provided such interventions under the bill.

The bill requires the commissioner to increase the ADA of a district or charter school that meets these criteria by 50 percent of the amount that results from the quotient of the sum of attendance by students required to be provided reading interventions for each of the additional instructional days of half-day instruction that are provided divided by 175.

C.S.H.B. 123 requires TEA to assist districts and charter schools in qualifying for the incentive and to adopt rules necessary for the implementation of the incentive.

Early Education Allotment

C.S.H.B. 123 expands the early education allotment to entitle a district to an amount equal to the basic allotment multiplied by 0.01 for each student in ADA in kindergarten through third grade. This amount is in addition to the early education allotment funding to which a district is entitled under current law for each student in ADA in kindergarten through third grade who is educationally disadvantaged or is an emergent bilingual student in a bilingual education or special language program. The bill expands the authorized uses of the allotment to include funding for prekindergarten programs and the attendance of district-employed teachers at teacher literacy achievement academies or teacher mathematics achievement academies.

Early Literacy Intervention Allotment

C.S.H.B. 123 entitles a district, for each enrolled student receiving reading interventions under the applicable bill provisions, to an annual allotment of \$250, or a greater amount provided by appropriation. The bill prohibits a district from receiving funding under this allotment for a student for which the district receives an allotment on the basis of the student having dyslexia or a related disorder. The bill authorizes a district to receive funding under the early literacy intervention allotment for not more than 15 percent of the students enrolled in the district in kindergarten through third grade.

Funding Adjustment for First Through Third Grade Supplementary Supports Grant

C.S.H.B. 123 entitles a student to whom TEA provides a first through third grade supplementary supports grant under the bill's provisions to receive an amount of \$400, or a greater amount provided by appropriation. The bill limits to one the number of grants a student may receive under each category of eligibility established by the bill, unless additional grants are provided for by appropriation. Beginning with the 2030-2031 school year, the bill requires TEA to reduce the district's entitlement under the foundation school program each school year by a specified amount for each student who:

- fails to perform satisfactorily on a statewide standardized reading test in the third grade;
- received and used a supplementary supports grant during the preceding school year; and
- was enrolled in the district from kindergarten through third grade.

The bill sets the amount calculated for a student for purposes of that reduction as the difference between the total amount of the supplementary supports grants received by the student and the amount of money, if any, remaining in the account assigned to the student for purposes of those grants at the end of third grade. For each applicable student who is also eligible to participate in a district's special education program, the reduction amount is \$200 for each supplementary supports grant received by the student. The bill requires any money remaining in an account assigned to a student for the purposes of the supplementary supports grants at the end of the third grade to be returned for deposit in the foundation school fund. The bill establishes that a determination by the commissioner under these bill provisions is final and may not be appealed.

Effective Date of Funding Provisions

The provisions of C.S.H.B. 123 relating to funding under the foundation school program take effect September 1, 2025.

Repealed Provisions

C.S.H.B. 123 repeals the following provisions of the Education Code:

- Section 7.058;
- Section 21.4552(f);
- Section 21.4553(f);
- Sections 28.006(c), (c-1), (g), (g-1), (g-2), (i), (j), and (k); and
- Section 28.007.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 123 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.

Teacher Academies; Stipends

Both versions of the bill revise provisions relating to the literacy achievement academy stipend and the mathematics achievement academy stipend, but they differ as follows:

- the substitute specifies that a classroom teacher must complete the applicable achievement academy to be eligible for the stipend, whereas the introduced did not; and
- whereas the introduced specified that the mandatory literacy achievement academy stipends and the mathematics achievement academy stipends are provided from funds provided under the early education allotment or funds appropriated for the purpose, the substitute specifies that those stipends are provided from such allotment funds or any other available funds.

Further, the introduced included a provision absent from the substitute expressly requiring a district or charter school, from funds provided under the early education allotment or appropriated for that purpose, to pay for the costs for a classroom teacher employed by the district or school to attend a mathematics achievement academy.

Whereas the introduced set out conditions under which a classroom teacher is ineligible for a stipend and included current enrollment in an educator preparation program among those conditions, the substitute sets out conditions under which a district is not required to provide the stipend and includes among those conditions a classroom teacher's attendance of an applicable achievement academy as part of an educator preparation program in which the teacher is enrolled.

