

AN ACT

1  
2 relating to public school accountability, curriculum, and  
3 promotion requirements.

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

5 SECTION 1. Section 7.009, Education Code, is amended to  
6 read as follows:

7 Sec. 7.009. BEST PRACTICES; CLEARINGHOUSE. (a) In  
8 coordination with the Legislative Budget Board, the agency shall  
9 establish an online clearinghouse of information relating to best  
10 practices of campuses, ~~[and]~~ school districts, and open-enrollment  
11 charter schools. The agency shall determine the appropriate topic  
12 categories for which a campus, district, or charter school may  
13 submit best ~~[regarding instruction, dropout prevention, public~~  
14 ~~school finance, resource allocation, and business]~~ practices. To  
15 the extent practicable, the agency shall ensure that information  
16 provided through the online clearinghouse is specific, actionable  
17 information relating to the best practices of high-performing and  
18 highly efficient campuses, ~~[and school]~~ districts, and  
19 open-enrollment charter schools and of academically acceptable  
20 campuses, districts, and open-enrollment charter schools that have  
21 demonstrated significant improvement in student achievement rather  
22 than general guidelines relating to campus, ~~[and school]~~ district,  
23 and open-enrollment charter school operation. The information must  
24 be accessible by campuses, school districts, open-enrollment

1 charter schools, and interested members of the public.

2 (b) The agency shall solicit and collect from the  
3 Legislative Budget Board, centers for education research  
4 established under Section 1.005, and [~~exemplary or recognized~~]  
5 school districts, campuses, and open-enrollment charter schools[~~7~~  
6 ~~as rated under Section 39.072,~~] examples of best practices as  
7 determined by the agency under Subsection (a) [~~relating to~~  
8 ~~instruction, dropout prevention, public school finance, resource~~  
9 ~~allocation, and business practices, including best practices~~  
10 ~~relating to curriculum, scope and sequence, compensation and~~  
11 ~~incentive systems, bilingual education and special language~~  
12 ~~programs, compensatory education programs, and the effective use of~~  
13 ~~instructional technology, including online courses~~].

14 (c) The agency shall contract for the services of one or  
15 more third-party contractors to develop, implement, and maintain a  
16 system of collecting and evaluating the best practices of campuses,  
17 [~~and~~] school districts, and open-enrollment charter schools as  
18 provided by this section. In addition to any other considerations  
19 required by law, the agency must consider an applicant's  
20 demonstrated competence and qualifications in analyzing campus,  
21 [~~and~~] school district, and open-enrollment charter school  
22 practices in awarding a contract under this subsection.

23 (d) The commissioner may purchase from available funds  
24 curriculum and other instructional tools identified under this  
25 section to provide for use by school districts and open-enrollment  
26 charter schools.

27 SECTION 2. Section 7.028(a), Education Code, is amended to

1 read as follows:

2 (a) Except as provided by Section 29.001(5), 29.010(a),  
3 39.056 [~~39.074~~], or 39.057 [~~39.075~~], the agency may monitor  
4 compliance with requirements applicable to a process or program  
5 provided by a school district, campus, program, or school granted  
6 charters under Chapter 12, including the process described by  
7 Subchapter F, Chapter 11, or a program described by Subchapter B, C,  
8 D, E, F, H, or I, Chapter 29, Subchapter A, Chapter 37, or Section  
9 38.003, and the use of funds provided for such a program under  
10 Subchapter C, Chapter 42, only as necessary to ensure:

- 11 (1) compliance with federal law and regulations;
- 12 (2) financial accountability, including compliance  
13 with grant requirements; and
- 14 (3) data integrity for purposes of:
  - 15 (A) the Public Education Information Management  
16 System (PEIMS); and
  - 17 (B) accountability under Chapter 39.

18 SECTION 3. Sections 7.056(e) and (f), Education Code, are  
19 amended to read as follows:

20 (e) Except as provided by Subsection (f), a school campus or  
21 district may not receive an exemption or waiver under this section  
22 from:

- 23 (1) a prohibition on conduct that constitutes a  
24 criminal offense;
- 25 (2) a requirement imposed by federal law or rule,  
26 including a requirement for special education or bilingual  
27 education programs; or

1           (3) a requirement, restriction, or prohibition  
2 relating to:

3                   (A) essential knowledge or skills under Section  
4 28.002 or high school [~~minimum~~] graduation requirements under  
5 Section 28.025;

6                   (B) public school accountability as provided by  
7 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

8                   (C) extracurricular activities under Section  
9 33.081 or participation in a University Interscholastic League  
10 area, regional, or state competition under Section 33.0812;

11                   (D) health and safety under Chapter 38;

12                   (E) purchasing under Subchapter B, Chapter 44;

13                   (F) elementary school class size limits, except  
14 as provided by Section 25.112;

15                   (G) removal of a disruptive student from the  
16 classroom under Subchapter A, Chapter 37;

17                   (H) at-risk programs under Subchapter C, Chapter  
18 29;

19                   (I) prekindergarten programs under Subchapter E,  
20 Chapter 29;

21                   (J) educator rights and benefits under  
22 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter  
23 A, Chapter 22;

24                   (K) special education programs under Subchapter  
25 A, Chapter 29;

26                   (L) bilingual education programs under  
27 Subchapter B, Chapter 29; or

1 (M) the requirements for the first day of  
2 instruction under Section 25.0811.

3 (f) A school district or campus that is required to develop  
4 and implement a student achievement improvement plan under Section  
5 39.102 [~~39.131~~] or 39.103 [~~39.132~~] may receive an exemption or  
6 waiver under this section from any law or rule other than:

7 (1) a prohibition on conduct that constitutes a  
8 criminal offense;

9 (2) a requirement imposed by federal law or rule;

10 (3) a requirement, restriction, or prohibition  
11 imposed by state law or rule relating to:

12 (A) public school accountability as provided by  
13 Subchapters B, C, D, E, and J [~~G~~], Chapter 39; or

14 (B) educator rights and benefits under  
15 Subchapters A, C, D, E, F, G, and I, Chapter 21, or under Subchapter  
16 A, Chapter 22; or

17 (4) textbook selection under Chapter 31.

18 SECTION 4. Sections 8.051(b) and (d), Education Code, are  
19 amended to read as follows:

20 (b) Each regional education service center shall annually  
21 develop and submit to the commissioner for approval a plan for  
22 improvement. Each plan must include the purposes and description  
23 of the services the center will provide to:

24 (1) campuses assigned an [~~identified as academically~~]  
25 unacceptable performance rating [~~based on the indicators adopted~~]  
26 under Section 39.054 [~~39.051~~];

27 (2) the lowest-performing campuses in the region; and

1 (3) other campuses.

2 (d) Each regional education service center shall maintain  
3 core services for purchase by school districts and campuses. The  
4 core services are:

5 (1) training and assistance in teaching each subject  
6 area assessed under Section 39.023;

7 (2) training and assistance in providing each program  
8 that qualifies for a funding allotment under Section 42.151,  
9 42.152, 42.153, or 42.156;

10 (3) assistance specifically designed for a school  
11 district or campus assigned an [rated academically] unacceptable  
12 performance rating under Section 39.054 [~~39.072(a) or a campus~~  
13 ~~whose performance is considered unacceptable based on the~~  
14 ~~indicators adopted under Section 39.051]~~];

15 (4) training and assistance to teachers,  
16 administrators, members of district boards of trustees, and members  
17 of site-based decision-making committees;

18 (5) assistance specifically designed for a school  
19 district that is considered out of compliance with state or federal  
20 special education requirements, based on the agency's most recent  
21 compliance review of the district's special education programs; and

22 (6) assistance in complying with state laws and rules.

23 SECTION 5. Section 11.001, Education Code, is amended to  
24 read as follows:

25 Sec. 11.001. ACCREDITATION. Each school district must be  
26 accredited by the agency as provided by Subchapter C [D], Chapter  
27 39.

1 SECTION 6. Section 11.003(d), Education Code, is amended to  
2 read as follows:

3 (d) The commissioner may require a district to enter into a  
4 cooperative shared services arrangement for administrative  
5 services if the commissioner determines:

6 (1) that the district has failed to satisfy a  
7 financial accountability standard as determined by commissioner  
8 rule under Subchapter D [±], Chapter 39; and

9 (2) that entering into a cooperative shared services  
10 arrangement would:

11 (A) enable the district to enhance its  
12 performance on the financial accountability standard identified  
13 under Subdivision (1); and

14 (B) promote the efficient operation of the  
15 district.

16 SECTION 7. Section 11.1511(b), Education Code, is amended  
17 to read as follows:

18 (b) The board shall:

19 (1) seek to establish working relationships with other  
20 public entities to make effective use of community resources and to  
21 serve the needs of public school students in the community;

22 (2) adopt a vision statement and comprehensive goals  
23 for the district and the superintendent and monitor progress toward  
24 those goals;

25 (3) establish performance goals for the district  
26 concerning:

27 (A) the academic and fiscal performance

1 indicators under Subchapters C, D, and J [~~±~~], Chapter 39[~~7~~  
2 ~~respectively~~]; and

3 (B) any performance indicators adopted by the  
4 district;

5 (4) ensure that the superintendent:

6 (A) is accountable for achieving performance  
7 results;

8 (B) recognizes performance accomplishments; and

9 (C) takes action as necessary to meet performance  
10 goals;

11 (5) adopt a policy to establish a district- and  
12 campus-level planning and decision-making process as required  
13 under Section 11.251;

14 (6) publish an annual educational performance report  
15 as required under Section 39.306 [~~39.053~~];

16 (7) adopt an annual budget for the district as  
17 required under Section 44.004;

18 (8) adopt a tax rate each fiscal year as required under  
19 Section 26.05, Tax Code;

20 (9) monitor district finances to ensure that the  
21 superintendent is properly maintaining the district's financial  
22 procedures and records;

23 (10) ensure that district fiscal accounts are audited  
24 annually as required under Section 44.008;

25 (11) publish an end-of-year financial report for  
26 distribution to the community;

27 (12) conduct elections as required by law;



1           (13) by rule, adopt a process through which district  
2 personnel, students or the parents or guardians of students, and  
3 members of the public may obtain a hearing from the district  
4 administrators and the board regarding a complaint;

5           (14) make decisions relating to terminating the  
6 employment of district employees employed under a contract to which  
7 Chapter 21 applies, including terminating or not renewing an  
8 employment contract to which that chapter applies; and

9           (15) carry out other powers and duties as provided by  
10 this code or other law.

11           SECTION 8. Section 11.201(d), Education Code, is amended to  
12 read as follows:

13           (d) The duties of the superintendent include:

14           (1) assuming administrative responsibility and  
15 leadership for the planning, organization, operation, supervision,  
16 and evaluation of the education programs, services, and facilities  
17 of the district and for the annual performance appraisal of the  
18 district's staff;

19           (2) except as provided by Section 11.202, assuming  
20 administrative authority and responsibility for the assignment,  
21 supervision, and evaluation of all personnel of the district other  
22 than the superintendent;

23           (3) overseeing compliance with the standards for  
24 school facilities established by the commissioner under Section  
25 46.008;

26           (4) initiating the termination or suspension of an  
27 employee or the nonrenewal of an employee's term contract;

1           (5) managing the day-to-day operations of the district  
2 as its administrative manager, including implementing and  
3 monitoring plans, procedures, programs, and systems to achieve  
4 clearly defined and desired results in major areas of district  
5 operations;

6           (6) preparing and submitting to the board of trustees  
7 a proposed budget as provided by Section 44.002 and rules adopted  
8 under that section, and administering the budget;

9           (7) preparing recommendations for policies to be  
10 adopted by the board of trustees and overseeing the implementation  
11 of adopted policies;

12           (8) developing or causing to be developed appropriate  
13 administrative regulations to implement policies established by  
14 the board of trustees;

15           (9) providing leadership for the attainment and, if  
16 necessary, improvement of student performance in the district based  
17 on the indicators adopted under Sections 39.053 and 39.301 [~~Section~~  
18 ~~39.051~~] and other indicators adopted by the commissioner [~~State~~  
19 ~~Board of Education~~] or the district's board of trustees;

20           (10) organizing the district's central  
21 administration;

22           (11) consulting with the district-level committee as  
23 required under Section 11.252(f);

24           (12) ensuring:

25                   (A) adoption of a student code of conduct as  
26 required under Section 37.001 and enforcement of that code of  
27 conduct; and

1 (B) adoption and enforcement of other student  
2 disciplinary rules and procedures as necessary;

3 (13) submitting reports as required by state or  
4 federal law, rule, or regulation;

5 (14) providing joint leadership with the board of  
6 trustees to ensure that the responsibilities of the board and  
7 superintendent team are carried out; and

8 (15) performing any other duties assigned by action of  
9 the board of trustees.

10 SECTION 9. Section 11.203(d), Education Code, is amended to  
11 read as follows:

12 (d) A principal who was employed as a principal at a campus  
13 that was [of a campus] rated academically unacceptable during the  
14 preceding school year [ , as well as any person employed to replace  
15 that principal, ] shall participate in the program and complete the  
16 program requirements not later than a date determined by the  
17 commissioner.

18 SECTION 10. Section 11.252(a), Education Code, is amended  
19 to read as follows:

20 (a) Each school district shall have a district improvement  
21 plan that is developed, evaluated, and revised annually, in  
22 accordance with district policy, by the superintendent with the  
23 assistance of the district-level committee established under  
24 Section 11.251. The purpose of the district improvement plan is to  
25 guide district and campus staff in the improvement of student  
26 performance for all student groups in order to attain state  
27 standards in respect to the student achievement [~~academic~~

1 ~~excellence~~] indicators adopted under Section 39.053 [~~39.051~~]. The  
2 district improvement plan must include provisions for:

3           (1) a comprehensive needs assessment addressing  
4 district student performance on the student achievement [~~academic~~  
5 ~~excellence~~] indicators, and other appropriate measures of  
6 performance, that are disaggregated by all student groups served by  
7 the district, including categories of ethnicity, socioeconomic  
8 status, sex, and populations served by special programs, including  
9 students in special education programs under Subchapter A, Chapter  
10 29;

11           (2) measurable district performance objectives for  
12 all appropriate student achievement [~~academic—excellence~~]  
13 indicators for all student populations, including students in  
14 special education programs under Subchapter A, Chapter 29, and  
15 other measures of student performance that may be identified  
16 through the comprehensive needs assessment;

17           (3) strategies for improvement of student performance  
18 that include:

19                   (A) instructional methods for addressing the  
20 needs of student groups not achieving their full potential;

21                   (B) methods for addressing the needs of students  
22 for special programs, such as suicide prevention, conflict  
23 resolution, violence prevention, or dyslexia treatment programs;

24                   (C) dropout reduction;

25                   (D) integration of technology in instructional  
26 and administrative programs;

27                   (E) discipline management;

- 1                   (F) staff development for professional staff of  
2 the district;
- 3                   (G) career education to assist students in  
4 developing the knowledge, skills, and competencies necessary for a  
5 broad range of career opportunities; and
- 6                   (H) accelerated education;
- 7           (4) strategies for providing to middle school, junior  
8 high school, and high school students, those students' teachers and  
9 counselors, and those students' parents information about:
- 10                   (A) higher education admissions and financial  
11 aid opportunities;
- 12                   (B) the TEXAS grant program and the Teach for  
13 Texas grant program established under Chapter 56;
- 14                   (C) the need for students to make informed  
15 curriculum choices to be prepared for success beyond high school;  
16 and
- 17                   (D) sources of information on higher education  
18 admissions and financial aid;
- 19           (5) resources needed to implement identified  
20 strategies;
- 21           (6) staff responsible for ensuring the accomplishment  
22 of each strategy;
- 23           (7) timelines for ongoing monitoring of the  
24 implementation of each improvement strategy; and
- 25           (8) formative evaluation criteria for determining  
26 periodically whether strategies are resulting in intended  
27 improvement of student performance.

1 SECTION 11. Sections 11.253(c) and (d), Education Code, are  
2 amended to read as follows:

3 (c) Each school year, the principal of each school campus,  
4 with the assistance of the campus-level committee, shall develop,  
5 review, and revise the campus improvement plan for the purpose of  
6 improving student performance for all student populations,  
7 including students in special education programs under Subchapter  
8 A, Chapter 29, with respect to the student achievement [~~academic~~  
9 ~~excellence~~] indicators adopted under Section 39.053 [~~39.051~~] and  
10 any other appropriate performance measures for special needs  
11 populations.

12 (d) Each campus improvement plan must:

13 (1) assess the academic achievement for each student  
14 in the school using the student achievement [~~academic excellence~~]  
15 indicator system as described by Section 39.053 [~~39.051~~];

16 (2) set the campus performance objectives based on the  
17 student achievement [~~academic excellence~~] indicator system,  
18 including objectives for special needs populations, including  
19 students in special education programs under Subchapter A, Chapter  
20 29;

21 (3) identify how the campus goals will be met for each  
22 student;

23 (4) determine the resources needed to implement the  
24 plan;

25 (5) identify staff needed to implement the plan;

26 (6) set timelines for reaching the goals;

27 (7) measure progress toward the performance

1 objectives periodically to ensure that the plan is resulting in  
2 academic improvement;

3 (8) include goals and methods for violence prevention  
4 and intervention on campus; and

5 (9) provide for a program to encourage parental  
6 involvement at the campus.

7 SECTION 12. Section 11.255(a), Education Code, is amended  
8 to read as follows:

9 (a) Each district-level planning and decision-making  
10 committee and each campus-level planning and decision-making  
11 committee for a junior, middle, or high school campus shall analyze  
12 information related to dropout prevention, including:

13 (1) the results of the audit of dropout records  
14 required by Section 39.308 [~~39.055~~];

15 (2) campus information related to graduation rates,  
16 dropout rates, high school equivalency certificate rates, and the  
17 percentage of students who remain in high school more than four  
18 years after entering grade level 9;

19 (3) the number of students who enter a high school  
20 equivalency certificate program and:

21 (A) do not complete the program;

22 (B) complete the program but do not take the high  
23 school equivalency examination; or

24 (C) complete the program and take the high school  
25 equivalency examination but do not obtain a high school equivalency  
26 certificate;

27 (4) for students enrolled in grade levels 9 and 10,

1 information related to academic credit hours earned, retention  
2 rates, and placements in alternative education programs and  
3 expulsions under Chapter 37; and

4 (5) the results of an evaluation of each school-based  
5 dropout prevention program in the district.

6 SECTION 13. Section 12.013(b), Education Code, is amended  
7 to read as follows:

8 (b) A home-rule school district is subject to:

9 (1) a provision of this title establishing a criminal  
10 offense;

11 (2) a provision of this title relating to limitations  
12 on liability; and

13 (3) a prohibition, restriction, or requirement, as  
14 applicable, imposed by this title or a rule adopted under this  
15 title, relating to:

16 (A) the Public Education Information Management  
17 System (PEIMS) to the extent necessary to monitor compliance with  
18 this subchapter as determined by the commissioner;

19 (B) educator certification under Chapter 21 and  
20 educator rights under Sections 21.407, 21.408, and 22.001;

21 (C) criminal history records under Subchapter C,  
22 Chapter 22;

23 (D) student admissions under Section 25.001;

24 (E) school attendance under Sections 25.085,  
25 25.086, and 25.087;

26 (F) inter-district or inter-county transfers of  
27 students under Subchapter B, Chapter 25;



1 (G) elementary class size limits under Section  
2 25.112, in the case of any campus in the district that fails to  
3 satisfy any standard [~~is considered academically unacceptable~~]  
4 under Section 39.054(d) [~~39.132~~];

5 (H) high school graduation under Section 28.025;

6 (I) special education programs under Subchapter  
7 A, Chapter 29;

8 (J) bilingual education under Subchapter B,  
9 Chapter 29;

10 (K) prekindergarten programs under Subchapter E,  
11 Chapter 29;

12 (L) safety provisions relating to the  
13 transportation of students under Sections 34.002, 34.003, 34.004,  
14 and 34.008;

15 (M) computation and distribution of state aid  
16 under Chapters 31, 42, and 43;

17 (N) extracurricular activities under Section  
18 33.081;

19 (O) health and safety under Chapter 38;

20 (P) public school accountability under  
21 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;

22 (Q) equalized wealth under Chapter 41;

23 (R) a bond or other obligation or tax rate under  
24 Chapters 42, 43, and 45; and

25 (S) purchasing under Chapter 44.

26 SECTION 14. Section 12.056(b), Education Code, is amended  
27 to read as follows:

1 (b) A campus or program for which a charter is granted under  
2 this subchapter is subject to:

3 (1) a provision of this title establishing a criminal  
4 offense; and

5 (2) a prohibition, restriction, or requirement, as  
6 applicable, imposed by this title or a rule adopted under this  
7 title, relating to:

8 (A) the Public Education Information Management  
9 System (PEIMS) to the extent necessary to monitor compliance with  
10 this subchapter as determined by the commissioner;

11 (B) criminal history records under Subchapter C,  
12 Chapter 22;

13 (C) high school graduation under Section 28.025;

14 (D) special education programs under Subchapter  
15 A, Chapter 29;

16 (E) bilingual education under Subchapter B,  
17 Chapter 29;

18 (F) prekindergarten programs under Subchapter E,  
19 Chapter 29;

20 (G) extracurricular activities under Section  
21 33.081;

22 (H) health and safety under Chapter 38; and

23 (I) public school accountability under  
24 Subchapters B, C, E [~~D~~], and J [~~G~~], Chapter 39.

25 SECTION 15. Section 12.1012(5), Education Code, is amended  
26 to read as follows:

27 (5) "Management services" means services related to

1 the management or operation of an open-enrollment charter school,  
2 including:

3 (A) planning, operating, supervising, and  
4 evaluating the school's educational programs, services, and  
5 facilities;

6 (B) making recommendations to the governing body  
7 of the school relating to the selection of school personnel;

8 (C) managing the school's day-to-day operations  
9 as its administrative manager;

10 (D) preparing and submitting to the governing  
11 body of the school a proposed budget;

12 (E) recommending policies to be adopted by the  
13 governing body of the school, developing appropriate procedures to  
14 implement policies adopted by the governing body of the school, and  
15 overseeing the implementation of adopted policies; and

16 (F) providing leadership for the attainment of  
17 student performance at the school based on the indicators adopted  
18 under Sections 39.053 and 39.301 [~~Section 39.051~~] or by the  
19 governing body of the school.

20 SECTION 16. Section 12.104(b), Education Code, is amended  
21 to read as follows:

22 (b) An open-enrollment charter school is subject to:

23 (1) a provision of this title establishing a criminal  
24 offense; and

25 (2) a prohibition, restriction, or requirement, as  
26 applicable, imposed by this title or a rule adopted under this  
27 title, relating to:

- 1 (A) the Public Education Information Management  
2 System (PEIMS) to the extent necessary to monitor compliance with  
3 this subchapter as determined by the commissioner;
- 4 (B) criminal history records under Subchapter C,  
5 Chapter 22;
- 6 (C) reading instruments and accelerated reading  
7 instruction programs under Section 28.006;
- 8 (D) [~~satisfactory performance on assessment~~  
9 ~~instruments and to~~] accelerated instruction under Section 28.0211;
- 10 (E) high school graduation requirements under  
11 Section 28.025;
- 12 (F) special education programs under Subchapter  
13 A, Chapter 29;
- 14 (G) bilingual education under Subchapter B,  
15 Chapter 29;
- 16 (H) prekindergarten programs under Subchapter E,  
17 Chapter 29;
- 18 (I) extracurricular activities under Section  
19 33.081;
- 20 (J) discipline management practices or behavior  
21 management techniques under Section 37.0021;
- 22 (K) health and safety under Chapter 38;
- 23 (L) public school accountability under  
24 Subchapters B, C, D, E, and J [~~G~~], Chapter 39;
- 25 (M) the requirement under Section 21.006 to  
26 report an educator's misconduct; and
- 27 (N) intensive programs of instruction under

1 Section 28.0213.

2 SECTION 17. Section 12.1054(a), Education Code, is amended  
3 to read as follows:

4 (a) A member of the governing body of a charter holder, a  
5 member of the governing body of an open-enrollment charter school,  
6 or an officer of an open-enrollment charter school is considered to  
7 be a local public official for purposes of Chapter 171, Local  
8 Government Code. For purposes of that chapter:

9 (1) a member of the governing body of a charter holder  
10 or a member of the governing body or officer of an open-enrollment  
11 charter school is considered to have a substantial interest in a  
12 business entity if a person related to the member or officer in the  
13 third degree by consanguinity or affinity, as determined under  
14 Chapter 573, Government Code, has a substantial interest in the  
15 business entity under Section 171.002, Local Government Code;

16 (2) notwithstanding any provision of Section  
17 12.1054(1), an employee of an open-enrollment charter school rated  
18 [~~as academically~~] acceptable or higher under Section 39.054  
19 [~~Chapter 39~~] for at least two of the preceding three school years  
20 may serve as a member of the governing body of the charter holder of  
21 the governing body of the school if the employees do not constitute  
22 a quorum of the governing body or any committee of the governing  
23 body; however, all members shall comply with the requirements of  
24 Sections 171.003-171.007, Local Government Code.