Both versions of the bill require the commissioner to develop and make available reading intervention academies and mathematics interventionist academies, but the versions differ as follows:

- whereas the introduced specified that the reading intervention academies are for teachers who provide reading interventions to students who require accelerated instruction in foundational reading skills, the substitute specifies that they are for teachers or other

professionals who provide reading interventions to students who require targeted instruction in such skills; and

- whereas the introduced specified that the mathematics interventionist academies are for teachers who provide additional support to students who require accelerated instruction in mathematics, the substitute specifies that they are for teachers or other professionals who provide mathematics interventions to students who require targeted instruction in foundational mathematics skills.

Additional Days School Year Planning Grant Program

The substitute omits provisions that were present in the introduced requiring TEA to establish and administer a grant program to provide funding and technical assistance to districts and charter schools to plan the school year and adjust operations as necessary to qualify for the incentive funding for additional instructional days.

Adoption and Use of Mathematics and Reading Instruments

Commissioner Recommendations

While both versions of the bill revise the requirement for the commissioner to develop recommendations for districts for administering certain reading instruments and the stated purpose of those instruments, the two versions differ as follows:

- the introduced specified that such instruments include those developed under the bill's provisions relating to new early literacy and numeracy instruments, whereas the substitute does not; and
- the introduced specified that the purpose of the reading instruments is to diagnose student foundational literacy skills in reading development and comprehension, whereas the substitute specifies that the purpose of those instruments is the measurement of such foundational literacy skills.

Kindergarten Reading Instruments

Both versions of the bill revise provisions relating to the commissioner's adoption or approval of reading readiness instruments for kindergarten students, but the versions differ as follows:

- the introduced specified that the purpose of those instruments is to diagnose certain foundational literacy skills, whereas the substitute specifies that the purpose of those instruments is to measure such skills;
- the substitute specifies that the commissioner-adopted reading instrument is for use at the beginning of the school year, whereas the introduced did not;
- the substitute changes from one to not more than two the number of alternative reading instruments that the commissioner may approve;
- the substitute includes a provision absent from the introduced requiring that each reading instrument adopted or approved by the commissioner provide for the ability to compare performance that indicates kindergarten readiness on that instrument with such performance on other adopted or approved instruments; and
- the substitute replaces the requirement for TEA to ensure at least one reading instrument adopted or approved by the commissioner for each applicable grade level is available to districts at no cost with a requirement for TEA to ensure that all the adopted or approved kindergarten reading readiness instruments are available to districts at no cost, whereas the introduced did not.

Whereas the introduced authorized a student's admission, review, and dismissal (ARD) committee to modify any requirement for student participation in a diagnostic reading instrument under the introduced version's provisions relating to reading diagnosis for kindergarten students, the substitute establishes that nothing in its provisions regarding kindergarten reading readiness may be construed to circumvent or supplant federal or state law

regarding a student who participates in, or who is suspected to have a disability and who may be eligible to participate in, a special education program.

Early Literacy and Numeracy Instruments

While both versions of the bill set out provisions relating to a commissioner-adopted list of reading or mathematics instruments, the two versions differ as follows:

- the introduced specified that the purpose of those instruments is to diagnose certain foundational literacy skills, whereas the substitute specifies that the purpose of those instruments is to measure such skills;
- the introduced required a reading or mathematics instrument on the commissioner-adopted list to assess whether a student's performance in foundation literacy or numeracy skills indicates that the student is at risk of not achieving satisfactory performance on the applicable third grade statewide standardized test, whereas the substitute requires such an instrument to assess whether a student's skills identified as in need of targeted instruction indicate that the student is at risk of not achieving such performance;
- whereas the introduced required a reading instrument to include applicable elements required for a screening for dyslexia and related disorders, the substitute requires a reading instrument for students in kindergarten and first grade to include the applicable elements and criteria to serve as the required screenings for dyslexia and related disorders; and
- the substitute expressly requires the commissioner to ensure the list includes instruments not developed by the commissioner, whereas the introduced did not.

The substitute includes a provision absent from the introduced requiring instruments adopted or approved by the commissioner to be administered at specified points of the school year.

The substitute does not include provisions present in the introduced authorizing the commissioner to allow a district to substitute the following tests for an instrument on the commissioner-adopted list administered at the applicable grade level:

- a kindergarten reading readiness instrument administered to a kindergarten student at the beginning of the school year; or
- a third grade statewide standardized test administered at the end of the school year for a third grade student.