25 SECTION 18. Section 12.1055(b), Education Code, is amended  
26 to read as follows:

27 (b) Notwithstanding Subsection (a), if an open-enrollment

1 charter school is rated [~~academically~~] acceptable or higher under  
2 Section 39.054 [~~Chapter 39~~] for at least two of the preceding three  
3 school years, then Chapter 573, Government Code, does not apply to  
4 that school; however, a member of the governing body of a charter  
5 holder or a member of the governing body or officer of an  
6 open-enrollment charter school shall comply with the requirements  
7 of Sections 171.003-171.007, Local Government Code, with respect to  
8 a personnel matter concerning a person related to the member or  
9 officer within the degree specified by Section 573.002, Government  
10 Code, as if the personnel matter were a transaction with a business  
11 entity subject to those sections, and persons defined under  
12 Sections 573.021-573.025, Government Code, shall not constitute a  
13 quorum of the governing body or any committee of the governing body.

14 SECTION 19. Section 12.1162(a), Education Code, is amended  
15 to read as follows:

16 (a) The commissioner shall take any of the actions described  
17 by Subsection (b) or by Section 39.102(a) [~~39.131(a)~~], to the  
18 extent the commissioner determines necessary, if an  
19 open-enrollment charter school, as determined by a report issued  
20 under Section 39.058(b) [~~39.076(b)~~]:

21 (1) commits a material violation of the school's  
22 charter;

23 (2) fails to satisfy generally accepted accounting  
24 standards of fiscal management; or

25 (3) fails to comply with this subchapter or another  
26 applicable rule or law.

27 SECTION 20. Section 18.006(a), Education Code, is amended

1 to read as follows:

2 (a) The commissioner shall develop and implement a system of  
3 accountability consistent with Chapter 39, where appropriate, to be  
4 used in assigning an annual performance rating to Job Corps diploma  
5 programs comparable to the ratings assigned to school districts  
6 under Section 39.054 [~~39.072~~]. The commissioner may develop and  
7 implement a system of distinction designations consistent with  
8 Subchapter G, Chapter 39, where appropriate, to be used in  
9 assigning distinction designations to Job Corps diploma programs  
10 comparable to the distinction designations assigned to campuses  
11 under Subchapter G, Chapter 39.

12 SECTION 21. Section 21.354(e), Education Code, is amended  
13 to read as follows:

14 (e) The appraisal of a principal shall include  
15 consideration of the performance of a principal's campus on the  
16 student achievement indicators established under Section 39.053  
17 [~~39.051~~] and the campus's objectives established under Section  
18 11.253, including performance gains of the campus and the  
19 maintenance of those gains.

20 SECTION 22. Section 21.357(c), Education Code, is amended  
21 to read as follows:

22 (c) A performance incentive awarded to a principal under  
23 this section must be distributed to the principal's school and used  
24 in the manner determined by the campus-level committee established  
25 under Section 11.253 in accordance with the requirements of Section  
26 39.264(a) [~~39.094(a)~~].

27 SECTION 23. Section 21.4541(b), Education Code, is amended

1 to read as follows:

2 (b) A school district or campus is eligible to participate  
3 in the pilot program under this section if the district or campus  
4 meets the eligibility criteria established as provided by Section  
5 39.408 [~~39.358~~].

6 SECTION 24. Section 21.4551(c), Education Code, is amended  
7 to read as follows:

8 (c) The commissioner by rule shall require a teacher to  
9 attend a reading academy if the teacher provides instruction in  
10 reading, mathematics, science, or social studies to students at the  
11 sixth, seventh, or eighth grade level at a campus that fails to  
12 satisfy any standard [~~is considered academically unacceptable~~]  
13 under Section 39.054(d) [~~39.132~~] on the basis of student  
14 performance on the reading assessment instrument administered  
15 under Section 39.023(a) to students in any grade level at the  
16 campus.

17 SECTION 25. Section 28.002, Education Code, is amended by  
18 adding Subsections (c-1), (d), and (q) to read as follows:

19 (c-1) The State Board of Education shall adopt rules  
20 requiring students enrolled in grade levels six, seven, and eight  
21 to complete at least one fine arts course during those grade levels  
22 as part of a district's fine arts curriculum.

23 (d) Each time the Texas Higher Education Coordinating Board  
24 revises the Internet database of the coordinating board's official  
25 statewide inventory of workforce education courses, the State Board  
26 of Education shall by rule revise the essential knowledge and  
27 skills of any corresponding career and technology education



1 curriculum as provided by Subsection (c).

2 (q) Notwithstanding any other provision of this title, a  
3 school district may not vary the curriculum for a course in the  
4 required curriculum under Subsection (a) based on whether a student  
5 is enrolled in the minimum, recognized, or advanced high school  
6 program.

7 SECTION 26. Section 28.006(j), Education Code, is amended  
8 to read as follows:

9 (j) No more than 15 percent of the funds certified by the  
10 commissioner under Subsection (i) may be spent on indirect costs.  
11 The commissioner shall evaluate the programs that fail to meet the  
12 standard of performance under Section 39.301(c)(5) [~~39.051(b)(8)~~]  
13 and may implement interventions or sanctions under Subchapter E  
14 [~~G~~], Chapter 39. The commissioner may audit the expenditures of  
15 funds appropriated for purposes of this section. The use of the  
16 funds appropriated for purposes of this section shall be verified  
17 as part of the district audit under Section 44.008.

18 SECTION 27. Section 28.014(d), Education Code, is amended  
19 to read as follows:

20 (d) The agency, in coordination with the Texas Higher  
21 Education Coordinating Board, shall adopt a series of questions to  
22 be included in an end-of-course assessment instrument administered  
23 under Subsection (c) to be used for purposes of Section 51.3062.  
24 The questions must be developed in a manner consistent with any  
25 college readiness standards adopted under Sections 39.233 [~~39.113~~]  
26 and 51.3062. [~~A student's performance on a question adopted under~~  
27 ~~this subsection may not be used to determine the student's~~

1 ~~performance on an end-of-course assessment instrument.]~~

2 SECTION 28. Section 28.021, Education Code, is amended by  
3 adding Subsections (c), (d), and (e) to read as follows:

4 (c) In determining promotion under Subsection (a), a school  
5 district shall consider:

6 (1) the recommendation of the student's teacher;

7 (2) the student's grade in each subject or course;

8 (3) the student's score on an assessment instrument  
9 administered under Section 39.023(a), (b), or (1); and

10 (4) any other necessary academic information, as  
11 determined by the district.

12 (d) By the start of the school year, a district shall make  
13 public the requirements for student advancement under this section.

14 (e) The commissioner shall provide guidelines to districts  
15 based on best practices that a district may use when considering  
16 factors for promotion.

17 SECTION 29. Section 28.0211, Education Code, is amended by  
18 amending Subsection (a) and adding Subsections (a-1), (a-2), (a-3),  
19 and (n) to read as follows:

20 (a) Except as provided by Subsection (b) or (e), a student  
21 may not be promoted to:

22 (1) ~~[the fourth grade program to which the student~~  
23 ~~would otherwise be assigned if the student does not perform~~  
24 ~~satisfactorily on the third grade reading assessment instrument~~  
25 ~~under Section 39.023,~~

26 [(2)] the sixth grade program to which the student  
27 would otherwise be assigned if the student does not perform

1 satisfactorily on the fifth grade mathematics and reading  
2 assessment instruments under Section 39.023; or

3 (2) [~~3~~] the ninth grade program to which the student  
4 would otherwise be assigned if the student does not perform  
5 satisfactorily on the eighth grade mathematics and reading  
6 assessment instruments under Section 39.023.

7 (a-1) Each time a student fails to perform satisfactorily on  
8 an assessment instrument administered under Section 39.023(a) in  
9 the third, fourth, fifth, sixth, seventh, or eighth grade, the  
10 school district in which the student attends school shall provide  
11 to the student accelerated instruction in the applicable subject  
12 area. Accelerated instruction may require participation of the  
13 student before or after normal school hours and may include  
14 participation at times of the year outside normal school  
15 operations.

16 (a-2) A student who fails to perform satisfactorily on an  
17 assessment instrument specified under Subsection (a) and who is  
18 promoted to the next grade level must complete accelerated  
19 instruction required under Subsection (a-1) before placement in the  
20 next grade level. A student who fails to complete required  
21 accelerated instruction may not be promoted.

22 (a-3) The commissioner shall provide guidelines to  
23 districts on research-based best practices and effective  
24 strategies that a district may use in developing an accelerated  
25 instruction program.

26 (n) A student who is promoted by a grade placement committee  
27 under this section must be assigned in each subject in which the

1 student failed to perform satisfactorily on an assessment  
2 instrument specified under Subsection (a) to a teacher who meets  
3 all state and federal qualifications to teach that subject and  
4 grade.

5 SECTION 30. Section 28.025, Education Code, is amended by  
6 amending Subsections (a), (b), and (b-1) and adding Subsections  
7 (b-3) through (b-10) to read as follows:

8 (a) The State Board of Education by rule shall determine  
9 curriculum requirements for the minimum, recommended, and advanced  
10 high school programs that are consistent with the required  
11 curriculum under Section 28.002. Subject to Subsection (b-1), the  
12 State Board of Education shall designate the specific courses in  
13 the foundation curriculum required for a student participating in  
14 the minimum, recommended, or advanced high school program. Except  
15 as provided by Subsection (b-1), the State Board of Education may  
16 not designate a specific course or a specific number of credits in  
17 the enrichment curriculum as requirements for the recommended  
18 program.

19 (b) A school district shall ensure that each student enrolls  
20 in the courses necessary to complete the curriculum requirements  
21 identified by the State Board of Education under Subsection (a) for  
22 the recommended or advanced high school program unless the student,  
23 the student's parent or other person standing in parental relation  
24 to the student, and a school counselor or school administrator  
25 agree in writing signed by each party that the student should be  
26 permitted to take courses under the minimum high school program and  
27 the student:

1           (1) is at least 16 years of age;

2           (2) has completed two credits required for graduation  
3 in each subject of the foundation curriculum under Section  
4 28.002(a)(1); or

5           (3) has failed to be promoted to the tenth grade one or  
6 more times as determined by the school district.

7           (b-1) The State Board of Education by rule shall require  
8 that:

9           (1) except as provided by Subsection (b-2), the  
10 curriculum requirements for the recommended and advanced high  
11 school programs under Subsection (a) include a requirement that  
12 students successfully complete:

13           (A) four credits [~~courses~~] in each subject of the  
14 foundation curriculum under Section 28.002(a)(1), including at  
15 least one-half credit in government and at least one-half credit in  
16 economics to meet the social studies requirement;

17           (B) for the recommended high school program, two  
18 credits in the same language in a language other than English under  
19 Section 28.002(a)(2)(A) and, for the advanced high school program,  
20 three credits in the same language in a language other than English  
21 under Section 28.002(a)(2)(A); and

22           (C) for the recommended high school program, six  
23 elective credits and, for the advanced high school program, five  
24 elective credits; [~~and~~]

25           (2) one or more credits [~~courses~~] offered in the  
26 required curriculum for the recommended and advanced high school  
27 programs include a research writing component; and

1           (3) the curriculum requirements for the minimum,  
2 recommended, and advanced high school programs under Subsection (a)  
3 include a requirement that students successfully complete:

4                   (A) one credit in fine arts under Section  
5 28.002(a)(2)(D); and

6                   (B) one credit in physical education under  
7 Section 28.002(a)(2)(C).

8           (b-3) In adopting rules to provide students with the option  
9 described by Subsection (b-1)(1)(A), the State Board of Education  
10 must approve a variety of mathematics and science courses that may  
11 be taken after the completion of Algebra II and physics to comply  
12 with the recommended program requirements.

13           (b-4) A school district may offer the curriculum described  
14 in Subsection (b-1)(1)(A) in an applied manner. Courses delivered  
15 in an applied manner must cover the essential knowledge and skills,  
16 and the student shall be administered the applicable end-of-course  
17 assessment instrument as provided by Sections 39.023(c) and 39.025.

18           (b-5) A school district may offer a mathematics or science  
19 course to be taken by a student after completion of Algebra II and  
20 physics to comply with the recommended program requirements in  
21 Subsection (b-1)(1)(A). A course approved under this subsection  
22 must be endorsed by an institution of higher education as a course  
23 for which the institution would award course credit or as a  
24 prerequisite for a course for which the institution would award  
25 course credit.

26           (b-6) Before a student's parent or other person standing in  
27 parental relation to the student may agree that the student be

1 permitted to take courses under the minimum high school program as  
2 provided by Subsection (b), a school district must provide written  
3 notice to the parent or person standing in parental relation  
4 explaining the benefits of the recommended high school program.  
5 The notice shall be developed by the agency and must:

- 6           (1) be printed in English and Spanish; and  
7           (2) require that the student's parent or person  
8 standing in parental relation to the student sign a confirmation of  
9 receipt and return the confirmation to the student's campus.

10           (b-7) The State Board of Education, in coordination with the  
11 Texas Higher Education Coordinating Board, shall adopt rules to  
12 ensure that a student may comply with the curriculum requirements  
13 under the minimum, recommended, or advanced high school program for  
14 each subject of the foundation curriculum under Section  
15 28.002(a)(1) and for languages other than English under Section  
16 28.002(a)(2)(A) by successfully completing appropriate courses in  
17 the core curriculum of an institution of higher education under  
18 Section 61.822.

19           (b-8) A student agreeing to take courses under the minimum  
20 high school program as provided by Subsection (b) may, upon  
21 request, resume taking courses under the recommended high school  
22 program.

23           (b-9) The agency shall establish a pilot program allowing a  
24 student attending school in a county with a population of more than  
25 one million and in which more than 80 percent of the population  
26 resides in a single municipality to satisfy the fine arts credit  
27 required under Subsection (b-1)(3)(A) by participating in a fine

1 arts program not provided by the school district in which the  
2 student is enrolled. The fine arts program may be provided on or  
3 off a school campus and outside the regular school day. Not later  
4 than December 1, 2010, the agency shall provide to the legislature a  
5 report regarding the pilot program, including the feasibility of  
6 expanding the pilot program statewide.

7 (b-10) A school district, with the approval of the  
8 commissioner, may allow a student to comply with the curriculum  
9 requirements for the physical education credit required under  
10 Subsection (b-1)(3)(B) by participating in a private or  
11 commercially sponsored physical activity program provided on or off  
12 a school campus and outside the regular school day.

13 SECTION 31. Section 28.0252(b), Education Code, is amended  
14 to read as follows:

15 (b) If the commissioner develops a standard method under  
16 this section, a school district shall use the standard method to  
17 compute a student's high school grade point average[~~, except that~~  
18 ~~to the extent of a conflict between that method and the method~~  
19 ~~adopted under Section 51.807, the student's grade point average~~  
20 ~~computed in accordance with the method established under Section~~  
21 ~~51.807 shall be used in determining the student's eligibility for~~  
22 ~~university admission under Subchapter U, Chapter 51].~~

23 SECTION 32. Subchapter B, Chapter 28, Education Code, is  
24 amended by adding Section 28.0253 to read as follows:

25 Sec. 28.0253. PILOT PROGRAM: HIGH SCHOOL DIPLOMAS FOR  
26 STUDENTS WHO DEMONSTRATE EARLY READINESS FOR COLLEGE. (a) In this  
27 section:



1           (1) "Institution of higher education" has the meaning  
2 assigned by Section 61.003.

3           (2) "Research university" means an institution of  
4 higher education that is designated as a research university under  
5 the Texas Higher Education Coordinating Board's accountability  
6 system.

7           (b) A research university that chooses to participate in the  
8 pilot program shall:

9           (1) not later than September 1 of each year, make  
10 available on the university's Internet website detailed standards  
11 for use in the program regarding:

12           (A) the specific competencies that demonstrate a  
13 student's mastery of each subject area for which the Texas Higher  
14 Education Coordinating Board and the commissioner have adopted  
15 college readiness standards;

16           (B) the specific competencies that demonstrate a  
17 student's mastery of a language other than English; and

18           (C) acceptable assessments or other means by  
19 which a student may demonstrate the student's early readiness for  
20 college with respect to each subject area and the language  
21 described by this subdivision, subject to Subsection (c);

22           (2) partner with at least 10 school districts that  
23 reflect the geographic diversity of this state and the student  
24 compositions of which reflect the socioeconomic diversity of this  
25 state; and

26           (3) assist school administrators, school counselors,  
27 and other educators in each of those school districts in designing

1 the specific requirements of and implementing the program in the  
2 district.

3 (c) The assessments or other means filed by a research  
4 university under Subsection (b)(1)(C) must be equivalent to the  
5 assessments or other means the university uses to place students at  
6 the university in courses that may be credited toward a degree  
7 requirement.

8 (d) A research university that partners with a school  
9 district under this section shall enter into an agreement with the  
10 district under which the university and district agree that the  
11 district will assess a student's mastery of the subject areas  
12 described by Subsection (b)(1) and a language other than English in  
13 accordance with the standards the university filed under Subsection  
14 (b)(1). The district may issue a high school diploma to a student  
15 under the program if, using the standards, the student demonstrates  
16 mastery of and early readiness for college in each of those subject  
17 areas and in a language other than English, notwithstanding any  
18 other local or state requirements.

19 (e) A student who receives a high school diploma through the  
20 pilot program is considered to have completed the recommended high  
21 school program adopted under Section 28.025(a). The student is not  
22 guaranteed admission to any institution of higher education or to  
23 any academic program at an institution of higher education solely  
24 on the basis of having received the diploma through the program.

25 (f) A research university that participates in the pilot  
26 program shall enter into an agreement with an education research  
27 center established under Section 1.005 to conduct an evaluation of

1 the program with respect to that university and the school  
2 districts with which the university partners. Not later than  
3 January 1, 2013, the education research center shall provide a  
4 written report of the evaluation to the commissioner and the  
5 commissioner of higher education and make the report available on  
6 the center's Internet website. The report may include an analysis  
7 of the effects of the program on the university's admissions review  
8 process.

9 SECTION 33. Section 29.062(a), Education Code, is amended  
10 to read as follows:

11 (a) The legislature recognizes that compliance with this  
12 subchapter is an imperative public necessity. Therefore, in  
13 accordance with the policy of the state, the agency shall evaluate  
14 the effectiveness of programs under this subchapter based on the  
15 student achievement [~~academic excellence~~] indicators adopted under  
16 Section 39.053 [~~39.051(a)~~], including the results of assessment  
17 instruments. The agency may combine evaluations under this section  
18 with federal accountability measures concerning students of  
19 limited English proficiency.

20 SECTION 34. Section 29.094(c), Education Code, is amended  
21 to read as follows:

22 (c) A campus may apply to the commissioner to participate in  
23 the pilot program. The commissioner may select for participation  
24 in the pilot program only campuses that have failed to improve  
25 student performance in reading according to standards established  
26 by the commissioner. The standards established by the commissioner  
27 for purposes of this subsection must be based on reading

1 performance standards considered [~~required~~] for student promotion  
2 under Section 28.021 [~~28.0211~~].

3 SECTION 35. Section 29.095(a)(1), Education Code, as added  
4 by Chapter 1058 (H.B. 2237), Acts of the 80th Legislature, Regular  
5 Session, 2007, is amended to read as follows:

6 (1) "Council" means the High School Completion and  
7 Success Initiative Council established under Subchapter M [~~L~~],  
8 Chapter 39.

9 SECTION 36. Section 29.095(c), Education Code, as added by  
10 Chapter 1058 (H.B. 2237), Acts of the 80th Legislature, Regular  
11 Session, 2007, is amended to read as follows:

12 (c) The commissioner may award a grant in an amount not to  
13 exceed \$5,000 in a school year to a school district on behalf of a  
14 student club at a district high school campus that is eligible under  
15 the criteria established under Section 39.408 [~~39.358~~]. To be  
16 eligible for a grant, the student club and the club's sponsor must  
17 be sanctioned by the campus and district. A grant awarded under this  
18 program must be matched by other federal, state, or local funds,  
19 including donations, in an amount equal to the amount of the grant.  
20 A district shall seek donations or sponsorships from local  
21 businesses or community organizations to raise the matching  
22 funds. The commissioner may award a grant on behalf of more than  
23 one student club at a campus in the same school year.

24 SECTION 37. Sections 29.096(a) and (c), Education Code, are  
25 amended to read as follows:

26 (a) In this section, "council" means the High School  
27 Completion and Success Initiative Council established under

1 Subchapter M [~~H~~], Chapter 39.

2 (c) A school district or open-enrollment charter school is  
3 eligible to participate and receive a grant under this section  
4 under the eligibility criteria established under Section 39.408  
5 [~~39.358~~].

6 SECTION 38. Section 29.097(a)(1), Education Code, is  
7 amended to read as follows:

8 (1) "Council" means the High School Completion and  
9 Success Initiative Council established under Subchapter M [~~H~~],  
10 Chapter 39.

11 SECTION 39. Section 29.097(c), Education Code, is amended  
12 to read as follows:

13 (c) The commissioner may select for participation in the  
14 pilot program only a campus that is eligible under the criteria  
15 established under Section 39.408 [~~39.358~~].

16 SECTION 40. Section 29.098(c), Education Code, is amended  
17 to read as follows:

18 (c) The commissioner of education may select for  
19 participation in the pilot program only a campus that is eligible  
20 under the criteria established under Section 39.408 [~~39.358~~].

21 SECTION 41. Section 29.182(b), Education Code, is amended  
22 to read as follows:

23 (b) The state plan must include procedures designed to  
24 ensure that:

25 (1) all secondary and postsecondary students have the  
26 opportunity to participate in career and technology education  
27 programs;

1 (2) the state complies with requirements for  
2 supplemental federal career and technology education funding; and

3 (3) career and technology education is established as  
4 a part of the total education system of this state and constitutes  
5 an option for student learning that provides a rigorous course of  
6 study consistent with the required curriculum under Section 28.002  
7 and under which a student may receive specific education in a career  
8 and technology program that:

9 (A) incorporates competencies leading to  
10 academic and technical skill attainment;

11 (B) leads to:

12 (i) an industry-recognized license,  
13 credential, or certificate; or

14 (ii) at the postsecondary level, an  
15 associate or baccalaureate degree;

16 (C) includes opportunities for students to earn  
17 college credit for coursework; and

18 (D) includes, as an integral part of the program,  
19 participation by students and teachers in activities of career and  
20 technical student organizations supported by the agency and the  
21 State Board of Education.

22 SECTION 42. Section 29.202(a), Education Code, is amended  
23 to read as follows:

24 (a) A student is eligible to receive a public education  
25 grant or to attend another public school in the district in which  
26 the student resides under this subchapter if the student is  
27 assigned to attend a public school campus:

1           (1) at which 50 percent or more of the students did not  
2 perform satisfactorily on an assessment instrument administered  
3 under Section 39.023(a) or (c) in any two of the preceding three  
4 years; or

5           (2) that [~~was~~], at any time in the preceding three  
6 years, failed to satisfy any standard [~~considered academically~~  
7 ~~unacceptable~~] under Section 39.054(d) [~~39.132~~].

8           SECTION 43. Section 29.904(d), Education Code, is amended  
9 to read as follows:

10           (d) A plan developed under this section:

11           (1) must establish clear, achievable goals for  
12 increasing the percentage of the school district's graduating  
13 seniors, particularly the graduating seniors attending a high  
14 school described by Subsection (a), who enroll in an institution of  
15 higher education for the academic year following graduation;

16           (2) must establish an accurate method of measuring  
17 progress toward the goals established under Subdivision (1) that  
18 may include the percentage of district high school students and the  
19 percentage of students attending a district high school described  
20 by Subsection (a) who:

21           (A) are enrolled in a course for which a student  
22 may earn college credit, such as an advanced placement or  
23 international baccalaureate course or a course offered through  
24 concurrent enrollment in high school and at an institution of  
25 higher education;

26           (B) are enrolled in courses that meet the  
27 curriculum requirements for the recommended or advanced high school

1 program as determined under Section 28.025;

2 (C) have submitted a free application for federal  
3 student aid (FAFSA);

4 (D) are exempt under Section 51.3062(p) or (q)  
5 [~~51.306(1) or (m)~~] from administration of an assessment [~~a test~~]  
6 instrument under Section 51.3062 [~~51.306~~] or have performed  
7 successfully on an assessment [~~a test~~] instrument under Section  
8 51.3062 [~~51.306~~];

9 (E) graduate from high school;

10 (F) graduate from an institution of higher  
11 education; and

12 (G) have taken college entrance examinations and  
13 the average score of those students on the examinations;

14 (3) must cover a period of at least five years; and

15 (4) may be directed at district students at any level  
16 of primary or secondary education.

17 SECTION 44. Section 29.906(e), Education Code, is amended  
18 to read as follows:

19 (e) The agency shall:

20 (1) maintain a list of character education programs  
21 that school districts have implemented that meet the criteria under  
22 Subsection (b);

23 (2) based on data reported by districts, annually  
24 designate as a Character Plus School each school that provides a  
25 character education program that:

26 (A) meets the criteria prescribed by Subsection  
27 (b); and



1 (B) is approved by the committee selected under  
2 Subsection (c); and

3 (3) include in the report required under Section  
4 39.332 [~~39.182~~]:

5 (A) based on data reported by districts, the  
6 impact of character education programs on student discipline and  
7 academic achievement; and

8 (B) other reported data relating to character  
9 education programs the agency considers appropriate for inclusion.

10 SECTION 45. Sections 29.918(a) and (c), Education Code, are  
11 amended to read as follows:

12 (a) Notwithstanding Section 39.234 [~~39.114~~] or 42.152, a  
13 school district or open-enrollment charter school with a high  
14 dropout rate, as determined by the commissioner, must submit a plan  
15 to the commissioner describing the manner in which the district or  
16 charter school intends to use the compensatory education allotment  
17 under Section 42.152 and the high school allotment under Section  
18 42.2516(b)(3) for developing and implementing research-based  
19 strategies for dropout prevention. The district or charter school  
20 shall submit the plan not later than December 1 of each school year  
21 preceding the school year in which the district or charter school  
22 will receive the compensatory education allotment or high school  
23 allotment to which the plan applies.

24 (c) The commissioner shall adopt rules to administer this  
25 section. The commissioner may impose interventions or sanctions  
26 under Section 39.102 [~~39.131~~] or 39.104 [~~39.1321~~] if a school  
27 district or open-enrollment charter school fails to timely comply

1 with this section.

2 SECTION 46. Section 30A.101, Education Code, is amended to  
3 read as follows:

4 Sec. 30A.101. ELIGIBILITY TO ACT AS PROVIDER SCHOOL  
5 DISTRICT OR SCHOOL. (a) A school district is eligible to act as a  
6 provider school district under this chapter only if the district is  
7 rated [~~academically~~] acceptable or higher under Section 39.054  
8 [~~39.072~~].

9 (b) An open-enrollment charter school is eligible to act as  
10 a provider school under this chapter only if the school is rated  
11 acceptable [~~recognized~~] or higher under Section 39.054 [~~39.072~~],  
12 and may serve as a provider school only:

13 (1) to a student within the school district in which  
14 the school is located or within its service area, whichever is  
15 smaller; or

16 (2) to another student in the state through an  
17 agreement with the administering authority under Section 30A.153.

18 SECTION 47. Section 32.157(a), Education Code, is amended  
19 to read as follows:

20 (a) After the expiration of the pilot project, the agency  
21 may review the pilot project based on the annual reports the agency  
22 receives from the board of trustees of participating school  
23 districts. The agency may include the review of the pilot project  
24 in the comprehensive annual report required under Section 39.332  
25 [~~39.182~~] that covers the 2010-2011 school year.

26 SECTION 48. Section 32.252(b), Education Code, is amended  
27 to read as follows:

1 (b) The portal must serve as a single point of access to  
2 educational resources other than student assessment data  
3 accessible through the student assessment data portal under Section  
4 32.258. In addition to any other purpose specified by this  
5 subchapter or any other educational purpose, the portal may be used  
6 to:

7 (1) alleviate inequities in access to educational  
8 resources by providing access to on-line courses;

9 (2) improve student academic performance by providing  
10 access to tutorial materials, instructional materials that have  
11 been shown to improve academic performance, and other interactive  
12 materials, including materials that assess an individual student's  
13 knowledge and prepare the student for the administration of a  
14 standardized assessment instrument, including an assessment  
15 instrument administered under Section 39.023;

16 (3) provide school districts with access to  
17 administrative software and other electronic tools designed to  
18 promote administrative efficiency and intra-district  
19 communication; or

20 (4) [~~provide secure access to student assessment data,~~  
21 ~~or~~

22 [~~5~~] provide links to appropriate educational  
23 resources and experts available through the Internet.

24 SECTION 49. Section 32.258, Education Code, is amended to  
25 read as follows:

26 Sec. 32.258. STUDENT ASSESSMENT DATA; DATA PORTAL.

27 (a) The agency shall establish and maintain a student assessment

1 data portal for use by school districts, teachers, parents,  
2 students, and public institutions of higher education. The agency  
3 shall [~~may~~] establish a secure, interoperable system to be  
4 implemented through the portal under which:

5 (1) a student or the student's parent or other person  
6 standing in parental relationship can easily access the student's  
7 individual assessment data;

8 (2) an authorized employee of a school district,  
9 including a district teacher, [~~districts~~] can readily access  
10 individual [~~student~~] assessment data of district students for use  
11 in developing strategies for improving student performance; and

12 (3) an authorized employee of a public institution of  
13 higher education can readily access individual assessment data of  
14 students applying for admission for use in developing strategies  
15 for improving student performance.

16 (b) The system established under Subsection (a) shall  
17 provide a means for a student or the student's parent or other  
18 person standing in parental relationship to track the student's  
19 progress on assessment instrument requirements for graduation.

20 (c) The agency shall establish an interoperable system to be  
21 implemented through the portal under which general student  
22 assessment data is easily accessible to the public.

23 (d) Student assessment data provided under this section  
24 must:

25 (1) be available on or before the first instructional  
26 day of the school year following the year in which the data is  
27 collected; and

1           (2) include student performance data on assessment  
2 instruments over multiple years, beginning with the 2007-2008  
3 school year, including any data indicating progress in student  
4 achievement.

5           (e) Each [~~(b) In establishing the~~] system established  
6 under [~~required by~~] this section must permit comparisons of [~~the~~  
7 ~~agency shall seek to further the goal of providing school districts~~  
8 ~~with access to~~] student performance information at the classroom,  
9 campus, district, and state levels [~~level~~].

10           SECTION 50. Section 39.023, Education Code, is amended by  
11 adding Subsections (a-1), (o), and (p) and amending Subsections  
12 (b), (c), (c-4), (d), (e), (l), and (m) to read as follows:

13           (a-1) The agency shall develop assessment instruments  
14 required under Subsection (a) in a manner that allows, to the extent  
15 practicable:

16           (1) the score a student receives to provide reliable  
17 information relating to a student's satisfactory performance for  
18 each performance standard under Section 39.0241; and

19           (2) an appropriate range of performances to serve as a  
20 valid indication of growth in student achievement.

21           (b) The agency shall develop or adopt appropriate  
22 criterion-referenced alternative assessment instruments to be  
23 administered to each student in a special education program under  
24 Subchapter A, Chapter 29, [~~who receives modified instruction in the~~  
25 ~~essential knowledge and skills identified under Section 28.002 for~~  
26 ~~the assessed subject but~~] for whom an assessment instrument adopted  
27 under Subsection (a), even with allowable accommodations

1 ~~[modifications]~~, would not provide an appropriate measure of  
2 student achievement, as determined by the student's admission,  
3 review, and dismissal committee. ~~[The assessment instruments~~  
4 ~~required under this subsection must assess essential knowledge and~~  
5 ~~skills and growth in the subjects of reading, mathematics, and~~  
6 ~~writing. A student's admission, review, and dismissal committee~~  
7 ~~shall determine whether any allowable modification is necessary in~~  
8 ~~administering to the student an assessment instrument required~~  
9 ~~under this subsection. The assessment instruments required under~~  
10 ~~this subsection shall be administered on the same schedule as the~~  
11 ~~assessment instruments administered under Subsection (a).]~~

12 (c) The agency shall also adopt end-of-course assessment  
13 instruments for secondary-level courses in Algebra I, Algebra II,  
14 geometry, biology, chemistry, physics, English I, English II,  
15 English III, world geography, world history, and United States  
16 history. The Algebra I, Algebra II, and geometry end-of-course  
17 assessment instruments must be administered with the aid of  
18 technology. A school district shall comply with State Board of  
19 Education rules regarding administration of the assessment  
20 instruments listed in this subsection and shall adopt a policy that  
21 requires a student's performance on an end-of-course assessment  
22 instrument for a course listed in this subsection in which the  
23 student is enrolled to account for 15 percent of the student's final  
24 grade for the course. If a student retakes an end-of-course  
25 assessment instrument for a course listed in this subsection, as  
26 provided by Section 39.025, a school district is not required to use  
27 the student's performance on the subsequent administration or

1 administrations of the assessment instrument to determine the  
2 student's final grade for the course. If a student is in a special  
3 education program under Subchapter A, Chapter 29, the student's  
4 admission, review, and dismissal committee shall determine whether  
5 any allowable modification is necessary in administering to the  
6 student an assessment instrument required under this subsection [~~or~~  
7 ~~whether the student should be exempted under Section 39.027(a)(2)~~].  
8 The State Board of Education shall administer the assessment  
9 instruments. The State Board of Education shall adopt a schedule  
10 for the administration of end-of-course assessment instruments  
11 that complies with the requirements of Subsection (c-3).

12 (c-4) To the extent practicable and subject to Section  
13 39.024, the agency shall ensure that each end-of-course assessment  
14 instrument adopted under Subsection (c) is:

15 (1) developed in a manner that measures a student's  
16 performance under the college readiness standards established  
17 under Section 28.008; and

18 (2) validated by national postsecondary education  
19 experts for college readiness content and performance standards.

20 (d) The commissioner may participate in multistate efforts  
21 to develop voluntary standardized end-of-course assessment  
22 instruments. The commissioner by rule may require a school  
23 district to administer an end-of-course assessment instrument  
24 developed through the multistate efforts. The admission, review,  
25 and dismissal committee of a student in a special education program  
26 under Subchapter A, Chapter 29, shall determine whether any  
27 allowable modification is necessary in administering to the student

1 an end-of-course assessment instrument [~~or whether the student~~  
2 ~~should be exempted under Section 39.027(a)(2)~~].

3 (e) Under rules adopted by the State Board of Education,  
4 every third year, the agency shall release the questions and answer  
5 keys to each assessment instrument administered under Subsection  
6 (a), (b), (c), (d), or (1), excluding any assessment instrument  
7 administered to a student for the purpose of retaking the  
8 assessment instrument, after the last time the instrument is  
9 administered for that school year. To ensure a valid bank of  
10 questions for use each year, the agency is not required to release a  
11 question that is being field-tested and was not used to compute the  
12 student's score on the instrument. The agency shall also release,  
13 under board rule, each question that is no longer being  
14 field-tested and that was not used to compute a student's score.

15 (1) The State Board of Education shall adopt rules for the  
16 administration of the assessment instruments adopted under  
17 Subsection (a) in Spanish to students in grades three through five  
18 [~~six~~] who are of limited English proficiency, as defined by Section  
19 29.052, whose primary language is Spanish, and who are not  
20 otherwise exempt from the administration of an assessment  
21 instrument under Section 39.027(a)(1) or (2) [~~39.027(a)(3) or (4)~~].  
22 Each student of limited English proficiency whose primary language  
23 is Spanish, other than a student to whom Subsection (b) applies, may  
24 be assessed using assessment instruments in Spanish under this  
25 subsection for up to three years or assessment instruments in  
26 English under Subsection (a). The language proficiency assessment  
27 committee established under Section 29.063 shall determine which



1 students are administered assessment instruments in Spanish under  
2 this subsection.

3 (m) The commissioner by rule shall develop procedures under  
4 which the language proficiency assessment committee established  
5 under Section 29.063 shall determine which students are exempt from  
6 the administration of the assessment instruments under Section  
7 39.027(a)(1) or (2) [~~39.027(a)(3) and (4)~~]. The rules adopted  
8 under this subsection shall ensure that the language proficiency  
9 assessment committee provides that the exempted students are  
10 administered the assessment instruments under Subsections (a) and  
11 (c) at the earliest practical date.

12 (o) The commissioner of education and the commissioner of  
13 higher education shall study the feasibility of allowing students  
14 to satisfy end-of-course requirements under Subsection (c) by  
15 successfully completing a dual credit course through an institution  
16 of higher education. Not later than December 1, 2010, the  
17 commissioner of education and the commissioner of higher education  
18 shall make recommendations to the legislature based on the study  
19 conducted under this subsection.

20 (p) On or before September 1 of each year, the commissioner  
21 shall make the following information available on the agency's  
22 Internet website for each assessment instrument administered under  
23 Subsection (a), (c), or (1):

24 (1) the number of questions on the assessment  
25 instrument;

26 (2) the number of questions that must be answered  
27 correctly to achieve satisfactory performance as determined by the

1 commissioner under Section 39.0241(a);

2 (3) the number of questions that must be answered  
3 correctly to achieve satisfactory performance under the college  
4 readiness performance standard as provided by Section 39.0241; and

5 (4) the corresponding scale scores.

6 SECTION 51. Section 39.0233(d), Education Code, is amended  
7 to read as follows:

8 (d) The questions adopted under this section may not [~~must~~]  
9 be administered in a separate section of the end-of-course  
10 assessment instrument [~~in which the questions are included~~].

11 SECTION 52. Section 39.0234(a), Education Code, is amended  
12 to read as follows:

13 (a) The agency shall ensure that assessment instruments  
14 required under Section 39.023 are capable of being administered by  
15 computer. The commissioner may not require a school district or  
16 open-enrollment charter school to administer an assessment  
17 instrument by computer.

18 SECTION 53. Subchapter B, Chapter 39, Education Code, is  
19 amended by amending Section 39.024 and adding Sections 39.0241 and  
20 39.0242 to read as follows:

21 Sec. 39.024. MEASURE OF COLLEGE READINESS. (a) In this  
22 section, "college readiness" means the level of preparation a  
23 student must attain in English language arts and mathematics  
24 courses to enroll and succeed, without remediation, in an  
25 entry-level general education course for credit in that same  
26 content area for a baccalaureate degree or associate degree program  
27 at:

1           (1) a general academic teaching institution, as  
2 defined by Section 61.003, other than a research institution, as  
3 categorized under the Texas Higher Education Coordinating Board's  
4 accountability system; or

5           (2) a postsecondary educational institution that  
6 primarily offers associate degrees or certificates or credentials  
7 other than baccalaureate or advanced degrees.

8           (b) The agency and the Texas Higher Education Coordinating  
9 Board shall ensure that the Algebra II and English III  
10 end-of-course assessment instruments required under Section  
11 39.023(c) are developed to be capable of, beginning with the  
12 2011-2012 school year, measuring college readiness.

13           (c) Before the beginning of the 2011-2012 school year, the  
14 agency, in collaboration with the Texas Higher Education  
15 Coordinating Board, shall gather data and conduct research studies  
16 to substantiate the correlation between a certain level of  
17 performance by students on the Algebra II and English III  
18 end-of-course assessment instruments and college readiness.

19           (d) Studies under Subsection (c) must include an evaluation  
20 of any need for remediation courses to facilitate college  
21 readiness.

22           (e) Based on the results of the studies conducted under  
23 Subsection (c), the commissioner of education and the commissioner  
24 of higher education shall establish student performance standards  
25 for the Algebra II and English III end-of-course assessment  
26 instruments indicating that students have attained college  
27 readiness.

1       (f) The agency, in collaboration with the Texas Higher  
2 Education Coordinating Board, shall conduct research studies  
3 similar to the studies conducted under Subsection (c) for the  
4 appropriate science and social studies end-of-course assessment  
5 instruments. If the commissioner of education, in collaboration  
6 with the commissioner of higher education, determines that the  
7 research studies conducted under this subsection substantiate a  
8 correlation between a certain level of performance by students on  
9 science and social studies end-of-course assessment instruments  
10 and college readiness, the commissioner of education, in  
11 collaboration with the commissioner of higher education, as soon as  
12 practicable, may establish student performance standards for the  
13 science and social studies end-of-course assessment instruments  
14 indicating that students have attained college readiness.

15       (f-1) Not later than December 1, 2012, the agency and the  
16 Texas Higher Education Coordinating Board shall deliver to the  
17 lieutenant governor, the speaker of the house of representatives,  
18 and the clerks of the standing committees of the senate and the  
19 house of representatives with primary jurisdiction over public  
20 education and higher education a report that includes:

21             (1) an analysis of the feasibility of establishing  
22 college readiness performance standards for science and social  
23 studies end-of-course assessment instruments; and

24             (2) a summary of any implementation procedures adopted  
25 for each standard.

26       (f-2) Subsection (f-1) and this subsection expire January  
27 1, 2013.

1       (g) The agency, in collaboration with the Texas Higher  
2 Education Coordinating Board, shall continue to gather data to  
3 perform studies as provided under Subsections (c) and (f) at least  
4 once every three years.

5       (h) The agency and the Texas Higher Education Coordinating  
6 Board shall periodically review the college readiness performance  
7 standards established under this section and compare the  
8 performance standards to performance standards established  
9 nationally and internationally for comparable assessment  
10 instruments. Following each review, the agency and the Texas  
11 Higher Education Coordinating Board shall deliver to the lieutenant  
12 governor, the speaker of the house of representatives, and the  
13 clerks of the standing committees of the senate and the house of  
14 representatives with primary jurisdiction over public education  
15 and higher education a report on the results of the review  
16 indicating whether the college readiness performance standards  
17 established under this section are sufficiently rigorous to prepare  
18 students in this state to compete academically with students  
19 nationally and internationally. If the agency and the Texas Higher  
20 Education Coordinating Board determine that the college readiness  
21 performance standards established under this section are not  
22 sufficiently rigorous, the agency and the Texas Higher Education  
23 Coordinating Board shall recommend changes to the college readiness  
24 performance standards.

25       (i) The agency shall gather data and conduct research to  
26 substantiate any correlation between a certain level of performance  
27 by students on end-of-course assessment instruments and success in:

1           (1) military service; or

2           (2) a workforce training, certification, or other  
3 credential program at a postsecondary educational institution that  
4 primarily offers associate degrees or certificates or credentials  
5 other than baccalaureate or advanced degrees.

6           Sec. 39.0241. [SATISFACTORY] PERFORMANCE STANDARDS.

7 (a) The commissioner [~~Except as otherwise provided by this~~  
8 ~~subsection, the State Board of Education~~] shall determine the level  
9 of performance considered to be satisfactory on the assessment  
10 instruments.

11           (a-1) The commissioner of education, in collaboration with  
12 the commissioner of higher education, shall determine the level of  
13 performance necessary to indicate college readiness, as defined by  
14 Section 39.024(a).

15           (a-2) For the purpose of establishing performance across  
16 grade levels, the commissioner shall establish:

17           (1) the performance standards for the Algebra II and  
18 English III end-of-course assessment instruments, as provided  
19 under Section 39.024(b) and under Subsection (a);

20           (2) the performance standards for the Algebra I and  
21 English II end-of-course assessment instruments, as determined  
22 based on studies under Section 39.0242 that correlate student  
23 performance on the Algebra I and English II end-of-course  
24 assessment instruments with student performance on the Algebra II  
25 and English III assessment instruments;

26           (3) the performance standards for the English I  
27 end-of-course assessment instrument, as determined based on

1 studies under Section 39.0242 that correlate student performance on  
2 the English I end-of-course assessment instrument with student  
3 performance on the English II assessment instrument;

4         (4) the performance standards for the grade eight  
5 assessment instruments, as determined based on studies under  
6 Section 39.0242 that correlate student performance on the grade  
7 eight assessment instruments with student performance on the  
8 Algebra I and English I end-of-course assessment instruments in the  
9 same content area; and

10         (5) the performance standards on the assessment  
11 instruments in each of grades three through seven, as determined  
12 based on studies under Section 39.0242 that correlate student  
13 performance in the same content area on the assessment instrument  
14 for each grade with student performance on the assessment  
15 instrument in the succeeding grade.

16         ~~[The admission, review, and dismissal committee of a student~~  
17 ~~being assessed under Section 39.023(b) shall determine the level of~~  
18 ~~performance considered to be satisfactory on the assessment~~  
19 ~~instruments administered to that student in accordance with~~  
20 ~~criteria established by agency rule.]~~

21         (c) The agency may ~~[shall]~~ develop study guides for the  
22 assessment instruments administered under Sections 39.023(a) and  
23 (c). To assist parents in providing assistance during the period  
24 that school is recessed for summer, each school district shall make  
25 ~~[distribute]~~ the study guides available to parents of students who  
26 do not perform satisfactorily as determined by the commissioner  
27 under Subsection (a) on one or more parts of an assessment

1 instrument administered under this subchapter.

2 (d) The agency shall develop and make available teacher  
3 training materials and other teacher training resources to assist  
4 teachers in enabling students of limited English proficiency to  
5 meet state performance expectations. The teacher training  
6 resources shall be designed to support intensive, individualized,  
7 and accelerated instructional programs developed by school  
8 districts for students of limited English proficiency.

9 (e) The commissioner shall retain a portion of the total  
10 amount of funds allotted under Section 42.152(a) that the  
11 commissioner considers appropriate to finance activities under  
12 Subsection [~~Subsections~~] (c) and may retain a portion for  
13 activities under Subsection (d) and for intensive programs of  
14 instruction for students of limited English proficiency offered by  
15 school districts and shall reduce each district's allotment  
16 proportionately.

17 Sec. 39.0242. PERFORMANCE STANDARDS: RESEARCH STUDIES AND  
18 IMPLEMENTATION OF STANDARDS. (a) During the 2009-2010 and  
19 2010-2011 school years, the agency shall collect data through:

20 (1) the annual administration of assessment  
21 instruments required under Section 39.023(a) in grades three  
22 through eight; and

23 (2) the administration to a sufficiently large sample  
24 of students throughout the state of end-of-course assessment  
25 instruments required under Section 39.023(c) for the purpose of  
26 setting performance standards.

27 (b) Before the beginning of the 2011-2012 school year, the



1 agency shall analyze the data collected under Subsection (a) to  
2 substantiate:

3 (1) the correlation between satisfactory student  
4 performance for each performance standard under Section 39.0241 on  
5 the grade three, four, five, six, or seven assessment instruments  
6 with satisfactory performance under the same performance standard  
7 on the assessment instruments in the same content area for the next  
8 grade level;

9 (2) the correlation between satisfactory student  
10 performance for each performance standard under Section 39.0241 on  
11 the grade eight assessment instruments with satisfactory  
12 performance under the same performance standard on the Algebra I  
13 and English I end-of-course assessment instruments in the same  
14 content area;

15 (3) the correlation between satisfactory student  
16 performance for each performance standard under Section 39.0241 on  
17 the English I end-of-course assessment instrument with  
18 satisfactory performance under the same performance standard on the  
19 English II end-of-course assessment instrument;

20 (4) the correlation between satisfactory student  
21 performance for each performance standard under Section 39.0241 on  
22 the English II end-of-course assessment instrument with  
23 satisfactory performance under the same performance standard on the  
24 English III end-of-course assessment instrument; and

25 (5) the correlation between satisfactory student  
26 performance for each performance standard under Section 39.0241 on  
27 the Algebra I end-of-course assessment instrument with

1 satisfactory performance under the same performance standard on the  
2 Algebra II end-of-course assessment instrument.

3 (c) Studies under this section must include an evaluation of  
4 any need for remediation courses to facilitate college readiness.

5 (d) The agency shall continue to gather data and perform  
6 studies as provided under this section at least once every three  
7 years. If the data do not support the correlation between student  
8 performance standards and college readiness, the commissioner of  
9 education, in collaboration with the commissioner of higher  
10 education, shall revise the standard of performance considered to  
11 be satisfactory.

12 (e) Based on the data collected and studies performed  
13 periodically under Subsection (d), the commissioner shall increase  
14 the rigor of the performance standard established under Section  
15 39.0241(a) as the commissioner determines necessary.

16 SECTION 54. Section 39.025, Education Code, is amended by  
17 amending Subsections (a), (a-1), (b), (b-1), (b-2), and (f) and  
18 adding Subsections (a-2), (a-3), and (c-1) to read as follows:

19 (a) The commissioner shall adopt rules requiring a student  
20 participating in the recommended or advanced high school program to  
21 be administered each end-of-course assessment instrument listed in  
22 Section 39.023(c) and requiring a student participating in the  
23 minimum high school program to be administered an end-of-course  
24 assessment instrument listed in Section 39.023(c) only for a course  
25 in which the student is enrolled and for which an end-of-course  
26 assessment instrument is administered. A student is required to  
27 achieve, in each subject in the foundation curriculum under Section

1 28.002(a)(1), a cumulative score that is at least equal to the  
2 product of the number of end-of-course assessment instruments  
3 administered to the student in that subject and a scale score that  
4 indicates satisfactory performance, as determined by the  
5 commissioner under Section 39.0241(a) [70, with each end-of-course  
6 assessment instrument scored on a scale of 100]. A student must  
7 achieve a minimum score as determined by the commissioner to be  
8 within a reasonable range of the scale score under Section  
9 39.0241(a) [of at least 60] on an end-of-course assessment  
10 instrument for the score to count towards the student's cumulative  
11 score. For purposes of this subsection, a student's cumulative  
12 score is determined using the student's highest score on each  
13 end-of-course assessment instrument administered to the  
14 student. A student may not receive a high school diploma until the  
15 student has performed satisfactorily on the end-of-course  
16 assessment instruments in the manner provided under this  
17 subsection. This subsection does not require a student to  
18 demonstrate readiness to enroll in an institution of higher  
19 education.

20 (a-1) The commissioner by rule shall determine a method by  
21 which a student's satisfactory performance on an advanced placement  
22 test, international baccalaureate examination, an SAT [~~a~~  
23 ~~Scholastic Assessment Test (SAT)] Subject Test, or another  
24 assessment instrument determined by the commissioner to be at least  
25 as rigorous as an end-of-course assessment instrument adopted under  
26 Section 39.023(c) may be used as a factor in determining whether the  
27 student satisfies the requirements of Subsection (a), including the~~

1 cumulative score requirement of that subsection. The commissioner  
2 by rule may determine a method by which a student's satisfactory  
3 performance on a Preliminary Scholastic Assessment Test (PSAT)  
4 assessment or a preliminary American College Test (ACT) assessment  
5 may be used as a factor in determining whether the student satisfies  
6 the requirements of Subsection (a).

7 (a-2) In addition to the cumulative score requirements  
8 under Subsection (a), a student must achieve a score that meets or  
9 exceeds the score determined by the commissioner under Section  
10 39.0241(a) for English III and Algebra II end-of-course assessment  
11 instruments to graduate under the recommended high school program.

12 (a-3) In addition to the cumulative score requirements  
13 under Subsection (a), a student must achieve a score that meets or  
14 exceeds the score determined by the commissioner under Section  
15 39.0241(a-1) on English III and Algebra II end-of-course assessment  
16 instruments in order to graduate under the advanced high school  
17 program.