The substitute includes instead provisions that require the commissioner to align and determine comparability of those tests with the instruments administered under the bill's early literacy and numeracy instruments. Both versions provide the option to substitute an interim test for an instrument adopted or approved under those bill provisions if allowed by the commissioner, but the substitute conditions such substitution on the commissioner determining that the interim test provides the same intended outcomes as the instrument it is substituting, whereas the introduced did not include this condition.

Both versions of the bill provide for the administration of reading and mathematics instruments in accordance with requirements established by the commissioner. However, the substitute includes a provision absent from the introduced specifying that such an instrument must also be administered in accordance with commissioner recommendations and sets out specified topics to be addressed by those requirements or recommendations.

Parental Notification Regarding Dyslexia or Related Disorder

Both versions of the bill provide for parental notification regarding the Talking Book Program. However the substitute requires such notification for the parent or guardian of a student identified with dyslexia or a related disorder, while the introduced required such notification for the parent or guardian of each student in kindergarten through third grade who is determined to have dyslexia or a related disorder and specified that the district must provide notice of the

determination and ensure compliance with applicable requirements under the state's special education program with respect to such a student.

Early Literacy Intervention

The substitute removes the specification in the introduced that reading interventions required under the bill must be provided to the student during the 12 months subsequent to the receipt of the student's reading instrument results.

The substitute includes a provision not present in the introduced authorizing the reading inventions to use automated, computerized, or other augmented methods to deliver or supplement the interventions and instructional materials provided to the student.

Both versions of the bill provide the option for a parent or guardian to opt a student out of a reading intervention requirement under the bill's provisions, but the substitute also provides for a parent or guardian to opt a student out of part of a reading intervention requirement under the bill's provisions.

Whereas the introduced included a provision absent from the substitute expressly authorizing a student's ARD committee to modify any requirement for student participation in reading interventions under the bill's provisions, the substitute establishes that nothing in its provisions regarding such interventions may be construed to circumvent or supplant federal or state law regarding a student who participates in, or who is suspected to have a disability and who may be eligible to participate in, a special education program.

Adaptive Vocabulary Assessment

Both versions of the bill provide for adaptive vocabulary assessments, but the introduced required TEA to develop and implement such an assessment, while the substitute requires TEA to develop and implement an adaptive vocabulary assessment pilot program.

Whereas the introduced authorized a student's ARD committee to modify any requirement for student participation in an adaptive vocabulary assessment, the substitute establishes that its provisions relating to the pilot program may not be construed to circumvent or supplant applicable federal or state law regarding a student who participates in, or who is suspected to have a disability and who may be eligible to participate in, a special education program.

Mathematics Training for Kindergarten Through Eighth Grade

The substitute changes the deadline for each district and charter school to fulfill the bill's requirements relating to mathematics training for kindergarten through eighth grade from not later than the 2030-2031 school year, as in the introduced, to not later than the 2031-2032 school year.

First Through Third Grade Supplementary Supports

Both versions of the bill provide for the establishment of a program under which grants are awarded for use by parents of certain students to purchase tutoring services to help improve proficiency in reading. However the two versions differ as follows:

- the introduced version's program applied to third grade students who are required to be provided accelerated instruction after failing to perform satisfactorily on a statewide standardized test, whereas the substitute version's program applies to students at or below the third grade level who, beginning in the first grade, fail to perform satisfactorily on two or more tests and students who meet that initial criteria and fail to perform satisfactorily on two or more tests after receiving the full extent of services available under a program grant;

- the introduced required TEA to provide the grant, while the substitute provides for the commissioner to do so through the program;
- the substitute includes a deadline for a student's parent to select a TEA-approved provider or provide notice of their decision to opt the student out of the supplementary supports and an authorization for a district or charter school to select the provider if the parent does not meet that deadline, whereas the introduced did not; and
- whereas the introduced limited a student to one grant, the substitute limits a student to one grant under each category of grant eligibility, unless additional grants are provided for by appropriation.

Early Childhood Parental Support

The substitute omits provisions that were present in the introduced requiring TEA to establish a list of programs that provide early childhood parental support, setting out requisite criteria for the listed programs, and authorizing a district or charter school to offer a program on the list to families with a child eligible for prekindergarten who reside in the district's or school's attendance zone.