18 (b) Each time an end-of-course assessment instrument is  
19 administered, a student who failed to achieve a minimum score under  
20 Subsection (a) [~~of at least 60 on the assessment instrument~~] shall  
21 retake the assessment instrument. A student who fails to perform  
22 satisfactorily on an Algebra II or English III end-of-course  
23 assessment instrument under the college readiness performance  
24 standard, as provided under Section 39.024(b), may retake the  
25 assessment instrument. Any other student may retake an  
26 end-of-course assessment instrument for any reason. A student is  
27 not required to retake a course as a condition of retaking an

1 end-of-course assessment instrument.

2 (b-1) A school district shall provide each student who fails  
3 to perform satisfactorily as determined by the commissioner under  
4 Section 39.0241(a) [~~achieve a score of at least 70~~] on an  
5 end-of-course assessment instrument with accelerated instruction  
6 in the subject assessed by the assessment instrument.

7 (b-2) If a school district determines that a student, on  
8 completion of grade 11, is unlikely to achieve the cumulative score  
9 requirements for one or more subjects prescribed by Subsection (a)  
10 for receiving a high school diploma, the district shall require the  
11 student to enroll in a corresponding content-area college  
12 preparatory course for which an end-of-course assessment  
13 instrument has been adopted, if available. A student who enrolls  
14 in a college preparatory course described by this subsection shall  
15 be administered an end-of-course assessment instrument for the  
16 course, with the end-of-course assessment instrument scored on a  
17 scale as determined by the commissioner not to exceed 20 percent of  
18 the cumulative score requirements required to graduate as  
19 determined under Subsection (a) [~~of 40~~]. A student may use the  
20 student's score on the end-of-course assessment instrument for the  
21 college preparatory course towards satisfying the cumulative score  
22 requirements prescribed by Subsection (a).

23 (c-1) A school district may not administer an assessment  
24 instrument required for graduation administered under this section  
25 as this section existed before September 1, 1999. A school district  
26 may administer to a student who failed to perform satisfactorily on  
27 an assessment instrument described by this subsection an alternate

1 assessment instrument designated by the commissioner. The  
2 commissioner shall determine the level of performance considered to  
3 be satisfactory on an alternate assessment instrument. The  
4 district may not administer to the student an assessment instrument  
5 or a part of an assessment instrument that assesses a subject that  
6 was not assessed in an assessment instrument required for  
7 graduation administered under this section as this section existed  
8 before September 1, 1999. The commissioner shall make available to  
9 districts information necessary to administer the alternate  
10 assessment instrument authorized by this subsection. The  
11 commissioner's determination regarding designation of an  
12 appropriate alternate assessment instrument under this subsection  
13 and the performance required on the assessment instrument is final  
14 and may not be appealed.

15 (f) The commissioner shall by rule adopt a transition plan  
16 to implement the amendments made by Chapter 1312 (S.B. No. 1031),  
17 Acts of the 80th Legislature, Regular Session, 2007, replacing  
18 general subject assessment instruments administered at the high  
19 school level with end-of-course assessment instruments [~~to this~~  
20 ~~section and Sections 39.023(a) and (c) and 39.051(b)(5)]. The  
21 rules must provide for the end-of-course assessment instruments  
22 adopted under Section 39.023(c) to be administered beginning with  
23 students entering the ninth grade during the 2011-2012 school year.  
24 During the period under which the transition to end-of-course  
25 assessment instruments is made:~~

26 (1) for students entering a grade above the ninth  
27 grade during the 2011-2012 school year, the commissioner shall

1 retain, administer, and use for purposes of accreditation and other  
2 campus and district accountability measures [~~ratings~~] under this  
3 chapter [~~Subchapter D~~] the assessment instruments required by  
4 Section 39.023(a) or (c), as that section existed before amendment  
5 by Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature,  
6 Regular Session, 2007;

7           (2) a student subject to Subdivision (1) may not  
8 receive a high school diploma unless the student has performed  
9 satisfactorily on each required assessment instrument administered  
10 under Section 39.023(c) as that section existed before amendment by  
11 Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature, Regular  
12 Session, 2007; and

13           (3) [~~(2)~~] the agency may defer releasing assessment  
14 instrument questions and answer keys as required by Section  
15 39.023(e) to the extent necessary to develop additional assessment  
16 instruments.

17           SECTION 55. Section 39.0262(a), Education Code, is amended  
18 to read as follows:

19           (a) In a subject area for which assessment instruments are  
20 administered under Section 39.023, a school district may not  
21 administer locally required [~~district-required~~] assessment  
22 instruments designed to prepare students for state-administered  
23 assessment instruments to any student on more than 10 percent of the  
24 instructional days in any school year. A campus-level planning and  
25 decision-making committee established under Section 11.251 may  
26 limit the administration of locally required assessment  
27 instruments under this subsection to 10 percent or a lower

1 percentage of the instructional days in any school year.

2 SECTION 56. Section 39.027, Education Code, is amended by  
3 amending Subsections (a) and (e) and adding Subsection (a-1) to  
4 read as follows:

5 (a) A student may be administered an accommodated or  
6 alternative assessment instrument or may be granted an exemption  
7 ~~[exempted]~~ from or a postponement of the administration of an  
8 assessment instrument under:

9 (1) ~~[Section 39.023(a) or (b) if the student is~~  
10 ~~eligible for a special education program under Section 29.003 and~~  
11 ~~the student's individualized education program does not include~~  
12 ~~instruction in the essential knowledge and skills under Section~~  
13 ~~28.002 at any grade level,~~

14 ~~[(2) Section 39.023(c) or (d) if the student is~~  
15 ~~eligible for a special education program under Section 29.003 and:~~

16 ~~[(A) the student's individualized education~~  
17 ~~program does not include instruction in the essential knowledge and~~  
18 ~~skills under Section 28.002 at any grade level, or~~

19 ~~[(B) the assessment instrument, even with~~  
20 ~~allowable modifications, would not provide an appropriate measure~~  
21 ~~of the student's achievement as determined by the student's~~  
22 ~~admission, review, and dismissal committee,~~

23 ~~[(3)]~~ Section 39.023(a), (b), (c), or (1) for a period  
24 of up to one year after initial enrollment in a school in the United  
25 States if the student is of limited English proficiency, as defined  
26 by Section 29.052, and has not demonstrated proficiency in English  
27 as determined by the assessment system under Subsection (e); ~~[or]~~



1           (2) [~~4~~] Section 39.023(a), (b), (c), or (1) for a  
2 period of up to two years in addition to the exemption period  
3 authorized by Subdivision (1) [~~3~~] if the student has received an  
4 exemption under Subdivision (1) [~~3~~] and:

5                   (A) is a recent unschooled immigrant; or

6                   (B) is in a grade for which no assessment  
7 instrument in the primary language of the student is available; or

8           (3) Section 39.023(a), (b), (c), or (1) for a period of  
9 up to four years, in addition to the exemption period authorized  
10 under Subdivision (1), if the student's initial enrollment in a  
11 school in the United States was as an unschooled asylee or refugee.

12           (a-1) For purposes of this section, "unschooled asylee or  
13 refugee" means a student who:

14                   (1) initially enrolled in a school in the United  
15 States as:

16                           (A) an asylee as defined by 45 C.F.R. Section  
17 400.41; or

18                           (B) a refugee as defined by 8 U.S.C. Section  
19 1101;

20                   (2) has a visa issued by the United States Department  
21 of State with a Form I-94 Arrival/Departure record, or a successor  
22 document, issued by the United States Citizenship and Immigration  
23 Services that is stamped with "Asylee," "Refugee," or "Asylum"; and

24                   (3) as a result of inadequate schooling outside of the  
25 United States, lacks the necessary foundation in the essential  
26 knowledge and skills of the curriculum prescribed under Section  
27 28.002, as determined by the language proficiency assessment

1 committee established under Section 29.063.

2 (e) The commissioner shall develop an assessment system  
 3 that shall be used for evaluating the academic progress, including  
 4 reading proficiency in English, of all students of limited English  
 5 proficiency, as defined by Section 29.052. A student who is exempt  
 6 from the administration of an assessment instrument under  
 7 Subsection (a)(1) or (2) [~~(a)(3) or (4)~~] who achieves reading  
 8 proficiency in English as determined by the assessment system  
 9 developed under this subsection shall be administered the  
 10 assessment instruments described by Sections 39.023(a) and (c).  
 11 The performance under the assessment system developed under this  
 12 subsection of students to whom Subsection (a)(1) or (2) [~~(a)(3) or~~  
 13 ~~(4)~~] applies shall be included in the [~~academic excellence~~]  
 14 indicator systems [~~system~~] under Section 39.301, as applicable  
 15 [~~Section 39.051~~], the performance report under Section 39.306  
 16 [~~39.053~~], and the comprehensive annual report under Section 39.332  
 17 [~~39.182~~]. This information shall be provided in a manner that is  
 18 disaggregated by the bilingual education or special language  
 19 program, if any, in which the student is enrolled.

20 SECTION 57. Section 39.033(b), Education Code, is amended  
 21 to read as follows:

22 (b) An agreement under this section must require the private  
 23 school to:

24 (1) as determined appropriate by the commissioner,  
 25 provide to the commissioner the information described by Sections  
 26 39.053(c) and 39.301(c); [~~Section 39.051(b)~~] and

27 (2) [~~to~~] maintain confidentiality in compliance with

1 Section 39.030.

2 SECTION 58. Section 39.034, Education Code, is amended by  
3 amending Subsection (d) and adding Subsection (d-1) to read as  
4 follows:

5 (d) The agency shall determine the necessary annual  
6 improvement required each year for a student to be prepared to  
7 perform satisfactorily on, as applicable:

8 (1) the grade five assessment instruments;

9 (2) the grade eight assessment instruments; and

10 (3) the end-of-course assessment instruments required  
11 under this subchapter for graduation.

12 (d-1) The agency shall report the necessary annual  
13 improvement required under Subsection (d) to the district. Each  
14 year, the report must state whether the student fell below, met, or  
15 exceeded the necessary target for improvement.

16 SECTION 59. Subchapters C through L, Chapter 39, Education  
17 Code, as amended by Section 2.25, Chapter 396 (S.B. 4), and Section  
18 4, Chapter 931 (H.B. 2307), Acts of the 76th Legislature, Regular  
19 Session, 1999, are amended to read as follows:

20 SUBCHAPTER C. ACCREDITATION [~~PERFORMANCE INDICATORS~~

21 [~~SUBCHAPTER D. ACCREDITATION STATUS~~]

22 Sec. 39.051 [~~39.071~~]. ACCREDITATION STATUS. [~~(a)~~]

23 Accreditation of a school district is determined in accordance with  
24 this subchapter [~~section~~]. The commissioner by rule shall  
25 determine in accordance with this subchapter the criteria for  
26 [~~define~~] the following accreditation statuses:

27 (1) accredited;

1 (2) accredited-warned; and

2 (3) accredited-probation.

3 Sec. 39.052. DETERMINATION OF ACCREDITATION STATUS OR  
4 PERFORMANCE RATING. (a) [~~(b)~~] Each year, the commissioner shall  
5 determine the accreditation status of each school district.

6 (b) In determining the accreditation status of a school  
7 district, the commissioner:

8 (1) shall evaluate and consider:

9 (A) [~~the~~] performance on student achievement  
10 indicators described by Section 39.053(c) [~~of the district under~~  
11 [~~(A) the academic accountability system under~~  
12 ~~Section 39.072]~~; and

13 (B) performance under the financial  
14 accountability rating system developed under Subchapter D [~~±~~]; and

15 (2) may evaluate and consider:

16 (A) the district's compliance with statutory  
17 requirements and requirements imposed by rule of the commissioner  
18 or State Board of Education under specific statutory authority that  
19 relate to:

20 (i) reporting data through the Public  
21 Education Information Management System (PEIMS) or other reports  
22 required by state or federal law or court order;

23 (ii) the high school graduation  
24 requirements under Section 28.025; or

25 (iii) an item listed under Sections  
26 7.056(e)(3)(C)-(I) that applies to the district;

27 (B) the effectiveness of the district's programs

1 for special populations; and

2 (C) the effectiveness of the district's career  
3 and technology program.

4 (c) Based on a school district's performance under  
5 Subsection (b), the commissioner shall:

6 (1) assign each [~~a~~] district an accreditation status;  
7 or

8 (2) revoke the accreditation of the district and order  
9 closure of the district [~~under this subchapter~~].

10 (d) A school district's accreditation status may be raised  
11 or lowered based on the district's performance or may be lowered  
12 based on the performance of one or more campuses in the district  
13 that is below a standard required under this subchapter.

14 (e) [~~d~~] The commissioner shall notify a school district  
15 that receives an accreditation status of accredited-warned or  
16 accredited-probation or a campus that performs below a standard  
17 required under this subchapter that the performance of the district  
18 or campus is below a standard required under this subchapter  
19 [~~section~~]. The commissioner shall require the district to notify  
20 the parents of students enrolled in the district and property  
21 owners in the district of the district's accreditation status and  
22 the implications of that accreditation status.

23 (f) [~~e~~] A school district that is not accredited may not  
24 receive funds from the agency or hold itself out as operating a  
25 public school of this state.

26 (g) [~~f~~] This chapter may not be construed to invalidate a  
27 diploma awarded, course credit earned, or grade promotion granted

1 by a school district before the commissioner revoked the district's  
2 accreditation.

3 Sec. 39.053. PERFORMANCE INDICATORS: STUDENT ACHIEVEMENT.

4 (a) The commissioner shall adopt a set of indicators of the quality  
5 of learning and student achievement. The commissioner biennially  
6 shall review the indicators for the consideration of appropriate  
7 revisions.

8 [~~Sec. 39.051. ACADEMIC EXCELLENCE INDICATORS. (a) The~~  
9 ~~State Board of Education shall adopt a set of indicators of the~~  
10 ~~quality of learning on a campus. The State Board of Education~~  
11 ~~biennially shall review the indicators for the consideration of~~  
12 ~~appropriate revisions.]~~

13 (b) Performance on the student achievement indicators  
14 adopted under this section shall be compared to state-established  
15 standards. [~~The degree of change from one school year to the next~~  
16 ~~in performance on each indicator adopted under this section shall~~  
17 ~~also be considered.] The indicators must be based on information  
18 that is disaggregated by race, ethnicity, [~~gender,~~] and  
19 socioeconomic status.~~

20 (c) Indicators of student achievement adopted under this  
21 section [and] must include:

22 (1) the results of assessment instruments required  
23 under Sections 39.023(a), (c), and (l), including the results of  
24 assessment instruments required for graduation retaken by a  
25 student, aggregated across [by] grade levels by [level and] subject  
26 area, including:

27 (A) for the performance standard determined by

1 the commissioner under Section 39.0241(a):

2 (i) the percentage of students who  
3 performed satisfactorily on the assessment instruments, aggregated  
4 across grade levels by subject area; and

5 (ii) for students who did not perform  
6 satisfactorily, the percentage of students who met the standard for  
7 annual improvement, as determined by the agency under Section  
8 39.034, on the assessment instruments, aggregated across grade  
9 levels by subject area; and

10 (B) for the college readiness performance  
11 standard as determined under Section 39.0241:

12 (i) the percentage of students who  
13 performed satisfactorily on the assessment instruments, aggregated  
14 across grade levels by subject area; and

15 (ii) for students who did not perform  
16 satisfactorily, the percentage of students who met the standard for  
17 annual improvement, as determined by the agency under Section  
18 39.034, on the assessment instruments, aggregated across grade  
19 levels by subject area;

20 (2) dropout rates, including dropout rates and  
21 district completion rates for grade levels 9 through 12, computed  
22 in accordance with standards and definitions adopted by the  
23 National Center for Education Statistics of the United States  
24 Department of Education; and

25 (3) high school graduation rates, computed in  
26 accordance with standards and definitions adopted in compliance  
27 with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et

1 seq.).

2 (d) For purposes of Subsection (c), the commissioner by rule  
3 shall determine the period within which a student must retake an  
4 assessment instrument for that assessment instrument to be  
5 considered in determining the performance rating of the district  
6 under Section 39.054.

7 (e) [~~Pub. L. No. 107-110~~],

8 [~~(4) student attendance rates,~~

9 [~~(5) the percentage of graduating students who attain~~  
10 scores on the questions developed for end-of-course assessment  
11 instruments under Section 39.0233(a) that are equivalent to a  
12 passing score on the assessment instrument required under Section  
13 51.3062,

14 [~~(6) the percentage of graduating students who meet~~  
15 the course requirements established for the recommended high school  
16 program by State Board of Education rule,

17 [~~(7) the results of the Scholastic Assessment Test~~  
18 (SAT), the American College Test (ACT), articulated postsecondary  
19 degree programs described by Section 61.852, and certified  
20 workforce training programs described by Chapter 311, Labor Code,

21 [~~(8) the percentage of students, aggregated by grade~~  
22 level, provided accelerated instruction under Section 28.0211(c),  
23 the results of assessments administered under that section, the  
24 percentage of students promoted through the grade placement  
25 committee process under Section 28.0211, the subject of the  
26 assessment instrument on which each student failed to perform  
27 satisfactorily, and the performance of those students in the school



1 ~~year following that promotion on the assessment instruments~~  
2 ~~required under Section 39.023,~~

3 ~~[(9) for students who have failed to perform~~  
4 ~~satisfactorily on an assessment instrument required under Section~~  
5 ~~39.023(a) or (c), the numerical progress of those students grouped~~  
6 ~~by percentage on subsequent assessment instruments required under~~  
7 ~~those sections, aggregated by grade level and subject area,~~

8 ~~[(10) the percentage of students exempted, by~~  
9 ~~exemption category, from the assessment program generally~~  
10 ~~applicable under this chapter,~~

11 ~~[(11) the percentage of students of limited English~~  
12 ~~proficiency exempted from the administration of an assessment~~  
13 ~~instrument under Sections 39.027(a)(3) and (4),~~

14 ~~[(12) the percentage of students in a special~~  
15 ~~education program under Subchapter A, Chapter 29, assessed through~~  
16 ~~assessment instruments developed or adopted under Section~~  
17 ~~39.023(b),~~

18 ~~[(13) the measure of progress toward preparation for~~  
19 ~~postsecondary success, and~~

20 ~~[(14) the measure of progress toward dual language~~  
21 ~~proficiency under Section 39.034(b), for students of limited~~  
22 ~~English proficiency, as defined by Section 29.052.~~

23 ~~[(b-1) Performance on the indicators described by~~  
24 ~~Subsections (b)(1), (2), (3), (8), (9), and (14) must be based on~~  
25 ~~longitudinal student data that is disaggregated by the bilingual~~  
26 ~~education or special language program, if any, in which students of~~  
27 ~~limited English proficiency, as defined by Section 29.052, are or~~

1 ~~former students of limited English proficiency were enrolled. If a~~  
2 ~~student described by this subsection is not or was not enrolled in~~  
3 ~~specialized language instruction, the number and percentage of~~  
4 ~~those students shall be provided.~~

5        [~~e~~] Performance on the student achievement indicators  
6 [~~indicator~~] under Subsections (c)(1) and (2) [~~Subsection (b)(1)~~]  
7 shall be compared to state standards and [~~r~~] required improvement [~~r~~  
8 ~~and comparable improvement~~]. The state standard shall be  
9 established by the commissioner. Required improvement is [~~defined~~  
10 ~~as~~] the progress necessary for the campus or district to meet state  
11 standards and, for the student achievement indicator under  
12 Subsection (c)(1), for its students to meet each of the performance  
13 standards as determined under Section 39.0241.

14        [~~f~~] [~~exit requirements as defined by the commissioner.~~  
15 ~~Comparable improvement is derived by measuring campuses and~~  
16 ~~districts against a profile developed from a total state student~~  
17 ~~performance database which exhibits substantial equivalence to the~~  
18 ~~characteristics of students served by the campus or district,~~  
19 ~~including past academic performance, socioeconomic status,~~  
20 ~~ethnicity, and limited English proficiency.~~

21        [~~d~~] Annually, the commissioner shall define the state  
22 standard for the current school year for each student achievement  
23 [~~exemplary, recognized, and unacceptable performance for each~~  
24 ~~academic excellence~~] indicator described by Subsection (c)  
25 [~~included under Subsections (b)(1) through (7)~~] and shall project  
26 the state standards for each [~~of those levels of performance for~~  
27 ~~succeeding years. For the~~] indicator for the following two school

1 ~~[under Subsection (b)(8), the commissioner shall define exemplary,~~  
2 ~~recognized, and unacceptable performance based on student~~  
3 ~~performance for the period covering both the current and preceding~~  
4 ~~academic] years. The commissioner shall periodically raise the~~  
5 ~~state standards for the student achievement indicator described by~~  
6 ~~Subsection (c)(1)(B)(i) for accreditation as necessary to reach the~~  
7 ~~goals of achieving, by not later than the 2019-2020 school year:~~

8 (1) student performance in this state, disaggregated  
9 by race, ethnicity, and socioeconomic status, that ranks nationally  
10 in the top 10 states in terms of college readiness; and

11 (2) student performance, including the percentage of  
12 students graduating under the recommended or advanced high school  
13 program, with no significant achievement gaps by race, ethnicity,  
14 and socioeconomic status.

15 (g) In defining the required state standard ~~[exemplary,~~  
16 ~~recognized, and unacceptable performance]~~ for the indicator  
17 described by Subsection (c)(2) ~~[indicators under Subsections~~  
18 ~~(b)(2) and (4)]~~, the commissioner may not consider as a dropout ~~[or~~  
19 ~~as]~~ a student ~~[who has failed to attend school a student]~~ whose  
20 failure to attend school results from:

21 (1) the student's expulsion under Section 37.007; and

22 (2) as applicable:

23 (A) adjudication as having engaged in delinquent  
24 conduct or conduct indicating a need for supervision, as defined by  
25 Section 51.03, Family Code; or

26 (B) conviction of and sentencing for an offense  
27 under the Penal Code.

1        (g-1) In computing dropout and completion rates under  
2 Subsection (c)(2), the commissioner shall exclude:

3            (1) students who are ordered by a court to attend a  
4 high school equivalency certificate program but who have not yet  
5 earned a high school equivalency certificate;

6            (2) students who were previously reported to the state  
7 as dropouts;

8            (3) students in attendance who are not in membership  
9 for purposes of average daily attendance;

10           (4) students whose initial enrollment in a school in  
11 the United States in grades 7 through 12 was as unschooled refugees  
12 or asylees as defined by Section 39.027(a-1);

13           (5) students who are in the district exclusively as a  
14 function of having been detained at a county detention facility but  
15 are otherwise not students of the district in which the facility is  
16 located; and

17           (6) students who are incarcerated in state jails and  
18 federal penitentiaries as adults and as persons certified to stand  
19 trial as adults.

20        (h) [~~e~~] Each school district shall cooperate with the  
21 agency in determining whether a student is a dropout for purposes of  
22 accreditation and evaluating performance by school districts and  
23 campuses under this chapter [~~section~~].

24        (i) [~~f~~] ~~The indicator under Subsection (b)(1) must include~~  
25 ~~the results of assessment instruments required under Section~~  
26 ~~39.023(b).~~

27        [~~g~~] The commissioner by rule shall adopt accountability

1 measures to be used in assessing the progress of students who have  
2 failed to perform satisfactorily as determined by the commissioner  
3 under Section 39.0241(a) or under the college readiness standard as  
4 determined under Section 39.0241 in the preceding school year on an  
5 assessment instrument required under Section 39.023(a), (c), or  
6 (1).

7       Sec. 39.054. METHODS AND STANDARDS FOR EVALUATING  
8 PERFORMANCE. (a) The commissioner shall adopt rules to evaluate  
9 school district and campus performance and, not later than August 8  
10 of each year, assign each district and campus a performance rating  
11 that reflects acceptable performance or unacceptable performance.  
12 If a district or campus received a performance rating of  
13 unacceptable performance for the preceding school year, the  
14 commissioner shall notify the district of a subsequent such  
15 designation on or before June 15.

16       (b) In evaluating performance, the commissioner shall  
17 evaluate against state standards and consider the performance of  
18 each campus in a school district and each open-enrollment charter  
19 school on the basis of the campus's or school's performance on the  
20 student achievement indicators adopted under Section 39.053(c).

21       ~~(b-1) [39.072. ACCREDITATION STANDARDS. (a) The State~~  
22 ~~Board of Education shall adopt rules to evaluate the performance of~~  
23 ~~school districts and to assign to each district a performance~~  
24 ~~rating as follows:~~

25               ~~[(1) exemplary (meets or exceeds state exemplary~~  
26 ~~standards),~~

27               ~~[(2) recognized (meets or exceeds required~~

1 ~~improvement and within 10 percent of state exemplary standards);~~

2 ~~[(3) academically acceptable (below the exemplary and~~  
3 ~~recognized standards but exceeds the academically unacceptable~~  
4 ~~standards); or~~

5 ~~[(4) academically unacceptable (below the state~~  
6 ~~clearly unacceptable performance standard and does not meet~~  
7 ~~required improvement).~~

8 ~~[(b) The academic excellence indicators adopted under~~  
9 ~~Sections 39.051(b)(1) through (8) and the district's current~~  
10 ~~special education compliance status with the agency shall be the~~  
11 ~~main considerations of the agency in the rating of the district~~  
12 ~~under this section. Additional criteria in the rules may include~~  
13 ~~consideration of:~~

14 ~~[(1) compliance with statutory requirements and~~  
15 ~~requirements imposed by rule of the State Board of Education under~~  
16 ~~specific statutory authority that relate to:~~

17 ~~[(A) reporting data through the Public Education~~  
18 ~~Information Management System (PEIMS);~~

19 ~~[(B) the high school graduation requirements~~  
20 ~~under Section 28.025; or~~

21 ~~[(C) an item listed in Sections~~  
22 ~~7.056(e)(3)(C)-(I) that applies to the district;~~

23 ~~[(2) the effectiveness of the district's programs for~~  
24 ~~special populations; and~~

25 ~~[(3) the effectiveness of the district's career and~~  
26 ~~technology programs.~~

27 ~~[(c) The agency shall evaluate against state standards and~~

1 ~~shall, not later than August 1 of each year, report the performance~~  
2 ~~of each campus in a district and each open-enrollment charter~~  
3 ~~school on the basis of the campus's performance on the indicators~~  
4 ~~adopted under Sections 39.051(b)(1) through (8).]~~ Consideration of  
5 the effectiveness of district programs under Section  
6 39.052(b)(2)(B) or (C):

7 (1) [Subsection (b)(2) or (3)] must:

8 (A) be based on data collected through the Public  
9 Education Information Management System (PEIMS) for purposes of  
10 accountability under this chapter; and

11 (B) include the results of assessments required  
12 under Section 39.023; and

13 (2) may be based on the results of a special  
14 accreditation investigation conducted under Section 39.057.

15 (c) In evaluating school district and campus performance on  
16 the student achievement indicators adopted under Sections  
17 39.053(c)(1) and (2), the commissioner shall define acceptable  
18 performance as meeting the state standard determined by the  
19 commissioner under Section 39.053(e) for the current school year  
20 based on:

21 (1) student performance in the current school year; or

22 (2) student performance as averaged over the current  
23 school year and the preceding two school years.

24 (d) In evaluating performance under Subsection (c), the  
25 commissioner:

26 (1) may assign an acceptable performance rating if the  
27 campus or district:

1           (A) performs satisfactorily on 85 percent of the  
2 measures the commissioner determines appropriate with respect to  
3 the student achievement indicators adopted under Sections  
4 39.053(c)(1) and (2); and

5           (B) does not fail to perform satisfactorily on  
6 the same measure described by Paragraph (A) for two consecutive  
7 school years;

8           (2) may grant an exception under this subsection to a  
9 district or campus only if the performance of the district or campus  
10 is within a certain percentage, as determined by the commissioner,  
11 of the minimum performance standard established by the commissioner  
12 for the measure of evaluation; or

13           (3) may establish other performance criteria for a  
14 district or campus to obtain an exception under this subsection.

15           (d-1) The commissioner may consider alternative performance  
16 criteria to Subsection (d)(1)(A) only in special circumstances,  
17 including campus or district performance on the same measure for  
18 student groups that are substantially similar in composition to all  
19 students on the same campus or district.

20           (e) [Notwithstanding any other provision of this code, for  
21 purposes of determining the performance of a school district under  
22 this chapter, including the accreditation status of the district, a  
23 student confined by court order in a residential program or  
24 facility operated by or under contract with the Texas Youth  
25 Commission, Texas Juvenile Probation Commission, or any other  
26 governmental entity, including a juvenile board, is not considered  
27 to be a student of the school district in which the program or



1 ~~facility is physically located. The performance of such a student~~  
2 ~~on an assessment instrument or other academic excellence indicator~~  
3 ~~adopted under Section 39.051 shall be determined, reported, and~~  
4 ~~considered separately from the performance of students attending a~~  
5 ~~school of the district in which the program or facility is~~  
6 ~~physically located.~~

7 ~~[Sec. 39.0721. GOLD PERFORMANCE RATING PROGRAM. (a) In~~  
8 ~~addition to district and campus performance ratings reported under~~  
9 ~~Section 39.072, the commissioner shall develop a gold performance~~  
10 ~~rating program based on enhanced performance. The agency shall~~  
11 ~~administer the program.~~

12 ~~[(b) Under the gold performance rating program, a district~~  
13 ~~or campus rated exemplary under Section 39.072 is eligible for an~~  
14 ~~exemplary gold rating, a district or campus rated recognized is~~  
15 ~~eligible for a recognized gold rating, and a district or campus~~  
16 ~~rated academically acceptable is eligible for an academically~~  
17 ~~acceptable gold rating.~~

18 ~~[(c) The performance standards on which a gold performance~~  
19 ~~rating is based should include:~~

20 ~~[(1) student proficiency on:~~

21 ~~[(A) assessment instruments administered under~~  
22 ~~Sections 39.023(a), (c), and (1), and~~

23 ~~[(B) other measures of proficiency determined by~~  
24 ~~the commissioner;~~

25 ~~[(2) student performance on one or more nationally~~  
26 ~~recognized norm-referenced assessment instruments;~~

27 ~~[(3) improvement in student performance;~~

1           ~~[(4) in the case of middle or junior high school~~  
2 ~~campuses, student proficiency in mathematics, including algebra,~~  
3 ~~and~~

4           ~~[(5) in the case of high school campuses:~~

5           ~~[(A) the extent to which graduating students are~~  
6 ~~academically prepared to attend institutions of higher education,~~

7           ~~[(B) the percentage of students who take advanced~~  
8 ~~placement tests and student performance on those tests, and~~

9           ~~[(C) the percentage of students who take and~~  
10 ~~successfully complete advanced academic courses or college-level~~  
11 ~~course work offered through dual credit programs provided under~~  
12 ~~agreements between high schools and institutions of higher~~  
13 ~~education.~~

14           ~~[(d) The commissioner may adopt rules as necessary to~~  
15 ~~implement and administer this section.~~

16           ~~[Sec. 39.073. DETERMINING ACCREDITATION STATUS. (a) The~~  
17 ~~agency shall annually review the performance of each district and~~  
18 ~~campus on the indicators adopted under Sections 39.051(b)(1)~~  
19 ~~through (8) and determine if a change in the accreditation status of~~  
20 ~~the district is warranted. The commissioner may determine how all~~  
21 ~~indicators adopted under Section 39.051(b) may be used to determine~~  
22 ~~accountability ratings and to select districts and campuses for~~  
23 ~~acknowledgment.~~

24           ~~[(b)]~~ Each annual performance review under this section  
25 shall include an analysis of the student achievement indicators  
26 adopted under Section 39.053(c) [~~Sections 39.051(b)(1) through~~  
27 ~~(8)] to determine school district and campus performance in~~

1 relation to:

- 2 (1) standards established for each indicator; and
- 3 (2) required improvement as defined under Section
- 4 39.053(e) [~~39.051(c)~~]; and
- 5 [~~(3) comparable improvement as defined by Section~~
- 6 ~~39.051(c)~~].

7 [~~(c) A district's accreditation rating may be raised or~~

8 ~~lowered based on the district's performance or may be lowered based~~

9 ~~on the unacceptable performance of one or more campuses in the~~

10 ~~district.~~

11 [~~(d) The commissioner shall notify a district that is rated~~

12 ~~academically unacceptable that the performance of the district or a~~

13 ~~campus in the district is below each standard under Subsection (b)~~

14 ~~and shall require the district to notify property owners and~~

15 ~~parents in the district of the lowered accreditation rating and its~~

16 ~~implication.~~

17 [~~(e) In determining a district's accreditation rating, the~~

18 ~~agency shall consider:~~

19 [~~(1) the district's current special education~~

20 ~~compliance status with the agency, and~~

21 [~~(2) the progress of students who have failed to~~

22 ~~perform satisfactorily in the preceding school year on an~~

23 ~~assessment instrument required under Section 39.023(a), (c), or~~

24 ~~(1).~~]

25 (f) In the computation of dropout rates under Section

26 39.053(c)(2) [~~39.051(b)(2)~~], a student who is released from a

27 juvenile pre-adjudication secure detention facility or juvenile

1 post-adjudication secure correctional facility and fails to enroll  
2 in school or a student who leaves a residential treatment center  
3 after receiving treatment for fewer than 85 days and fails to enroll  
4 in school may not be considered to have dropped out from the [~~campus~~  
5 ~~or~~] school district or campus serving the facility or center unless  
6 that district or campus [~~or district~~] is the one to which the  
7 student is regularly assigned. The agency may not limit an appeal  
8 relating to dropout computations under this subsection.

9 Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT NOT  
10 CONSIDERED FOR ACCOUNTABILITY PURPOSES. Notwithstanding any other  
11 provision of this code, for purposes of determining the performance  
12 of a school district or campus under this chapter, a student ordered  
13 by a juvenile court into a residential program or facility operated  
14 by or under contract with the Texas Youth Commission, the Texas  
15 Juvenile Probation Commission, a juvenile board, or any other  
16 governmental entity is not considered to be a student of the school  
17 district in which the program or facility is physically located.  
18 The performance of such a student on an assessment instrument or  
19 other student achievement indicator adopted under Section 39.053 or  
20 reporting indicator adopted under Section 39.301 shall be  
21 determined, reported, and considered separately from the  
22 performance of students attending a school of the district in which  
23 the program or facility is physically located.

24 Sec. 39.056 [39.074]. ON-SITE INVESTIGATIONS. (a) The  
25 commissioner may:

26 (1) direct the agency to conduct on-site  
27 investigations of a school district at any time to answer any

1 questions concerning a program, including special education,  
2 required by federal law or for which the district receives federal  
3 funds; and

4 (2) [~~raise or lower the performance rating~~] as a  
5 result of the investigation, change the accreditation status of a  
6 district, change the accountability rating of a district or campus,  
7 or withdraw a distinction designation under Subchapter G.

8 (b) The commissioner shall determine the frequency of  
9 on-site investigations by the agency according to annual  
10 comprehensive analyses of student performance and equity in  
11 relation to the student achievement [~~academic excellence~~]  
12 indicators adopted under Section 39.053 [~~39.051~~].

13 (c) In making an on-site accreditation investigation, the  
14 investigators shall obtain information from administrators,  
15 teachers, and parents of students enrolled in the school district.  
16 The investigation may not be closed until information is obtained  
17 from each of those sources. The State Board of Education shall  
18 adopt rules for:

19 (1) obtaining information from parents and using that  
20 information in the investigator's report; and

21 (2) obtaining information from teachers in a manner  
22 that prevents a [~~campus or~~] district or campus from screening the  
23 information.

24 (d) The agency shall give written notice to the  
25 superintendent and the board of trustees of a school district of any  
26 impending investigation of the district's accreditation.

27 (e) [~~If an annual review indicates low performance on one~~

1 ~~or more of the indicators under Sections 39.051(b)(1) through (8)~~  
2 ~~of one or more campuses in a district, the agency may conduct an~~  
3 ~~on-site evaluation of those campuses only.~~

4       [~~f~~] The investigators shall report orally and in writing  
5 to the board of trustees of the school district and, as appropriate,  
6 to campus administrators and shall make recommendations concerning  
7 any necessary improvements or sources of aid such as regional  
8 education service centers.

9       Sec. 39.057 [~~39.075~~]. SPECIAL ACCREDITATION INVESTIGATIONS.

10 (a) The commissioner shall authorize special accreditation  
11 investigations to be conducted:

12           (1) when excessive numbers of absences of students  
13 eligible to be tested on state assessment instruments are  
14 determined;

15           (2) when excessive numbers of allowable exemptions  
16 from the required state assessment instruments are determined;

17           (3) in response to complaints submitted to the agency  
18 with respect to alleged violations of civil rights or other  
19 requirements imposed on the state by federal law or court order;

20           (4) in response to established compliance reviews of  
21 the district's financial accounting practices and state and federal  
22 program requirements;

23           (5) when extraordinary numbers of student placements  
24 in disciplinary alternative education programs, other than  
25 placements under Sections 37.006 and 37.007, are determined;

26           (6) in response to an allegation involving a conflict  
27 between members of the board of trustees or between the board and

1 the district administration if it appears that the conflict  
2 involves a violation of a role or duty of the board members or the  
3 administration clearly defined by this code;

4 (7) when excessive numbers of students in special  
5 education programs under Subchapter A, Chapter 29, are assessed  
6 through assessment instruments developed or adopted under Section  
7 39.023(b);

8 (8) in response to an allegation regarding or an  
9 analysis using a statistical method result indicating a possible  
10 violation of an assessment instrument security procedure  
11 established under Section 39.0301, including for the purpose of  
12 investigating or auditing a school district under that section;  
13 [~~or~~]

14 (9) when a significant pattern of decreased academic  
15 performance has developed as a result of the promotion in the  
16 preceding two school years of students who did not perform  
17 satisfactorily as determined by the commissioner under Section  
18 39.0241(a) on assessment instruments administered under Section  
19 39.023(a), (c), or (l);

20 (10) when excessive numbers of students graduate under  
21 the minimum high school program;

22 (11) when excessive numbers of students eligible to  
23 enroll fail to complete an Algebra II course or any other course  
24 determined by the commissioner as distinguishing between students  
25 participating in the recommended high school program from students  
26 participating in the minimum high school program;

27 (12) when resource allocation practices as evaluated

1 under Section 39.0821 indicate a potential for significant  
2 improvement in resource allocation; or

3 (13) as the commissioner otherwise determines  
4 necessary.

5 (b) If the agency's findings in an investigation under  
6 Subsection (a)(6) indicate that the board of trustees has observed  
7 a lawfully adopted policy, the agency may not substitute its  
8 judgment for that of the board.

9 (c) [~~(b-1)~~] The commissioner may authorize special  
10 accreditation investigations to be conducted in response to  
11 repeated complaints submitted to the agency concerning imposition  
12 of excessive paperwork requirements on classroom teachers.

13 (d) [~~(e)~~] Based on the results of a special accreditation  
14 investigation, the commissioner may:

- 15 (1) take appropriate action under Subchapter E [G];  
16 (2) lower the school district's accreditation status  
17 or a district's or campus's accountability rating; or  
18 (3) take action under both Subdivisions (1) and (2).

19 (e) [~~(c)~~ Based on the results of a special accreditation  
20 investigation, the commissioner may lower the district's  
21 accreditation rating and may take appropriate action under  
22 Subchapter G.] Regardless of whether the commissioner lowers the  
23 school district's accreditation status or a district's or campus's  
24 performance rating under Subsection (d) [~~rating~~], the commissioner  
25 may take action under Sections 39.102(a)(1) through (8) or Section  
26 39.103 [~~39.131(a)(1) through (8)~~] if the commissioner determines  
27 that the action is necessary to improve any area of a district's or



1 campus's performance, including the district's financial  
2 accounting practices.

3 Sec. 39.058 [~~39.076~~]. CONDUCT OF INVESTIGATIONS. (a) The  
4 agency shall adopt written procedures for conducting on-site  
5 investigations under this subchapter. The agency shall make the  
6 procedures available to the complainant, the alleged violator, and  
7 the public. Agency staff must be trained in the procedures and must  
8 follow the procedures in conducting the investigation.

9 (b) After completing an investigation, the agency shall  
10 present preliminary findings to any person the agency finds has  
11 violated a law, rule, or policy. Before issuing a report with its  
12 final findings, the agency must provide a person the agency finds  
13 has violated a law, rule, or policy an opportunity for an informal  
14 review by the commissioner or a designated hearing examiner.

15 SUBCHAPTER D [~~F~~]. FINANCIAL ACCOUNTABILITY

16 Sec. 39.081 [~~39.201~~]. DEFINITIONS. In this subchapter:

17 (1) "Parent" includes a guardian or other person  
18 having lawful control of a student.

19 (2) "System" means a [~~the~~] financial accountability  
20 rating system developed under this subchapter.

21 Sec. 39.082 [~~39.202~~]. DEVELOPMENT AND IMPLEMENTATION. (a)  
22 The commissioner shall, in consultation with the comptroller,  
23 develop and implement separate [~~a~~] financial accountability rating  
24 systems [~~system~~] for school districts and open-enrollment charter  
25 schools in this state that:

26 (1) distinguish [~~distinguishes~~] among school  
27 districts and distinguish among open-enrollment charter schools,

1 as applicable, based on levels of financial performance; and

2 (2) include [~~includes~~] procedures to:

3 (A) provide additional transparency to public  
4 education finance; and

5 (B) enable the commissioner and school district  
6 and open-enrollment charter school administrators to provide  
7 meaningful financial oversight and improvement.

8 (b) The system must include uniform indicators adopted by  
9 the commissioner by which to measure the [~~a district's~~] financial  
10 management performance of a district or open-enrollment charter  
11 school.

12 (c) The system may not include an indicator under Subsection  
13 (b) or any other performance measure that:

14 (1) requires a school district to spend at least 65  
15 percent or any other specified percentage of district operating  
16 funds for instructional purposes; or

17 (2) lowers the financial management performance  
18 rating of a school district for failure to spend at least 65 percent  
19 or any other specified percentage of district operating funds for  
20 instructional purposes.

21 Sec. 39.0821. COMPTROLLER REVIEW OF RESOURCE ALLOCATION  
22 PRACTICES. (a) The comptroller shall identify school districts  
23 and campuses that use resource allocation practices that contribute  
24 to high academic achievement and cost-effective operations. In  
25 identifying districts and campuses under this section, the  
26 comptroller shall:

27 (1) evaluate existing academic accountability and

1 financial data by integrating the data;

2 (2) rank the results of the evaluation under  
3 Subdivision (1) to identify the relative performance of districts  
4 and campuses; and

5 (3) identify potential areas for district and campus  
6 improvement.

7 (b) In reviewing resources allocation practices of  
8 districts and campuses under this section, the comptroller shall  
9 ensure resources are being used for the instruction of students by  
10 evaluating:

11 (1) the operating cost for each student;

12 (2) the operating cost for each program; and

13 (3) the staffing cost for each student.

14 Sec. 39.0822. FINANCIAL SOLVENCY REVIEW REQUIRED. (a) The  
15 agency shall develop a review process to anticipate the future  
16 financial solvency of each school district. The review process  
17 shall analyze:

18 (1) district revenues and expenditures for the  
19 preceding school year; and

20 (2) projected district revenues and expenditures for  
21 the current school year and the following two school years.

22 (b) In analyzing the information under Subsection (a), the  
23 review process developed must consider, for the preceding school  
24 year, the current school year, and the following two school years,  
25 as appropriate:

26 (1) student-to-staff ratios relative to expenditures,  
27 including average staff salaries;

1           (2) the rate of change in the district unreserved  
2 general fund balance;

3           (3) the number of students enrolled in the district;

4           (4) the adopted tax rate of the district;

5           (5) any independent audit report prepared for the  
6 district; and

7           (6) actual district financial information for the  
8 first quarter.

9           (c) The agency shall consult school district financial  
10 officers and public finance experts in developing the review  
11 process under this section.

12           (d) The agency shall develop an electronic-based program  
13 for school districts to use in submitting information to the agency  
14 for purposes of this section. Each district shall update  
15 information for purposes of the program within the period  
16 prescribed by the commissioner. The commissioner shall adopt rules  
17 under this subsection to allow a district to enter estimates of  
18 critical data into the program before the district adopts its  
19 budget. The program must:

20           (1) be capable of importing, to the extent  
21 practicable, data a district has previously submitted to the  
22 agency;

23           (2) include an entry space that allows a district to  
24 enter information explaining any irregularity in data submitted;  
25 and

26           (3) provide alerts for:

27           (A) a student-to-staff ratio that is

1 significantly outside the norm;

2 (B) a rapid depletion of the district general  
3 fund balance; and

4 (C) a significant discrepancy between actual  
5 budget figures and projected revenues and expenditures.

6 (e) An alert in the program developed under Subsection (d)  
7 must be developed to notify the agency immediately on the  
8 occurrence of a condition described by Subsection (d)(3). After  
9 the agency is alerted, the agency shall immediately notify the  
10 affected school district regarding the condition triggering the  
11 alert.

12 Sec. 39.0823. PROJECTED DEFICIT. (a) If the review process  
13 under Section 39.0822 indicates a projected deficit for a school  
14 district general fund within the following three school years, the  
15 district shall provide the agency interim financial reports,  
16 supplemented by staff and student count data, as needed, to  
17 evaluate the district's current budget status.

18 (b) If the interim financial data provided under Subsection  
19 (a) substantiates the projected deficit, the school district shall  
20 develop a financial plan and submit the plan to the agency for  
21 approval. The agency may approve the plan only if the agency  
22 determines the plan will permit the district to avoid the projected  
23 insolvency.

24 (c) The commissioner shall assign a school district an  
25 accredited-warned status if:

26 (1) the district fails to submit a plan as provided by  
27 Subsection (b);

1           (2) the district fails to obtain approval from the  
2 agency for a plan as provided by Subsection (b);

3           (3) the district fails to comply with a plan approved  
4 by the agency under Subsection (b); or

5           (4) the agency determines in a subsequent school year,  
6 based on financial data submitted by the district, that the  
7 approved plan for the district is no longer sufficient or is not  
8 appropriately implemented.

9           Sec. 39.083 [~~39.203~~]. REPORTING. (a) The commissioner  
10 shall develop, as part of the system, a reporting procedure under  
11 which:

12           (1) each school district is required to prepare and  
13 distribute an annual financial management report; and

14           (2) the public is provided an opportunity to comment  
15 on the report at a hearing.

16           (b) The annual financial management report must include:

17           (1) a description of the district's financial  
18 management performance based on a comparison, provided by the  
19 agency, of the district's performance on the indicators adopted  
20 under Section 39.082(b) [~~39.202(b)~~] to:

21                   (A) state-established standards; and

22                   (B) the district's previous performance on the  
23 indicators; [~~and~~]

24           (2) a description of the data submitted using the  
25 electronic-based program developed under Section 39.0822; and

26           (3) any descriptive information required by the  
27 commissioner.

1 (c) The report may include:

2 (1) information concerning the district's:

3 (A) financial allocations;

4 (B) tax collections;

5 (C) financial strength;

6 (D) operating cost management;

7 (E) personnel management;

8 (F) debt management;

9 (G) facility acquisition and construction  
10 management;

11 (H) cash management;

12 (I) budgetary planning;

13 (J) overall business management;

14 (K) compliance with rules; and

15 (L) data quality; and

16 (2) any other information the board of trustees  
17 determines to be necessary or useful.

18 (d) The board of trustees of each school district shall hold  
19 a public hearing on the report. The board shall give notice of the  
20 hearing to owners of real property in the district and to parents of  
21 district students. In addition to other notice required by law,  
22 notice of the hearing must be provided:

23 (1) to a newspaper of general circulation in the  
24 district; and

25 (2) through electronic mail to media serving the  
26 district.

27 (e) After the hearing, the report shall be disseminated in

1 the district in the manner prescribed by the commissioner.

2 Sec. 39.084. POSTING OF ADOPTED BUDGET. (a) On final  
3 approval of the budget by the board of trustees, the school district  
4 shall post on the district's Internet website a copy of the budget  
5 adopted by the board of trustees. The district's Internet website  
6 must prominently display the electronic link to the adopted budget.

7 (b) The district shall maintain the adopted budget on the  
8 district's Internet website until the third anniversary of the date  
9 the budget was adopted.

10 Sec. 39.085 [~~39.204~~]. RULES. The commissioner shall adopt  
11 rules as necessary for the implementation and administration of  
12 this subchapter.

13 SUBCHAPTER E [~~G~~]. ACCREDITATION INTERVENTIONS AND SANCTIONS

14 Sec. 39.102 [~~39.131~~]. INTERVENTIONS AND SANCTIONS FOR  
15 DISTRICTS. (a) If a school district does not satisfy the  
16 accreditation criteria under Section 39.052 [~~39.071~~], the academic  
17 performance standards under Section 39.053 or 39.054 [~~39.072~~], or  
18 any financial accountability standard as determined by  
19 commissioner rule, the commissioner shall take any of the following  
20 actions to the extent the commissioner determines necessary:

21 (1) issue public notice of the deficiency to the board  
22 of trustees;

23 (2) order a hearing conducted by the board of trustees  
24 of the district for the purpose of notifying the public of the  
25 insufficient [~~unacceptable~~] performance, the improvements in  
26 performance expected by the agency, and the interventions and  
27 sanctions that may be imposed under this section if the performance



1 does not improve;

2 (3) order the preparation of a student achievement  
3 improvement plan that addresses each student achievement [~~academic~~  
4 ~~excellence~~] indicator under Section 39.053(c) for which the  
5 district's performance is insufficient [~~unacceptable~~], the  
6 submission of the plan to the commissioner for approval, and  
7 implementation of the plan;

8 (4) order a hearing to be held before the commissioner  
9 or the commissioner's designee at which the president of the board  
10 of trustees of the district and the superintendent shall appear and  
11 explain the district's low performance, lack of improvement, and  
12 plans for improvement;

13 (5) arrange an on-site investigation of the district;

14 (6) appoint an agency monitor to participate in and  
15 report to the agency on the activities of the board of trustees or  
16 the superintendent;

17 (7) appoint a conservator to oversee the operations of  
18 the district;

19 (8) appoint a management team to direct the operations  
20 of the district in areas of insufficient [~~unacceptable~~] performance  
21 or require the district to obtain certain services under a contract  
22 with another person;

23 (9) if a district has a current accreditation status  
24 of accredited-warned or accredited-probation, fails to satisfy any  
25 standard under Section 39.054(e) [~~is rated academically~~  
26 ~~unacceptable~~], or fails to satisfy financial accountability  
27 standards as determined by commissioner rule, appoint a board of

1 managers to exercise the powers and duties of the board of trustees;

2 (10) if for two consecutive school years, including  
3 the current school year, a district has received an accreditation  
4 status of accredited-warned or accredited-probation, has failed to  
5 satisfy any standard under Section 39.054(e) [~~been rated~~  
6 ~~academically unacceptable~~], or has failed to satisfy financial  
7 accountability standards as determined by commissioner rule,  
8 revoke the district's accreditation and:

9 (A) order closure of the district and annex the  
10 district to one or more adjoining districts under Section 13.054;  
11 or

12 (B) in the case of a home-rule school district or  
13 open-enrollment charter school, order closure of all programs  
14 operated under the district's or school's charter; or

15 (11) if a district has failed to satisfy any standard  
16 under Section 39.054(e) [~~been rated academically unacceptable for~~  
17 ~~two consecutive school years, including the current school year,~~]  
18 due to the district's dropout rates, impose sanctions designed to  
19 improve high school completion rates, including:

20 (A) ordering the development of a dropout  
21 prevention plan for approval by the commissioner;

22 (B) restructuring the district or appropriate  
23 school campuses to improve identification of and service to  
24 students who are at risk of dropping out of school, as defined by  
25 Section 29.081;

26 (C) ordering lower student-to-counselor ratios  
27 on school campuses with high dropout rates; and

1 (D) ordering the use of any other intervention  
2 strategy effective in reducing dropout rates, including mentor  
3 programs and flexible class scheduling.