Resource Campus Designation

The substitute omits provisions present in the introduced that revised eligibility to apply for designation as a resource campus and revised the requirements that a campus must satisfy to be awarded such a designation.

Communication Regarding High Quality Instructional Materials

The substitute includes a provision not present in the introduced authorizing funds appropriated for the development of open education resource instructional materials to pay for the communication of information regarding those materials.

Dyslexia Screening

The substitute includes provisions absent from the introduced revising SBOE requirements relating to the screening for dyslexia and related disorders for kindergarten and first grade students.

Foundation School Program Funding

Incentive for Additional Instructional Days

The substitute omits provisions present in the introduced that did the following:

- revised the conditions under which a district or charter school qualifies for the incentive for additional instructional days by decreasing the minimum number of days of instruction over which a district must provide required operational and instructional time and expanding the range of grade levels in which the district or charter school must offer additional days of half-day instruction; and
- required the commissioner, for a district or charter school that provides at least 200 full days of instruction to students enrolled in prekindergarten through eighth grade, to increase the amount computed for the incentive by 50 percent.

Incentive for Additional Instructional Days for Reading Interventions

While both versions of the bill include a district or charter school providing the minimum number of minutes of operational and instructional time among the conditions that a district or school must meet to trigger an ADA adjustment under the incentive for additional instructional

days for reading interventions, the introduced specified that those minutes must be provided over at least 180 instructional days, whereas the substitute does not.

Early Education Allotment

Under current law, a district is entitled to an annual early education allotment equal to the basic allotment multiplied by 0.1 for each student in ADA in kindergarten through third grade who is educationally disadvantaged or an emergent bilingual student in a bilingual education or special language program. The introduced increased that allotment's funding weight from 0.1 to 0.11, whereas the substitute creates a new entitlement to funding equal to the basic allotment multiplied by 0.01 for each student in ADA in kindergarten through third grade that is in addition to the existing allotment funding at the 0.1 funding weight for applicable educationally disadvantaged or emergent bilingual students.

Early Literacy Intervention Allotment

While both versions of the bill authorize a district to receive funding under an early literacy intervention allotment, the introduced provided for such funding for not more than 10 percent of students enrolled in the district in kindergarten through third grade, but the substitute provides for such funding for not more than 15 percent of those students.

Additional State Aid for Districts Receiving Adjustments in the Amount Required to Reduce Local Revenue

The substitute omits provisions that were present in the introduced providing for a district's entitlement to additional state aid for a school year in which the district receives an adjustment of the amount of required reduction in the district's tier one revenue in excess of entitlement that results in the district no longer being subject to such a required reduction.

Early Childhood Parental Support Funding

The substitute omits provisions present in the introduced that did the following:

- authorized a district or charter school that implements an early childhood parental support program on the list established by TEA to elect to receive a funding adjustment and established the calculation for that adjustment; and
- provided for the reduction of a district's or charter school's entitlement under the foundation school program for each child for whom a district or charter school receives that parental support funding for a school year.

Funding Adjustment for First Through Third Grade Supplementary Supports Grant

The introduced set the amount of a supplementary supports grant under the program established by the bill at \$750, whereas the substitute sets the grant amount at \$400. Both versions allow for a greater amount provided by appropriation.

Both versions of the bill provide for an annual reduction of a district's foundation school program entitlement, beginning with the 2030-2031 school year, for certain students who received and used a supplementary supports grant during the preceding school year, but the versions differ as follows:

- the substitute includes among the conditions that must be met for a district to be subject to such a reduction for a student that the student fails to perform satisfactorily on a reading test administered in the third grade, whereas the introduced did not;
- whereas the introduced set the reduction amount at \$750 for each applicable student, the substitute sets the reduction amount as the difference between the total amount of supplementary supports grants received by the student and the amount of money, if any,

remaining in the account assigned to the student for grant purposes at the end of third grade; and

- whereas the introduced set at \$325 the reduction amount for each applicable student who is also eligible to participate in a district's special education program, the substitute sets that amount at \$200 for each supplementary supports grant received by that student.

The substitute includes a requirement absent from the introduced for money remaining in a student's account at the end of third grade to be returned to the foundation school fund.