4 (b) This subsection applies regardless of whether a  
5 district has satisfied the accreditation criteria. If for two  
6 consecutive school years, including the current school year, a  
7 district has had a conservator or management team assigned, the  
8 commissioner may appoint a board of managers, a majority of whom  
9 must be residents of the district, to exercise the powers and duties  
10 of the board of trustees.

11 Sec. 39.103 [~~39.132~~]. INTERVENTIONS AND SANCTIONS FOR  
12 [~~ACADEMICALLY UNACCEPTABLE~~] CAMPUSES. (a) If a campus performance  
13 is below any standard under Section 39.054(e), the commissioner  
14 [~~39.073(b)~~], ~~the campus is considered an academically unacceptable~~  
15 ~~campus. The commissioner may permit the campus to participate in an~~  
16 ~~innovative redesign of the campus to improve campus performance or]~~  
17 shall take [~~any of the other following~~] actions, to the extent the  
18 commissioner determines necessary, as provided by this subchapter.

19 (b) For a campus described by Subsection (a), the  
20 commissioner, to the extent the commissioner determines necessary,  
21 may:

22 (1) [~~issue public notice of the deficiency to the~~  
23 ~~board of trustees,~~

24 [~~(2) order a hearing conducted by the board of~~  
25 ~~trustees at the campus for the purpose of:~~

26 [~~(A) notifying the public of the unacceptable~~  
27 ~~performance, the improvements in performance expected by the~~

1 ~~agency, and the sanctions that may be imposed under this section if~~  
2 ~~the performance does not improve within a designated period of~~  
3 ~~time, and~~

4 ~~[(B) soliciting public comment on the initial~~  
5 ~~steps being taken to improve performance,~~

6 ~~[(3) order the preparation of a report regarding the~~  
7 ~~parental involvement program at the campus and a plan describing~~  
8 ~~strategies for improving parental involvement at the campus,~~

9 ~~[(4) order the preparation of a report regarding the~~  
10 ~~effectiveness of the district- and campus-level planning and~~  
11 ~~decision-making committees established under Subchapter F, Chapter~~  
12 ~~11, and a plan describing strategies for improving the~~  
13 ~~effectiveness of those committees,~~

14 ~~[(5) order the preparation of a student improvement~~  
15 ~~plan that addresses each academic excellence indicator for which~~  
16 ~~the campus's performance is unacceptable, the submission of the~~  
17 ~~plan to the commissioner for approval, and implementation of the~~  
18 ~~plan,~~

19 ~~[(6)] order a hearing to be held before the~~  
20 ~~commissioner or the commissioner's designee at which the president~~  
21 ~~of the board of trustees, the superintendent, and the campus~~  
22 ~~principal shall appear and explain the campus's low performance,~~  
23 ~~lack of improvement, and plans for improvement; or~~

24 (2) establish a school community partnership team  
25 composed of members of the campus-level planning and  
26 decision-making committee established under Section 11.251 and  
27 additional community representatives as determined appropriate by

1 the commissioner

2 [~~(7)~~ ~~appoint a campus intervention team under Section~~  
3 ~~39.1322~~].

4 (c) Notwithstanding the provisions of this subchapter, if  
5 the commissioner determines that a campus subject to interventions  
6 or sanctions under this subchapter has implemented substantially  
7 similar intervention measures under federal accountability  
8 requirements, the commissioner may accept the substantially  
9 similar intervention measures as measures in compliance with this  
10 subchapter.

11 Sec. 39.104 [~~39.1321~~]. INTERVENTIONS AND SANCTIONS FOR  
12 CHARTER SCHOOLS. (a) Interventions and sanctions [~~Sanctions~~]  
13 authorized under this chapter for a school district or campus apply  
14 in the same manner to an open-enrollment charter school.

15 (b) The commissioner shall adopt rules to implement  
16 procedures to impose any intervention or sanction provision under  
17 this chapter as those provisions relate to open-enrollment charter  
18 schools.

19 (c) In adopting rules under this section, the commissioner  
20 shall require that the charter of an open-enrollment charter  
21 school:

22 (1) be automatically revoked if the charter school is  
23 ordered closed under this chapter; and

24 (2) be automatically modified to remove authorization  
25 for an individual campus if the campus is ordered closed under this  
26 chapter.

27 (d) If interventions or sanctions are imposed on an

1 open-enrollment charter school under the procedures provided by  
2 this chapter, a charter school is not entitled to an additional  
3 hearing relating to the modification, placement on probation,  
4 revocation, or denial of renewal of a charter as provided by  
5 Subchapter D, Chapter 12.

6       Sec. 39.105 [~~39.1322~~]. [~~TECHNICAL ASSISTANCE AND~~] CAMPUS  
7 IMPROVEMENT PLAN [~~INTERVENTION TEAMS~~]. (a) This section applies  
8 if [~~If~~] a campus performance satisfies performance standards under  
9 Section 39.054(e) [~~is rated academically acceptable~~] for the  
10 current school year but would not satisfy performance standards  
11 under Section 39.054(e) [~~be rated as academically unacceptable~~] if  
12 the [~~performance~~] standards to be used for the following school  
13 year were applied to the current school year. On request of [~~7~~] the  
14 commissioner, the campus-level committee established under Section  
15 11.251 shall revise and submit to the commissioner in an electronic  
16 format the portions of the campus improvement plan developed under  
17 Section 11.253 that are relevant to those areas for which the campus  
18 would not satisfy performance standards [~~select and assign a~~  
19 ~~technical assistance team to assist the campus in executing a~~  
20 ~~school improvement plan and any other school improvement strategies~~  
21 ~~the commissioner determines appropriate. The commissioner may~~  
22 ~~waive the requirement to assign a technical assistance team under~~  
23 ~~this subsection if the improvement in performance standards among~~  
24 ~~all student groups, including special populations, over the~~  
25 ~~preceding three years indicates that the campus is likely to be~~  
26 ~~rated academically acceptable in the following school year~~].

27       (b) If the [~~a~~] campus to which this section applies is an

1 open-enrollment charter school, the school shall establish a  
 2 campus-level planning and decision-making committee as provided  
 3 for through procedures as much as practicable the same as those  
 4 provided by Sections 11.251(b)-(e) and develop a campus improvement  
 5 plan as provided by Section 11.253. On request of the commissioner,  
 6 the school shall submit to the commissioner in an electronic format  
 7 the portions of the campus improvement plan that are relevant to  
 8 those areas for which the campus would not satisfy performance  
 9 standards [~~has been identified as academically unacceptable under~~  
 10 ~~Section 39.132, the commissioner shall appoint a campus~~  
 11 ~~intervention team.~~

12 [~~(c) To the extent practicable, the commissioner shall~~  
 13 ~~select and assign the technical assistance team under Subsection~~  
 14 ~~(a) or the campus intervention team under Subsection (b) before the~~  
 15 ~~first day of instruction for the school year.~~

16 [~~(d) The commissioner may determine when the services of a~~  
 17 ~~technical assistance team or campus intervention team are no longer~~  
 18 ~~needed at a campus under this section].~~

19 Sec. 39.106 [~~39.1323~~]. CAMPUS INTERVENTION TEAM  
 20 [~~PROCEDURES~~]. (a) If a campus performance is below any standard  
 21 under Section 39.054(e), the commissioner shall assign a campus  
 22 intervention team. A campus intervention team shall:

23 (1) conduct, with the involvement and advice of the  
 24 school community partnership team, if applicable:

25 (A) a targeted [~~comprehensive~~] on-site needs  
 26 assessment relevant to an area of insufficient performance  
 27 [~~evaluation~~] of the campus as provided by Subsection (b) [~~to~~

1 ~~determine the cause for the campus's low performance and lack of~~  
2 ~~progress]; or~~

3 (B) if the commissioner determines necessary, a  
4 comprehensive on-site needs assessment, using the procedures  
5 provided by Subsection (b);

6 (2) recommend appropriate actions as provided by  
7 Subsection (c) [~~, including reallocation of resources and technical~~  
8 ~~assistance, changes in school procedures or operations, staff~~  
9 ~~development for instructional and administrative staff,~~  
10 ~~intervention for individual administrators or teachers, waivers~~  
11 ~~from state statute or rule, or other actions the team considers~~  
12 ~~appropriate];~~

13 (3) assist in the development of a targeted [~~school~~]  
14 improvement plan [~~for student achievement]; [and]~~

15 (4) assist the campus in submitting the targeted  
16 improvement plan to the board of trustees for approval and  
17 presenting the plan in a public hearing as provided by Subsection  
18 (e-1); and

19 (5) assist the commissioner in monitoring the progress  
20 of the campus in implementing the targeted [~~school~~] improvement  
21 plan [~~for improvement of student achievement]~~.

22 (b) An [~~A campus intervention team assigned under Section~~  
23 ~~39.1322 to a campus shall conduct a comprehensive]~~ on-site needs  
24 assessment of the campus under Subsection (a) must [~~to~~] determine  
25 the contributing education-related and other [~~causal~~] factors  
26 resulting in the campus's low performance and lack of progress. The  
27 team shall use all of the following guidelines and procedures



1 relevant to each area of insufficient performance in conducting a  
2 targeted on-site needs assessment and shall use each of the  
3 following guidelines and procedures in conducting a [the]  
4 comprehensive on-site needs assessment [~~of the campus~~]:

5 (1) an assessment of the staff to determine the  
6 percentage of certified teachers who are teaching in their field,  
7 the percentage of teachers who are fully certified, the number of  
8 teachers with more [~~less~~] than three years of experience, and  
9 teacher retention [~~turnover~~] rates;

10 (2) compliance with the appropriate class-size rules  
11 and number of class-size waivers received;

12 (3) an assessment of the quality, quantity, and  
13 appropriateness of instructional materials; including the  
14 availability of technology-based instructional materials;

15 (4) a report on the parental involvement strategies  
16 and the effectiveness of the strategies;

17 (5) an assessment of the extent and quality of the  
18 mentoring program provided for new teachers on the campus and  
19 provided for experienced teachers on the campus who have less than  
20 two years of teaching experience in the subject or grade level to  
21 which the teacher is assigned;

22 (6) an assessment of the type and quality of the  
23 professional development provided to the staff;

24 (7) a demographic analysis of the student population,  
25 including student demographics, at-risk populations, and special  
26 education percentages;

27 (8) a report of disciplinary incidents and school

1 safety information;

2 (9) financial and accounting practices;

3 (10) an assessment of the appropriateness of the  
4 curriculum and teaching strategies; ~~and~~

5 (11) a comparison of the findings from Subdivisions  
6 (1) through (10) to other campuses serving the same grade levels  
7 within the district or to other campuses within the campus's  
8 comparison group if there are no other campuses within the district  
9 serving the same grade levels as the campus; and

10 (12) any other research-based data or information  
11 obtained from a data collection process that would assist the  
12 campus intervention team in:

13 (A) recommending an action under Subsection (c);

14 and

15 (B) executing a targeted ~~[school]~~ improvement  
16 plan under Subsection (d-3) ~~[(d)]~~.

17 (c) On completing the on-site needs assessment ~~[evaluation]~~  
18 under this section, the campus intervention team shall, with the  
19 involvement and advice of the school community partnership team, if  
20 applicable, recommend actions relating to any area of insufficient  
21 performance, including:

22 (1) reallocation of resources;

23 (2) technical assistance;

24 (3) changes in school procedures or operations;

25 (4) staff development for instructional and  
26 administrative staff;

27 (5) intervention for individual administrators or

1 teachers;

2 (6) waivers from state statutes or rules; ~~[or]~~

3 (7) teacher recruitment or retention strategies and  
4 incentives provided by the district to attract and retain teachers  
5 with the characteristics included in Subsection (b)(1); or

6 (8) other actions the campus intervention team  
7 considers appropriate.

8 (d) The campus intervention team shall assist the campus in  
9 submitting the targeted improvement plan to the commissioner for  
10 approval.

11 (d-1) The commissioner may authorize a school community  
12 partnership team established under this subchapter to supersede the  
13 authority of and satisfy the requirements of establishing and  
14 maintaining a campus-level planning and decision-making committee  
15 under Subchapter F, Chapter 11.

16 (d-2) The commissioner may authorize a targeted improvement  
17 plan or updated plan developed under this subchapter to supersede  
18 the provisions of and satisfy the requirements of developing,  
19 reviewing, and revising a campus improvement plan under Subchapter  
20 F, Chapter 11.

21 (d-3) In executing the targeted ~~[a school]~~ improvement plan  
22 ~~[developed under Subsection (a)(3)]~~, the campus intervention team  
23 shall, if appropriate:

24 (1) assist the campus in implementing research-based  
25 practices for curriculum development and classroom instruction,  
26 including bilingual education and special education programs ~~[, if~~  
27 ~~appropriate,~~] and financial management;

1           (2) provide research-based technical assistance,  
2 including data analysis, academic deficiency identification,  
3 intervention implementation, and budget analysis, to strengthen  
4 and improve the instructional programs at the campus; and

5           (3) require the district to develop a teacher  
6 recruitment and retention plan to address the qualifications and  
7 retention of the teachers at the campus [~~submit the school~~  
8 ~~improvement plan to the commissioner for approval~~].

9           (e) For each year a campus is assigned an unacceptable  
10 performance rating, a [A] campus intervention team shall [~~appointed~~  
11 ~~under Section 39.1322(b)~~]:

12           (1) [~~shall~~] continue to work with a campus until:

13           (A) the campus satisfies all performance  
14 standards under Section 39.054(e) [~~is rated academically~~  
15 ~~acceptable~~] for a two-year period; or

16           (B) the campus satisfies all performance  
17 standards under Section 39.054(e) [~~is rated academically~~  
18 ~~acceptable~~] for a one-year period and the commissioner determines  
19 that the campus is operating and will continue to operate in a  
20 manner that improves student achievement; [~~and~~]

21           (2) assist in updating the targeted improvement plan  
22 to identify and analyze areas of growth and areas that require  
23 improvement; and

24           (3) submit each updated plan described by Subdivision  
25 (2) to the board of trustees of the school district [~~may continually~~  
26 ~~update the school improvement plan, with approval from the~~  
27 ~~commissioner, to meet the needs of the campus~~].

1       (e-1) After a targeted improvement plan or updated plan is  
2 submitted to the board of trustees of the school district, the  
3 board:

4               (1) shall conduct a hearing for the purpose of:

5                       (A) notifying the public of the insufficient  
6 performance, the improvements in performance expected by the  
7 agency, and the intervention measures or sanctions that may be  
8 imposed under this subchapter if the performance does not improve  
9 within a designated period; and

10                      (B) soliciting public comment on the targeted  
11 improvement plan or any updated plan;

12               (2) must post the targeted improvement plan on the  
13 district's Internet website before the hearing;

14               (3) may conduct one hearing relating to one or more  
15 campuses subject to a targeted improvement plan or an updated plan;  
16 and

17               (4) shall submit the targeted improvement plan or any  
18 updated plan to the commissioner for approval.

19       (f) Notwithstanding any other provision of this subchapter,  
20 if the commissioner determines that a campus for which an  
21 intervention is ordered under Subsection (a) [Section 39.1322(b)]  
22 is not fully implementing the campus intervention team's  
23 recommendations or targeted [school] improvement plan or updated  
24 plan, the commissioner may order the reconstitution of the campus  
25 as provided by Section 39.107.

26       Sec. 39.107 [39.1324]. RECONSTITUTION, REPURPOSING,  
27 ALTERNATIVE MANAGEMENT, AND CLOSURE [MANDATORY SANCTIONS]. (a)

1 After [~~If~~] a campus has been identified as [~~academically~~]  
2 unacceptable for two consecutive school years, [~~including the~~  
3 ~~current school year,~~] the commissioner shall order the  
4 reconstitution of the campus [~~and assign a campus intervention~~  
5 ~~team~~].

6 (a-1) In reconstituting a [~~the~~] campus, a campus  
7 intervention team shall assist the campus in:

8 (1) developing an updated targeted [~~a school~~]  
9 improvement plan;

10 (2) submitting the updated targeted improvement plan  
11 to the board of trustees of the school district for approval and  
12 presenting the plan in a public hearing as provided by Section  
13 39.106(e-1);

14 (3) [~~(2)~~] obtaining approval of the updated plan from  
15 the commissioner; and

16 (4) [~~(3)~~] executing the plan on approval by the  
17 commissioner.

18 (b) The campus intervention team shall decide which  
19 educators may be retained at that campus. A principal who has been  
20 employed by the campus in that capacity during the full [~~two-year~~]  
21 period described by Subsection (a) may not be retained at that  
22 campus unless the campus intervention team determines that  
23 retention of the principal would be more beneficial to the student  
24 achievement and campus stability than removal.

25 (b-1) A teacher of a subject assessed by an assessment  
26 instrument under Section 39.023 may be retained only if the campus  
27 intervention team determines that a pattern exists of significant

1 academic improvement by students taught by the teacher. If an  
2 educator is not retained, the educator may be assigned to another  
3 position in the district.

4 (b-2) For each year that a campus is considered to have an  
5 unacceptable performance rating, a campus intervention team shall:

6 (1) assist in updating the targeted improvement plan  
7 to identify and analyze areas of growth and areas that require  
8 improvement;

9 (2) submit the updated plan to:

10 (A) the board of trustees of the school district;  
11 and

12 (B) the parents of campus students; and

13 (3) assist in submitting the updated plan to the  
14 commissioner for approval.

15 (c) A campus subject to Subsection (a) shall implement the  
16 updated targeted [school] improvement plan as approved by the  
17 commissioner. The commissioner may appoint a monitor, conservator,  
18 management team, or [a] board of managers to the district to ensure  
19 and oversee district-level support to low-performing campuses and  
20 the implementation of the updated targeted [school] improvement  
21 plan. In making appointments under this subsection, the  
22 commissioner shall consider individuals who have demonstrated  
23 success in managing campuses with student populations similar to  
24 the campus at which the individual appointed will serve.

25 (d) If [Notwithstanding any other provision of this  
26 subchapter, if] the commissioner determines that the [a] campus  
27 [subject to Subsection (a)] is not fully implementing the updated

1 targeted [school] improvement plan or if the students enrolled at  
2 the campus fail to demonstrate substantial improvement in the areas  
3 targeted by the updated plan, the commissioner may order:

4 (1) repurposing of the campus under this section;

5 (2) [pursue] alternative management of the campus  
6 under this section; [Section 39.1327] or

7 (3) [may order] closure of the campus.

8 (e) ~~[If a campus is considered an academically unacceptable~~  
9 ~~campus for the subsequent school year after the campus is~~  
10 ~~reconstituted under this section, the commissioner shall review the~~  
11 ~~progress of the campus and may order closure of the campus or pursue~~  
12 ~~alternative management under Section 39.1327.~~

13 [~~f~~] If a campus is considered to have an unacceptable  
14 performance rating [considered academically unacceptable] for  
15 three [two] consecutive school years after the campus is  
16 reconstituted under Subsection (a), the commissioner shall order:

17 (1) repurposing of the campus under this section;

18 (2) alternative management of the campus under this  
19 section; or

20 (3) closure of the campus [or pursue alternative  
21 management under Section 39.1327].

22 (e-1) The commissioner may waive the requirement to enter an  
23 order under Subsection (e) for not more than one school year if the  
24 commissioner determines that, on the basis of significant  
25 improvement in student performance over the preceding two school  
26 years, the campus is likely to be assigned an acceptable  
27 performance rating for the following school year.



1       (f) If the commissioner orders repurposing of a campus, the  
2 school district shall develop a comprehensive plan for repurposing  
3 the campus and submit the plan to the board of trustees for  
4 approval, using the procedures described by Section 39.106(e-1),  
5 and to the commissioner for approval. The plan must include a  
6 description of a rigorous and relevant academic program for the  
7 campus. The plan may include various instructional models. The  
8 commissioner may not approve the repurposing of a campus unless:

9           (1) all students in the assigned attendance zone of  
10 the campus in the school year immediately preceding the repurposing  
11 of the campus are provided with the opportunity to enroll in and are  
12 provided transportation on request to another campus, unless the  
13 commissioner grants an exception because there is no other campus  
14 in the district in which the students may enroll;

15           (2) the principal is not retained at the campus,  
16 unless the commissioner determines that students enrolled at the  
17 campus have demonstrated significant academic improvement; and

18           (3) teachers employed at the campus in the school year  
19 immediately preceding the repurposing of the campus are not  
20 retained at the campus, unless the commissioner or the  
21 commissioner's designee grants an exception, at the request of a  
22 school district, for:

23           (A) a teacher who provides instruction in a  
24 subject other than a subject for which an assessment instrument is  
25 administered under Section 39.023(a) or (c) who demonstrates to the  
26 commissioner satisfactory performance; or

27           (B) a teacher who provides instruction in a

1 subject for which an assessment instrument is administered under  
2 Section 39.023(a) or (c) if the district demonstrates that the  
3 students of the teacher demonstrated satisfactory performance or  
4 improved academic growth on that assessment instrument.

5 (g) If an educator is not retained under Subsection (f), the  
6 educator may be assigned to another position in the district.

7 (h) If the commissioner orders alternative management under  
8 this section, the [~~Sec. 39.1327. MANAGEMENT OF CERTAIN~~  
9 ~~ACADEMICALLY UNACCEPTABLE CAMPUSES. (a) A campus may be subject~~  
10 ~~to this section if the campus has been identified as academically~~  
11 ~~unacceptable under Section 39.132 and the commissioner orders~~  
12 ~~alternative management under Section 39.1324(d), (e), or (f).~~

13 [~~(b) The~~] commissioner shall solicit proposals from  
14 qualified nonprofit entities to assume management of a campus  
15 subject to this section or may appoint to assume management of a  
16 campus subject to this section a school district other than the  
17 district in which the campus is located that is located in the  
18 boundaries of the same regional education service center as the  
19 campus is located. The commissioner may solicit proposals from  
20 qualified for-profit entities to assume management of a campus  
21 subject to this section if a nonprofit entity has not responded to  
22 the commissioner's request for proposals. A district appointed  
23 under this section shall assume management of a campus subject to  
24 this section in the same manner provided by this section for a  
25 qualified [~~nonprofit~~] entity or in accordance with commissioner  
26 rule.

27 (i) [~~(c)~~] If the commissioner determines that the basis for

1 the unsatisfactory performance of [~~identifying~~] a campus for more  
2 than two consecutive school years [~~as academically unacceptable~~] is  
3 limited to a specific condition that may be remedied with targeted  
4 technical assistance, the commissioner may[+]

5            [~~(1) provide the campus a one-year waiver under this~~  
6 ~~section, and~~

7            [~~(2)~~] require the district to contract for the  
8 appropriate technical assistance.

9            (j) [~~(d)~~] The commissioner may annually solicit proposals  
10 under this section for the management of a campus subject to this  
11 section. The commissioner shall notify a qualified [~~nonprofit~~]  
12 entity that has been approved as a provider under this section. The  
13 district must execute a contract with an approved provider and  
14 relinquish control of the campus before January 1 of the school  
15 year.

16            (k) [~~(e)~~] To qualify for consideration as a managing entity  
17 under this section, the entity must submit a proposal that provides  
18 information relating to the entity's management and leadership team  
19 that will participate in management of the campus under  
20 consideration, including information relating to individuals that  
21 have:

22            (1) documented success in whole school interventions  
23 that increased the educational and performance levels of students  
24 in [~~academically unacceptable~~] campuses considered to have an  
25 unacceptable performance rating;

26            (2) a proven record of effectiveness with programs  
27 assisting low-performing students;

1           (3) a proven ability to apply research-based school  
2 intervention strategies;

3           (4) a proven record of financial ability to perform  
4 under the management contract; and

5           (5) any other experience or qualifications the  
6 commissioner determines necessary.

7           (l) [~~(f)~~] In selecting a managing entity under this  
8 section, the commissioner shall give preference to a qualified  
9 [~~nonprofit~~] entity that:

10           (1) meets any qualifications under this section; and

11           (2) has documented success in educating students from  
12 similar demographic groups and with similar educational needs as  
13 the students who attend the campus that is to be operated by a  
14 managing entity under this section.

15           (m) [~~(g)~~] The school district may negotiate the term of a  
16 management contract for not more than five years with an option to  
17 renew the contract. The management contract must include a  
18 provision describing the district's responsibilities in supporting  
19 the operation of the campus. The commissioner shall approve the  
20 contract before the contract is executed and, as appropriate, may  
21 require the district, as a term of the contract, to support the  
22 campus in the same manner as the district was required to support  
23 the campus before the execution of the management contract.

24           (n) [~~(h)~~] A management contract under this section shall  
25 include provisions approved by the commissioner that require the  
26 managing entity to demonstrate improvement in campus performance,  
27 including negotiated performance measures. The performance

1 measures must be consistent with the priorities of this chapter.  
2 The commissioner shall evaluate a managing entity's performance on  
3 the first and second anniversaries of the date of the management  
4 contract. If the evaluation fails to demonstrate improvement as  
5 negotiated under the contract by the first anniversary of the date  
6 of the management contract, the district may terminate the  
7 management contract, with the commissioner's consent, for  
8 nonperformance or breach of contract and select another provider  
9 from an approved list provided by the commissioner. If the  
10 evaluation fails to demonstrate significant improvement, as  
11 determined by the commissioner, by the second anniversary of the  
12 date of the management contract, the district shall terminate the  
13 management contract and select another provider from an approved  
14 list provided by the commissioner or resume operation of the campus  
15 if approved by the commissioner. If the commissioner approves the  
16 district's operation of the campus, the commissioner shall assign a  
17 technical assistance team to assist the campus.

18 (o) [~~(i)~~] Notwithstanding any other provision of this code,  
19 the funding for a campus operated by a managing entity must be not  
20 less than the funding of the other campuses in the district on a per  
21 student basis so that the managing entity receives at least the same  
22 funding the campus would otherwise have received.

23 (p) [~~(j)~~] Each campus operated by a managing entity under  
24 this section is subject to this chapter in the same manner as any  
25 other campus in the district.

26 (q) [~~(k)~~] The commissioner may adopt rules necessary to  
27 implement this section.

1           (r) [~~(1)~~] With respect to the management of a campus under  
2 this section:

3           (1) a managing entity is considered to be a  
4 governmental body for purposes of Chapters 551 and 552, Government  
5 Code; and

6           (2) any requirement in Chapter 551 or 552, Government  
7 Code, that applies to a school district or the board of trustees of  
8 a school district applies to a managing entity.

9           Sec. 39.108 [~~39.133~~]. ANNUAL REVIEW. The commissioner  
10 shall review annually the performance of a district or campus  
11 subject to this subchapter to determine the appropriate actions to  
12 be implemented under this subchapter. The commissioner must review  
13 at least annually the performance of a district for which the  
14 accreditation status or rating has been lowered due to insufficient  
15 [~~unacceptable~~] student performance and may not raise the  
16 accreditation status or rating until the district has demonstrated  
17 improved student performance. If the review reveals a lack of  
18 improvement, the commissioner shall increase the level of state  
19 intervention and sanction unless the commissioner finds good cause  
20 for maintaining the current status.

21           Sec. 39.109 [~~39.1331~~]. ACQUISITION OF PROFESSIONAL  
22 SERVICES. In addition to other interventions and sanctions  
23 authorized under this subchapter [~~Sections 39.131 and 39.132~~], the  
24 commissioner may order a school district or campus to acquire  
25 professional services at the expense of the district or campus to  
26 address the applicable financial, assessment, data quality,  
27 program, performance, or governance deficiency. The

1 commissioner's order may require the district or campus to:

2 (1) select or be assigned an external auditor, data  
3 quality expert, professional authorized to monitor district  
4 assessment instrument administration, or curriculum or program  
5 expert; or

6 (2) provide for or participate in the appropriate  
7 training of district staff or board of trustees members in the case  
8 of a district, or campus staff, in the case of a campus.

9 Sec. 39.110 [~~39.134~~]. COSTS PAID BY DISTRICT. The costs of  
10 providing a monitor, conservator, management team, campus  
11 intervention team, technical assistance team, managing entity, or  
12 service provider under this subchapter [~~Section 39.1327, or service~~  
13 ~~provider under Section 39.1331~~] shall be paid by the district. If  
14 the district fails or refuses to pay the costs in a timely manner,  
15 the commissioner may:

16 (1) pay the costs using amounts withheld from any  
17 funds to which the district is otherwise entitled; or

18 (2) recover the amount of the costs in the manner  
19 provided for recovery of an overallocation of state funds under  
20 Section 42.258.

21 Sec. 39.111 [~~39.135~~]. CONSERVATOR OR MANAGEMENT TEAM. (a)  
22 The commissioner shall clearly define the powers and duties of a  
23 conservator or management team appointed to oversee the operations  
24 of the district.

25 (b) At least every 90 days, the commissioner shall review  
26 the need for the conservator or management team and shall remove the  
27 conservator or management team unless the commissioner determines

1 that continued appointment is necessary for effective governance of  
2 the district or delivery of instructional services.

3 (c) A conservator or management team, if directed by the  
4 commissioner, shall prepare a plan for the implementation of action  
5 under Section 39.102(a)(9) [~~39.131(a)(9)~~] or (10). The conservator  
6 or management team:

7 (1) may direct an action to be taken by the principal  
8 of a campus, the superintendent of the district, or the board of  
9 trustees of the district;

10 (2) may approve or disapprove any action of the  
11 principal of a campus, the superintendent of the district, or the  
12 board of trustees of the district;

13 (3) may not take any action concerning a district  
14 election, including ordering or canceling an election or altering  
15 the date of or the polling places for an election;

16 (4) may not change the number of or method of selecting  
17 the board of trustees;

18 (5) may not set a tax rate for the district; and

19 (6) may not adopt a budget for the district that  
20 provides for spending a different amount, exclusive of required  
21 debt service, from that previously adopted by the board of  
22 trustees.

23 Sec. 39.112 [~~39.136~~]. BOARD OF MANAGERS. (a) A board of  
24 managers may exercise all of the powers and duties assigned to a  
25 board of trustees of a school district by law, rule, or regulation.  
26 This subchapter applies to a district governed by a board of  
27 managers in the same manner that this subchapter applies to any



1 other district.

2 (b) If the commissioner appoints a board of managers to  
3 govern a district, the powers of the board of trustees of the  
4 district are suspended for the period of the appointment and the  
5 commissioner shall appoint a district superintendent.  
6 Notwithstanding any other provision of this code, the board of  
7 managers may amend the budget of the district.

8 (c) If the commissioner appoints a board of managers to  
9 govern a campus, the powers of the board of trustees of the district  
10 in relation to the campus are suspended for the period of the  
11 appointment and the commissioner shall appoint a campus principal.  
12 Notwithstanding any other provision of this code, the board of  
13 managers may submit to the commissioner for approval amendments to  
14 the budget of the district for the benefit of the campus. If the  
15 commissioner approves the amendments, the board of trustees of the  
16 district shall adopt the amendments.

17 (d) A conservator or a member of a management team appointed  
18 to serve on a board of managers may continue to be compensated as  
19 determined by the commissioner.

20 (e) At the direction of the commissioner but not later than  
21 the second anniversary of the date the board of managers of a  
22 district was appointed, the board of managers shall order an  
23 election of members of the district board of trustees. The election  
24 must be held on a uniform election date on which an election of  
25 district trustees may be held under Section 41.001, Election Code,  
26 that is at least 180 days after the date the election was ordered.  
27 On qualification of members for office, the board of trustees

1 assumes all of the powers and duties assigned to a board of trustees  
2 by law, rule, or regulation.

3 Sec. 39.113 [~~39.137~~]. [~~SPECIAL~~] CAMPUS INTERVENTION TEAM.  
4 A [~~special~~] campus intervention team appointed under this  
5 subchapter may consist of teachers, principals, other educational  
6 professionals, and superintendents recognized for excellence in  
7 their roles and appointed by the commissioner to serve as members of  
8 a team.

9 Sec. 39.114 [~~39.138~~]. IMMUNITY FROM CIVIL LIABILITY. An  
10 employee, volunteer, or contractor acting on behalf of the  
11 commissioner under this subchapter is immune from civil liability  
12 to the same extent as a professional employee of a school district  
13 under Section 22.051.

14 Sec. 39.115. CAMPUS NAME CHANGE PROHIBITED. In  
15 reconstituting, repurposing, or imposing any other intervention or  
16 sanction on a campus under this subchapter, the commissioner may  
17 not require that the name of the campus be changed.

18 Sec. 39.116. TRANSITIONAL INTERVENTIONS AND SANCTIONS. (a)  
19 During the period of transition to the accreditation system  
20 established under H.B. No. 3, Acts of the 81st Legislature, Regular  
21 Session, 2009, to be implemented in August 2013, the commissioner  
22 may suspend assignment of accreditation statuses and performance  
23 ratings for the 2011-2012 school year.

24 (b) As soon as practicable following the 2011-2012 school  
25 year, the commissioner shall report district and campus performance  
26 under the student achievement indicators under Sections  
27 39.053(c)(1)(A) and (B).

1        (c) For the 2012-2013 school year, the commissioner shall:

2            (1) report district and campus performance under the  
3 student achievement indicator under Section 39.053(c)(1)(B); and

4            (2) evaluate district and campus performance under the  
5 student achievement indicator under Section 39.053(c)(1)(A) and  
6 assign district accreditation statuses and district and campus  
7 performance ratings based on that evaluation.

8        (d) Beginning with the 2013-2014 school year, the  
9 commissioner shall evaluate district and campus performance under  
10 the student achievement indicators under Sections 39.053(c)(1)(A)  
11 and (B) and assign district accreditation statuses and district and  
12 campus performance ratings based on that evaluation.

13        (e) During the 2011-2012 and 2012-2013 school years, the  
14 commissioner shall continue to implement interventions and  
15 sanctions for districts and campuses identified as having  
16 unacceptable performance in the 2010-2011 school year in accordance  
17 with the performance standards applicable during the 2010-2011  
18 school year and may increase or decrease the level of interventions  
19 and sanctions based on an evaluation of the district's or campus's  
20 performance.

21        (f) For purposes of determining multiple years of  
22 unacceptable performance and required district and campus  
23 interventions and sanctions under this subchapter, the performance  
24 ratings and accreditation statuses issued in the 2010-2011 and  
25 2012-2013 school years shall be considered consecutive.

26        (g) This section expires September 1, 2014.

1 SUBCHAPTER F [~~\*~~]. PROCEDURES FOR CHALLENGE OF ACCOUNTABILITY

2 DETERMINATION, INTERVENTION, [RATING] OR SANCTION

3 Sec. 39.151 [~~39.301~~]. REVIEW BY COMMISSIONER:

4 ACCOUNTABILITY DETERMINATION [~~RATINGS~~]. (a) The commissioner by  
5 rule shall provide a process for a school district or  
6 open-enrollment charter school to challenge an agency decision made  
7 under this chapter relating to an academic or financial  
8 accountability rating that affects the district or school.

9 (b) The rules under Subsection (a) must provide for the  
10 commissioner to appoint a committee to make recommendations to the  
11 commissioner on a challenge made to an agency decision relating to  
12 an academic performance rating or determination or financial  
13 accountability rating. The commissioner may not appoint an agency  
14 employee as a member of the committee.

15 (c) The commissioner may limit a challenge under this  
16 section to a written submission of any issue identified by the  
17 school district or open-enrollment charter school challenging the  
18 agency decision.

19 (d) The commissioner shall make a final decision under this  
20 section after considering the recommendation of the committee  
21 described by Subsection (b). The commissioner's decision may not  
22 be appealed under Section 7.057 or other law.

23 (e) A school district or open-enrollment charter school may  
24 not challenge an agency decision relating to an academic or  
25 financial accountability rating under this chapter in another  
26 proceeding if the district or school has had an opportunity to  
27 challenge the decision under this section.

1           Sec. 39.152 [~~39.302~~]. REVIEW BY STATE OFFICE OF  
2 ADMINISTRATIVE HEARINGS: SANCTIONS. (a) A school district or  
3 open-enrollment charter school that intends to challenge a decision  
4 by the commissioner under this chapter to close the district or a  
5 district campus or the charter school or to pursue alternative  
6 management of a district campus or the charter school must appeal  
7 the decision under the procedures provided for a contested case  
8 under Chapter 2001, Government Code.

9           (b) A challenge to a decision under this section is under  
10 the substantial evidence rule as provided by Subchapter G, Chapter  
11 2001, Government Code.

12           (c) Notwithstanding other law:

13                 (1) the State Office of Administrative Hearings shall  
14 provide an expedited review of a challenge under this section;

15                 (2) the administrative law judge shall issue a final  
16 order not later than the 30th day after the date on which the  
17 hearing is finally closed; and

18                 (3) the decision of the administrative law judge is  
19 final and may not be appealed.

20                         SUBCHAPTER G. DISTINCTION DESIGNATIONS

21           Sec. 39.201. DISTINCTION DESIGNATIONS. Not later than  
22 August 8 of each year, the commissioner shall award distinction  
23 designations under this subchapter. A district or campus may not be  
24 awarded a distinction designation under this subchapter unless the  
25 district or campus has acceptable performance under Section 39.054.

26           Sec. 39.202. ACADEMIC EXCELLENCE DISTINCTION DESIGNATION  
27 FOR DISTRICTS AND CAMPUSES. The commissioner by rule shall

1 establish a recognized and exemplary rating for awarding districts  
2 and campuses an academic distinction designation under this  
3 subchapter. In establishing the recognized and exemplary ratings,  
4 the commissioner shall adopt criteria for the ratings, including:

5 (1) percentages of students who:

6 (A) performed satisfactorily, as determined  
7 under the college readiness performance standard under Section  
8 39.0241, on assessment instruments required under Section  
9 39.023(a), (b), (c), or (l), aggregated across grade levels by  
10 subject area; or

11 (B) met the standard for annual improvement, as  
12 determined by the agency under Section 39.034, on assessment  
13 instruments required under Section 39.023(a), (b), (c), or (l),  
14 aggregated across grade levels by subject area, for students who  
15 did not perform satisfactorily as described by Paragraph (A); and

16 (2) other factors for determining sufficient student  
17 attainment of postsecondary readiness.

18 Sec. 39.203. CAMPUS DISTINCTION DESIGNATIONS. (a) The  
19 commissioner shall award a campus a distinction designation if the  
20 campus is ranked in the top 25 percent of campuses in the state in  
21 annual improvement in student achievement as determined under  
22 Section 39.034.

23 (b) In addition to the distinction designation described by  
24 Subsection (a), the commissioner shall award a campus a distinction  
25 designation if the campus demonstrates an ability to significantly  
26 diminish or eliminate performance differentials between student  
27 subpopulations and is ranked in the top 25 percent of campuses in

1 this state under the performance criteria described by this  
2 subsection. The commissioner shall adopt rules related to the  
3 distinction designation under this subsection to ensure that a  
4 campus does not artificially diminish or eliminate performance  
5 differentials through inhibiting the achievement of the highest  
6 achieving student subpopulation.

7 (c) In addition to the distinction designations described  
8 by Subsections (a) and (b), a campus that satisfies the criteria  
9 developed under Section 39.204 shall be awarded a distinction  
10 designation by the commissioner for the following programs or the  
11 following specific categories of performance:

12 (1) academic achievement in English language arts,  
13 mathematics, science, or social studies;

14 (2) fine arts;

15 (3) physical education;

16 (4) 21st Century Workforce Development program; and

17 (5) second language acquisition program.

18 Sec. 39.204. CAMPUS DISTINCTION DESIGNATION CRITERIA;  
19 COMMITTEES. (a) The commissioner by rule shall establish:

20 (1) standards for considering campuses for  
21 distinction designations under Section 39.203(c); and

22 (2) methods for awarding distinction designations to  
23 campuses.

24 (b) In adopting rules under this section, the commissioner  
25 shall establish a separate committee to develop criteria for each  
26 distinction designation under Section 39.203(c).

27 (c) Each committee established under this section must

1 include:

2 (1) individuals who practice as professionals in the  
3 content area relevant to the distinction designation, as  
4 applicable;

5 (2) individuals with subject matter expertise in the  
6 content area relevant to the distinction designation;

7 (3) educators with subject matter expertise in the  
8 content area relevant to the distinction designation; and

9 (4) community leaders, including leaders from the  
10 business community.

11 (d) For each committee, the governor, lieutenant governor,  
12 and speaker of the house of representatives may each appoint a  
13 person described by each subdivision of Subsection (c).

14 (e) In developing criteria for distinction designations  
15 under this section, each committee shall:

16 (1) identify a variety of indicators for measuring  
17 excellence; and

18 (2) consider categories for distinction designations,  
19 with criteria relevant to each category, based on:

20 (A) the level of a program, whether elementary  
21 school, middle or junior high school, or high school; and

22 (B) the student enrollment of a campus.

23 SUBCHAPTER H [F]. ADDITIONAL REWARDS

24 ~~[Sec. 39.111. RECOGNITION AND REWARDS. The State Board of~~  
25 ~~Education shall develop a plan for recognizing and rewarding school~~  
26 ~~districts and campuses that are rated as exemplary or recognized~~  
27 ~~and for developing a network for sharing proven successful~~



1 ~~practices statewide and regionally. The reward may be used to~~  
2 ~~provide educators with summer stipends to develop curricula based~~  
3 ~~on the cited successful strategies. The educators may copyright~~  
4 ~~the curricula they develop.]~~

5 Sec. 39.232 [~~39.112~~]. EXCELLENCE EXEMPTIONS. (a) Except  
6 as provided by Subsection (b), a school campus or district that is  
7 rated exemplary under Subchapter G is exempt from requirements and  
8 prohibitions imposed under this code including rules adopted under  
9 this code.

10 (b) A school campus or district is not exempt under this  
11 section from:

12 (1) a prohibition on conduct that constitutes a  
13 criminal offense;

14 (2) requirements imposed by federal law or rule,  
15 including requirements for special education or bilingual  
16 education programs; or

17 (3) a requirement, restriction, or prohibition  
18 relating to:

19 (A) curriculum essential knowledge and skills  
20 under Section 28.002 or high school [~~minimum~~] graduation  
21 requirements under Section 28.025;

22 (B) public school accountability as provided by  
23 Subchapters B, C, D, E, and J [G];

24 (C) extracurricular activities under Section  
25 33.081;

26 (D) health and safety under Chapter 38;

27 (E) purchasing [~~competitive bidding~~] under

1 Subchapter B, Chapter 44;

2 (F) elementary school class size limits, except  
3 as provided by Subsection (d) or Section 25.112;

4 (G) removal of a disruptive student from the  
5 classroom under Subchapter A, Chapter 37;

6 (H) at risk programs under Subchapter C, Chapter  
7 29;

8 (I) prekindergarten programs under Subchapter E,  
9 Chapter 29;

10 (J) rights and benefits of school employees;

11 (K) special education programs under Subchapter  
12 A, Chapter 29; or

13 (L) bilingual education programs under  
14 Subchapter B, Chapter 29.

15 (c) The agency shall monitor and evaluate deregulation of a  
16 school campus or district under this section and Section 7.056.

17 (d) The commissioner may exempt an exemplary school campus  
18 under Subchapter G from elementary class size limits under this  
19 section if the school campus submits to the commissioner a written  
20 plan showing steps that will be taken to ensure that the exemption  
21 from the class size limits will not be harmful to the academic  
22 achievement of the students on the school campus. The commissioner  
23 shall review achievement levels annually. The exemption remains in  
24 effect until the commissioner determines that achievement levels of  
25 the campus have declined.

26 Sec. 39.233 [~~39.113~~]. RECOGNITION OF HIGH SCHOOL  
27 COMPLETION AND SUCCESS AND COLLEGE READINESS PROGRAMS. (a) The

1 agency shall:

2 (1) develop standards for evaluating the success and  
3 cost-effectiveness of high school completion and success and  
4 college readiness programs implemented under Section 39.234  
5 [~~39.114~~];

6 (2) provide guidance for school districts and campuses  
7 in establishing and improving high school completion and success  
8 and college readiness programs implemented under Section 39.234  
9 [~~39.114~~]; and

10 (3) develop standards for selecting and methods for  
11 recognizing school districts and campuses that offer exceptional  
12 high school completion and success and college readiness programs  
13 under Section 39.234 [~~39.114~~].

14 (b) The commissioner may adopt rules for the administration  
15 of this section.

16 Sec. 39.234 [~~39.114~~]. HIGH SCHOOL ALLOTMENT. (a) Except  
17 as provided by Subsection (b), a school district or campus must use  
18 funds allocated under Section 42.2516(b)(3) to:

19 (1) implement or administer a college readiness  
20 program that provides academic support and instruction to prepare  
21 underachieving students for entrance into an institution of higher  
22 education;

23 (2) implement or administer a program that encourages  
24 students to pursue advanced academic opportunities, including  
25 early college high school programs and dual credit, advanced  
26 placement, and international baccalaureate courses;

27 (3) implement or administer a program that provides

1 opportunities for students to take academically rigorous course  
2 work, including four years of mathematics and four years of science  
3 at the high school level;

4 (4) implement or administer a program, including  
5 online course support and professional development, that aligns the  
6 curriculum for grades six through 12 with postsecondary curriculum  
7 and expectations; or

8 (5) implement or administer other high school  
9 completion and success initiatives in grades six through 12  
10 approved by the commissioner.

11 (b) A school district may use funds allocated under Section  
12 42.2516(b)(3) on any instructional program in grades six through 12  
13 other than an athletic program if:

14 (1) the district's measure of progress toward college  
15 readiness is determined exceptional by a standard set [~~district is~~  
16 ~~recognized as exceptional~~] by the commissioner [~~under the academic~~  
17 ~~accountability indicator adopted under Section 39.051(b)(13)~~]; and

18 (2) the district's completion rates for grades nine  
19 through 12 [~~meet or~~] exceed completion rate standards required by  
20 the commissioner to achieve a status of accredited under Section  
21 39.051 [~~rating of exemplary under Section 39.072~~].

22 (b-1) Subsection (b) applies beginning with the 2008-2009  
23 school year. This subsection expires September 1, 2009.

24 (c) An open-enrollment charter school is entitled to an  
25 allotment under this section in the same manner as a school  
26 district.

27 (d) The commissioner shall adopt rules to administer this

1 section, including rules related to the permissible use of funds  
2 allocated under this section to an open-enrollment charter school.

3 Sec. 39.235 [~~39.115~~]. HIGH SCHOOL INNOVATION GRANT  
4 INITIATIVE. (a) From funds appropriated for that purpose, the  
5 commissioner may establish a grant program under which grants are  
6 awarded to secondary campuses and school districts to support:

7 (1) the implementation of innovative high school  
8 improvement programs that are based on the best available research  
9 regarding high school reform, dropout prevention, and preparing  
10 students for postsecondary coursework or employment;

11 (2) enhancing education practices that have been  
12 demonstrated by significant evidence of effectiveness; and

13 (3) the alignment of grants and programs to the  
14 strategic plan adopted under Section 39.407 [~~39.357~~].

15 (b) Before awarding a grant under this section, the  
16 commissioner may require a campus or school district to:

17 (1) obtain local matching funds; or

18 (2) meet other conditions, including developing a  
19 personal graduation plan under Section 28.0212 for each student  
20 enrolled at the campus or in a district high school.

21 (c) The commissioner may:

22 (1) accept gifts, grants, or donations from a private  
23 foundation to implement a grant program under this section; and

24 (2) coordinate gifts, grants, or donations with other  
25 available funding to implement a grant program under this section.

26 (d) The commissioner may use funds appropriated under this  
27 section to support technical assistance services for school

1 districts and open-enrollment charter schools to implement a high  
2 school improvement program under this section.

3 Sec. 39.236. GIFTED AND TALENTED STANDARDS. The  
4 commissioner shall adopt standards to evaluate school district  
5 programs for gifted and talented students to determine whether a  
6 district operates a program for gifted and talented students in  
7 accordance with:

- 8 (1) the Texas Performance Standards Project; or  
9 (2) another program approved by the commissioner that  
10 meets the requirements of the state plan for the education of gifted  
11 and talented students under Section 29.123.

12 [~~Sec. 39.116. INITIATIVE FOR RETAINING QUALITY EDUCATORS.~~  
13 ~~Notwithstanding Section 39.1324(b), a school district, to assist in~~  
14 ~~preventing dropouts and disruptions that may result from certain~~  
15 ~~mandatory sanctions, may retain at a campus a principal who has been~~  
16 ~~employed at the campus as a principal during the two-year period~~  
17 ~~described by Section 39.1324(a) if the students enrolled at the~~  
18 ~~campus have demonstrated a pattern of significant academic~~  
19 ~~improvement.]~~

20 SUBCHAPTER I [E]. SUCCESSFUL SCHOOL AWARDS

21 Sec. 39.261 [~~39.091~~]. CREATION OF SYSTEM. The Texas  
22 Successful Schools Awards System is created to recognize and reward  
23 those schools and school districts that demonstrate progress or  
24 success in achieving the education goals of the state.

25 Sec. 39.262 [~~39.092~~]. TYPES OF AWARDS. (a) The governor  
26 may present a financial award to the schools or districts that the  
27 commissioner determines have demonstrated the highest levels of

1 sustained success or the greatest improvement in achieving the  
2 education goals. For each student in average daily attendance,  
3 each of those schools or districts is entitled to an amount set for  
4 the award for which the school or district is selected by the  
5 commissioner, subject to any limitation set by the commissioner on  
6 the total amount that may be awarded to a school or district.

7 (b) The governor may present proclamations or certificates  
8 to additional schools and districts determined to have met or  
9 exceeded the education goals.

10 (c) The commissioner may establish additional categories of  
11 awards and award amounts for a school or district determined to be  
12 successful under Subsection (a) or (b) that are contingent on the  
13 school's or district's involvement with paired, lower-performing  
14 schools.

15 Sec. 39.263 [~~39.093~~]. AWARDS. (a) The criteria that the  
16 commissioner shall use to select successful schools and districts  
17 must be related to the goals in Section 4.002 and must include  
18 consideration of performance on the student achievement [~~academic~~  
19 ~~excellence~~] indicators adopted under Section 39.053(c) and  
20 consideration of the distinction designation criteria prescribed  
21 by or developed under Subchapter G [~~39.051~~].

22 (b) For purposes of selecting schools and districts under  
23 Section 39.262(a) [~~39.092(a)~~], each school's performance shall be  
24 compared to state standards and to its previous performance.

25 (c) [~~(b)~~] The commissioner shall select annually schools  
26 and districts qualified to receive successful school awards for  
27 their performance and report the selections to the governor and the

1 State Board of Education.

2        (d) [~~(e)~~] The agency shall notify each school district of  
3 the manner in which the district or a school in the district may  
4 qualify for a successful school award.

5        Sec. 39.264 [~~39.094~~]. USE OF AWARDS. (a) In determining  
6 the use of a monetary award received under this subchapter, a school  
7 or district shall give priority to academic enhancement purposes.  
8 The award may not be used for any purpose related to athletics, and  
9 it may not be used to substitute for or replace funds already in the  
10 regular budget for a school or district.

11        (b) The campus-level committee established under Section  
12 11.253 shall determine the use of the funds awarded to a school  
13 under this subchapter. The professional staff of the district  
14 shall determine the use of the funds awarded to the school district  
15 under this subchapter.

16        Sec. 39.265 [~~39.095~~]. FUNDING. The award system may be  
17 funded by donations, grants, or legislative appropriations. The  
18 commissioner may solicit and receive grants and donations for the  
19 purpose of making awards under this subchapter. A small portion of  
20 the award funds may be used by the commissioner to pay for the costs  
21 associated with sponsoring a ceremony to recognize or present  
22 awards to schools or districts under this subchapter. The  
23 donations, grants, or legislative appropriations shall be  
24 accounted for and distributed by the agency. The awards are subject  
25 to audit requirements established by the State Board of Education.

26        Sec. 39.266 [~~39.096~~]. CONFIDENTIALITY. All information  
27 and reports received by the commissioner under this subchapter from



1 schools or school districts deemed confidential under Chapter 552,  
2 Government Code, are confidential and may not be disclosed in any  
3 public or private proceeding.

4 SUBCHAPTER J. PARENT AND EDUCATOR REPORTS

5 Sec. 39.301. ADDITIONAL PERFORMANCE INDICATORS:

6 REPORTING. (a) In addition to the indicators adopted under  
7 Section 39.053, the commissioner shall adopt indicators of the  
8 quality of learning for the purpose of preparing reports under this  
9 chapter. The commissioner biennially shall review the indicators  
10 for the consideration of appropriate revisions.

11 (b) Performance on the indicators adopted under this  
12 section shall be evaluated in the same manner provided for  
13 evaluation of the student achievement indicators under Section  
14 39.053(c).

15 (c) Indicators for reporting purposes must include:

16 (1) the percentage of graduating students who meet the  
17 course requirements established by State Board of Education rule  
18 for the minimum high school program, the recommended high school  
19 program, and the advanced high school program;

20 (2) the results of the SAT, ACT, articulated  
21 postsecondary degree programs described by Section 61.852, and  
22 certified workforce training programs described by Chapter 311,  
23 Labor Code;

24 (3) for students who have failed to perform  
25 satisfactorily, under each performance standard under Section  
26 39.0241, on an assessment instrument required under Section  
27 39.023(a) or (c), the performance of those students on subsequent

1 assessment instruments required under those sections, aggregated  
2 by grade level and subject area;

3 (4) for each campus, the number of students,  
4 disaggregated by major student subpopulations, that agree under  
5 Section 28.025(b) to take courses under the minimum high school  
6 program;

7 (5) the percentage of students, aggregated by grade  
8 level, provided accelerated instruction under Section 28.0211(c),  
9 the results of assessment instruments administered under that  
10 section, the percentage of students promoted through the grade  
11 placement committee process under Section 28.0211, the subject of  
12 the assessment instrument on which each student failed to perform  
13 satisfactorily under each performance standard under Section  
14 39.0241, and the performance of those students in the school year  
15 following that promotion on the assessment instruments required  
16 under Section 39.023;

17 (6) the percentage of students of limited English  
18 proficiency exempted from the administration of an assessment  
19 instrument under Sections 39.027(a)(1) and (2);

20 (7) the percentage of students in a special education  
21 program under Subchapter A, Chapter 29, assessed through assessment  
22 instruments developed or adopted under Section 39.023(b);

23 (8) the percentage of students who satisfy the college  
24 readiness measure;

25 (9) the measure of progress toward dual language  
26 proficiency under Section 39.034(b), for students of limited  
27 English proficiency, as defined by Section 29.052;

1           (10) the percentage of students who are not  
2 educationally disadvantaged;

3           (11) the percentage of students who enroll and begin  
4 instruction at an institution of higher education in the school  
5 year following high school graduation; and

6           (12) the percentage of students who successfully  
7 complete the first year of instruction at an institution of higher  
8 education without needing a developmental education course.

9           (d) Performance on the indicators described by Section  
10 39.053(c) and Subsections (c)(3), (4), and (9) must be based on  
11 longitudinal student data that is disaggregated by the bilingual  
12 education or special language program, if any, in which students of  
13 limited English proficiency, as defined by Section 29.052, are or  
14 former students of limited English proficiency were enrolled. If a  
15 student described by this subsection is not or was not enrolled in  
16 specialized language instruction, the number and percentage of  
17 those students shall be provided.

18           (e) Section 39.055 applies in evaluating indicators  
19 described by Subsection (c).

20           Sec. 39.302. REPORT TO DISTRICT: COMPARISONS FOR ANNUAL  
21 PERFORMANCE ASSESSMENT. (a) The agency shall report to each school  
22 district the comparisons of student performance made under Section  
23 39.034.

24           (b) To the extent practicable, the agency shall combine the  
25 report of comparisons with the report of the student's performance  
26 on assessment instruments under Section 39.023.

27           Sec. 39.303. REPORT TO PARENTS. (a) The school district a

1 student attends shall provide a record of the comparisons made  
2 under Section 39.034 and provided to the district under Section  
3 39.302 in a written notice to the student's parent or other person  
4 standing in parental relationship.

5 (b) For a student who failed to perform satisfactorily as  
6 determined under either performance standard under Section 39.0241  
7 on an assessment instrument administered under Section 39.023(a),  
8 (c), or (1), the school district shall include in the notice  
9 specific information relating to access to online educational  
10 resources at the appropriate assessment instrument content level,  
11 including educational resources described by Section 32.252(b)(2)  
12 and assessment instrument questions and answers released under  
13 Section 39.023(e).

14 Sec. 39.304. TEACHER REPORT CARD. (a) Each school district  
15 shall prepare a report of the comparisons made under Section 39.034  
16 and provided to the district under Section 39.302 and provide the  
17 report at the beginning of the school year to:

18 (1) each teacher for all students, including incoming  
19 students, who were assessed on an assessment instrument under  
20 Section 39.023; and

21 (2) all students under Subdivision (1) who were  
22 provided instruction by that teacher in the subject for which the  
23 assessment instrument was administered under Section 39.023.

24 (b) The report shall indicate whether the student performed  
25 satisfactorily or, if the student did not perform satisfactorily,  
26 whether the student met the standard for annual improvement under  
27 Section 39.034.

1           Sec. 39.305 [~~39.052~~]. CAMPUS REPORT CARD. (a) Each school  
2 year, the agency shall prepare and distribute to each school  
3 district a report card for each campus. The campus report cards  
4 must be based on the most current data available disaggregated by  
5 student groups. Campus performance must be compared to previous  
6 campus and district performance, current district performance, and  
7 state established standards[, ~~and comparable campus group~~  
8 ~~performance~~].

9           (b) The report card shall include the following  
10 information:

11           (1) where applicable, the student achievement  
12 indicators described by Section 39.053(c) and the reporting  
13 indicators described by Sections 39.301(c)(1) through (5)  
14 [~~academic excellence indicators adopted under Sections~~  
15 ~~39.051(b)(1) through (10)~~];

16           (2) average class size by grade level and subject;

17           (3) the administrative and instructional costs per  
18 student, computed in a manner consistent with Section 44.0071; and

19           (4) the district's instructional expenditures ratio  
20 and instructional employees ratio computed under Section 44.0071,  
21 and the statewide average of those ratios, as determined by the  
22 commissioner.

23           (c) The commissioner shall adopt rules requiring  
24 dissemination of the information required under Subsection (b)(4)  
25 and appropriate class size and student performance portions of  
26 campus report cards annually to the parent, guardian, conservator,  
27 or other person having lawful control of each student at the campus.

1 On written request, the school district shall provide a copy of a  
2 campus report card to any other party.

3 Sec. 39.306 [~~39.053~~]. PERFORMANCE REPORT. (a) Each board  
4 of trustees shall publish an annual report describing the  
5 educational performance of the district and of each campus in the  
6 district that includes uniform student performance and descriptive  
7 information as determined under rules adopted by the commissioner.  
8 The annual report must also include:

9 (1) campus performance objectives established under  
10 Section 11.253 and the progress of each campus toward those  
11 objectives, which shall be available to the public;

12 (2) information indicating the district's  
13 accreditation status and identifying each district campus awarded a  
14 distinction designation under Subchapter G or considered an  
15 unacceptable campus under Subchapter E [~~the performance rating for~~  
16 ~~the district as provided under Section 39.072(a) and the~~  
17 ~~performance rating of each campus in the district as provided under~~  
18 ~~Section 39.072(c)];~~

19 (3) the district's current special education  
20 compliance status with the agency;

21 (4) a statement of the number, rate, and type of  
22 violent or criminal incidents that occurred on each district  
23 campus, to the extent permitted under the Family Educational Rights  
24 and Privacy Act of 1974 (20 U.S.C. Section 1232g);

25 (5) information concerning school violence prevention  
26 and violence intervention policies and procedures that the district  
27 is using to protect students; [~~and~~]

1           (6) the findings that result from evaluations  
2 conducted under the Safe and Drug-Free Schools and Communities Act  
3 of 1994 (20 U.S.C. Section 7101 et seq.) [~~and its subsequent~~  
4 ~~amendments~~]; and

5           (7) information received under Section 51.403(e) for  
6 each high school campus in the district, presented in a form  
7 determined by the commissioner.

8           (b) Supplemental information to be included in the reports  
9 shall be determined by the board of trustees. Performance  
10 information in the annual reports on the indicators described by  
11 Sections 39.053 and 39.301 [~~established under Section 39.051~~] and  
12 descriptive information required by this section shall be provided  
13 by the agency.

14           (c) The board of trustees shall hold a hearing for public  
15 discussion of the report. The board of trustees shall give notice  
16 of the hearing to property owners in the district and parents of and  
17 other persons standing in parental relation to [~~guardians,~~  
18 ~~conservators, and other persons having lawful control of~~] a  
19 district student. The notification must include notice to a  
20 newspaper of general circulation in the district and notice to  
21 electronic media serving the district. After the hearing the  
22 report shall be widely disseminated within the district in a manner  
23 to be determined under rules adopted by the commissioner.

24           (d) The report must also include a comparison provided by  
25 the agency of:

26           (1) the performance of each campus to its previous  
27 performance and to state-established standards; and

1           (2) the performance of each district to its previous  
2 performance and to state-established standards [~~and~~  
3           ~~(3) the performance of each campus or district to~~  
4 ~~comparable improvement~~].

5           (e) The report may include the following information:

6           (1) student information, including total enrollment,  
7 enrollment by ethnicity, socioeconomic status, and grade groupings  
8 and retention rates;

9           (2) financial information, including revenues and  
10 expenditures;

11           (3) staff information, including number and type of  
12 staff by sex [~~gender~~], ethnicity, years of experience, and highest  
13 degree held, teacher and administrator salaries, and teacher  
14 turnover;

15           (4) program information, including student enrollment  
16 by program, teachers by program, and instructional operating  
17 expenditures by program; and

18           (5) the number of students placed in a disciplinary  
19 alternative education program under Chapter 37.

20           (f) The commissioner [~~State Board of Education~~] by rule  
21 shall authorize the combination of this report with other reports  
22 and financial statements and shall restrict the number and length  
23 of reports that school districts, school district employees, and  
24 school campuses are required to prepare.

25           (g) The report must include a statement of the amount, if  
26 any, of the school district's unencumbered surplus fund balance as  
27 of the last day of the preceding fiscal year and the percentage of



1 the preceding year's budget that the surplus represents.

2       Sec. 39.307 [~~39.054~~]. USES OF PERFORMANCE REPORT. The  
3 information required to be reported under Section 39.306 [~~39.053~~]  
4 shall be:

5               (1) the subject of public hearings or meetings  
6 required under Sections 11.252, 11.253, and 39.306 [~~39.053~~];

7               (2) a primary consideration in school district and  
8 campus planning; and

9               (3) a primary consideration of:

10                       (A) the State Board of Education in the  
11 evaluation of the performance of the commissioner;

12                       (B) the commissioner in the evaluation of the  
13 performance of the directors of the regional education service  
14 centers;

15                       (C) the board of trustees of a school district in  
16 the evaluation of the performance of the superintendent of the  
17 district; and

18                       (D) the superintendent in the evaluation of the  
19 performance of the district's campus principals.

20       Sec. 39.308 [~~39.055~~]. ANNUAL AUDIT OF DROPOUT RECORDS;  
21 REPORT. (a) The commissioner shall develop a process for auditing  
22 school district dropout records electronically. The commissioner  
23 shall also develop a system and standards for review of the audit or  
24 use systems already available at the agency. The system must be  
25 designed to identify districts that are at high risk of having  
26 inaccurate dropout records and that, as a result, require on-site  
27 monitoring of dropout records.

1           **(b)** If the electronic audit of a school district's dropout  
2 records indicates that a district is not at high risk of having  
3 inaccurate dropout records, the district may not be subject to  
4 on-site monitoring under this subsection.

5           **(c)** If the risk-based system indicates that a school  
6 district is at high risk of having inaccurate dropout records, the  
7 district is entitled to an opportunity to respond to the  
8 commissioner's determination before on-site monitoring may be  
9 conducted. The district must respond not later than the 30th day  
10 after the date the commissioner notifies the district of the  
11 commissioner's determination. If the district's response does not  
12 change the commissioner's determination that the district is at  
13 high risk of having inaccurate dropout records or if the district  
14 does not respond in a timely manner, the commissioner shall order  
15 agency staff to conduct on-site monitoring of the district's  
16 dropout records.

17           **(d)** [~~e~~] The commissioner shall notify the board of  
18 trustees of a school district of any objection the commissioner has  
19 to the district's dropout data, any violation of sound accounting  
20 practices or of a law or rule revealed by the data, or any  
21 recommendation by the commissioner concerning the data. If the data  
22 reflect that a penal law has been violated, the commissioner shall  
23 notify the county attorney, district attorney, or criminal district  
24 attorney, as appropriate, and the attorney general.

25           **(e)** The commissioner is entitled to access to all district  
26 records the commissioner considers necessary or appropriate for the  
27 review, analysis, or approval of district dropout data.

1           SUBCHAPTER K [~~H~~]. REPORTS BY TEXAS EDUCATION AGENCY

2           Sec. 39.331 [~~39.181~~]. GENERAL REQUIREMENTS.   (a)   Each

3 report required by this subchapter must:

4           (1) unless otherwise specified, contain summary  
5 information and analysis only, with an indication that the agency  
6 will provide the data underlying the report on request;

7           (2) specify a person at the agency who may be contacted  
8 for additional information regarding the report and provide the  
9 person's telephone number; and

10          (3) identify other sources of related information,  
11 indicating the level of detail and format of information that may be  
12 obtained, including the availability of any information on the  
13 Texas Education Network.

14          (b) Each component of a report required by this subchapter  
15 must:

16          (1) identify the substantive goal underlying the  
17 information required to be reported;

18          (2) analyze the progress made and longitudinal trends  
19 in achieving the underlying substantive goal;

20          (3) offer recommendations for improved progress in  
21 achieving the underlying substantive goal; and

22          (4) identify the relationship of the information  
23 required to be reported to state education goals.

24          (c) Unless otherwise provided, each report required by this  
25 subchapter is due not later than December 1 of each even-numbered  
26 year.

27          (d) Subsections (a) and (b) apply to any report required by

1 statute that the agency or the State Board of Education must prepare  
2 and deliver to the governor, lieutenant governor, speaker of the  
3 house of representatives, or legislature.

4 (e) Unless otherwise provided by law, any report required by  
5 statute that the agency or the State Board of Education must prepare  
6 and deliver to the governor, lieutenant governor, speaker of the  
7 house of representatives, or legislature may be combined, at the  
8 discretion of the commissioner, with a report required by this  
9 subchapter.

10 Sec. 39.332 [~~39.182~~]. COMPREHENSIVE ANNUAL REPORT. (a)  
11 Not later than December 1 of each year, the agency shall prepare and  
12 deliver to the governor, the lieutenant governor, the speaker of  
13 the house of representatives, each member of the legislature, the  
14 Legislative Budget Board, and the clerks of the standing committees  
15 of the senate and house of representatives with primary  
16 jurisdiction over the public school system a comprehensive report  
17 covering the preceding school year and containing the information  
18 described by Subsection (b).

19 (b) [+]  
20 (1) The report must contain an evaluation of the  
21 achievements of the state educational program in relation to the  
22 statutory goals for the public education system under Section  
23 4.002. [+]

24 (2) The report must contain an evaluation of the  
25 status of education in the state as reflected by:

26 (A) the student achievement [~~academic~~  
27 ~~excellence~~] indicators described by [~~adopted under~~] Section 39.053  
[~~39.051~~]; and

1                    (B) the reporting indicators described by  
2 Section 39.301.

3                    (3) The report must contain a summary compilation of  
4 overall student performance on academic skills assessment  
5 instruments required by Section 39.023 with the number and  
6 percentage of students exempted from the administration of those  
7 instruments and the basis of the exemptions, aggregated by grade  
8 level, subject area, campus, and district, with appropriate  
9 interpretations and analysis, and disaggregated by race,  
10 ethnicity, gender, and socioeconomic status. [+]

11                   (4) The report must contain a summary compilation of  
12 overall performance of students placed in a disciplinary  
13 alternative education program established under Section 37.008 on  
14 academic skills assessment instruments required by Section 39.023  
15 with the number of those students exempted from the administration  
16 of those instruments and the basis of the exemptions, aggregated by  
17 district, grade level, and subject area, with appropriate  
18 interpretations and analysis, and disaggregated by race,  
19 ethnicity, gender, and socioeconomic status. [+]

20                   (5) The report must contain a summary compilation of  
21 overall performance of students at risk of dropping out of school,  
22 as defined by Section 29.081(d), on academic skills assessment  
23 instruments required by Section 39.023 with the number of those  
24 students exempted from the administration of those instruments and  
25 the basis of the exemptions, aggregated by district, grade level,  
26 and subject area, with appropriate interpretations and analysis,  
27 and disaggregated by race, ethnicity, gender, and socioeconomic

1 status. [+]

2 (6) The report must contain an evaluation of the  
3 correlation between student grades and student performance on  
4 academic skills assessment instruments required by Section  
5 39.023. [+]

6 (7) The report must contain a statement of the dropout  
7 rate of students in grade levels 7 through 12, expressed in the  
8 aggregate and by grade level, and a statement of the completion  
9 rates of students for grade levels 9 through 12. [+]

10 (8) The report must contain a statement of:

11 (A) the completion rate of students who enter  
12 grade level 9 and graduate not more than four years later;

13 (B) the completion rate of students who enter  
14 grade level 9 and graduate, including students who require more  
15 than four years to graduate;

16 (C) the completion rate of students who enter  
17 grade level 9 and not more than four years later receive a high  
18 school equivalency certificate;

19 (D) the completion rate of students who enter  
20 grade level 9 and receive a high school equivalency certificate,  
21 including students who require more than four years to receive a  
22 certificate; and

23 (E) the number and percentage of all students who  
24 have not been accounted for under Paragraph (A), (B), (C), or  
25 (D). [+]

26 (9) The report must contain a statement of the  
27 projected cross-sectional and longitudinal dropout rates for grade

1 levels 9 through 12 for the next five years, assuming no state  
2 action is taken to reduce the dropout rate. [✚]

3 (10) The report must contain a description of a  
4 systematic, measurable plan for reducing the projected  
5 cross-sectional and longitudinal dropout rates to five percent or  
6 less. [~~for the 1997-1998 school year,~~]

7 (11) The report must contain a summary of the  
8 information required by Section 29.083 regarding grade level  
9 retention of students and information concerning:

10 (A) the number and percentage of students  
11 retained; and

12 (B) the performance of retained students on  
13 assessment instruments required under Section 39.023(a). [✚]

14 (12) The report must contain information, aggregated  
15 by district type and disaggregated by race, ethnicity, gender, and  
16 socioeconomic status, on:

17 (A) the number of students placed in a  
18 disciplinary alternative education program established under  
19 Section 37.008;

20 (B) the average length of a student's placement  
21 in a disciplinary alternative education program established under  
22 Section 37.008;

23 (C) the academic performance of students on  
24 assessment instruments required under Section 39.023(a) during the  
25 year preceding and during the year following placement in a  
26 disciplinary alternative education program; and

27 (D) the dropout rates of students who have been

1 placed in a disciplinary alternative education program established  
2 under Section 37.008.[+]

3 (13) The report must contain a list of each school  
4 district or campus that does not satisfy performance standards,  
5 with an explanation of the actions taken by the commissioner to  
6 improve student performance in the district or campus and an  
7 evaluation of the results of those actions.[+]

8 (14) The report must contain an evaluation of the  
9 status of the curriculum taught in public schools, with  
10 recommendations for legislative changes necessary to improve or  
11 modify the curriculum required by Section 28.002.[+]

12 (15) The report must contain a description of all  
13 funds received by and each activity and expenditure of the  
14 agency.[+]

15 (16) The report must contain a summary and analysis of  
16 the instructional expenditures ratios and instructional employees  
17 ratios of school districts computed under Section 44.0071.[+]

18 (17) The report must contain a summary of the effect of  
19 deregulation, including exemptions and waivers granted under  
20 Section 7.056 or 39.232. [~~39.112~~+]

21 (18) The report must contain a statement of the total  
22 number and length of reports that school districts and school  
23 district employees must submit to the agency, identifying which  
24 reports are required by federal statute or rule, state statute, or  
25 agency rule, and a summary of the agency's efforts to reduce overall  
26 reporting requirements.[+]

27 (19) The report must contain a list of each school



1 district that is not in compliance with state special education  
2 requirements, including:

3 (A) the period for which the district has not  
4 been in compliance;

5 (B) the manner in which the agency considered the  
6 district's failure to comply in determining the district's  
7 accreditation status; and

8 (C) an explanation of the actions taken by the  
9 commissioner to ensure compliance and an evaluation of the results  
10 of those actions. [+]

11 (20) The report must contain a comparison of the  
12 performance of open-enrollment charter schools and school  
13 districts on the student achievement [~~academic excellence~~]  
14 indicators, described by Section 39.053(c), the reporting  
15 indicators described by Section 39.301(c), [~~specified in Section~~  
16 ~~39.051(b)~~] and the accountability measures adopted under Section  
17 39.053(i) [~~39.051(g)~~], with a separately aggregated comparison of  
18 the performance of open-enrollment charter schools predominantly  
19 serving students at risk of dropping out of school, as described  
20 [~~defined~~] by Section 29.081(d), with the performance of school  
21 districts. [+]

22 (21) The report must contain a summary of the  
23 information required by Section 38.0141 regarding student health  
24 and physical activity from each school district. [+]

25 (22) The report must contain a summary compilation of  
26 overall student performance under the assessment system developed  
27 to evaluate the longitudinal academic progress as required by

1 Section 39.027(e), disaggregated by bilingual education or special  
2 language program instructional model, if any. [~~and~~]

3 (23) The report must contain any additional  
4 information considered important by the commissioner or the State  
5 Board of Education.

6 (c) [~~b~~] In reporting the information required by  
7 Subsection (b)(3) or (4) [~~(a)(3) or (4)~~], the agency may separately  
8 aggregate the performance data of students enrolled in a special  
9 education program under Subchapter A, Chapter 29.

10 (d) [~~b-1~~] In reporting the information required by  
11 Subsections (b)(3), (5), and (7) [~~(a)(3), (5), and (7)~~], the agency  
12 shall separately aggregate the longitudinal performance data of all  
13 students identified as students of limited English proficiency, as  
14 defined by Section 29.052, or former students of limited English  
15 proficiency, disaggregated by bilingual education or special  
16 language program instructional model, if any, in which the students  
17 are or were enrolled.

18 (e) [~~e~~] Each report must contain the most recent data  
19 available.

20 Sec. 39.333 [~~39.183~~]. REGIONAL AND DISTRICT LEVEL REPORT.  
21 The agency shall prepare and deliver to the governor, the  
22 lieutenant governor, the speaker of the house of representatives,  
23 each member of the legislature, the Legislative Budget Board, and  
24 the clerks of the standing committees of the senate and house of  
25 representatives with primary jurisdiction over the public school  
26 system a regional and district level report covering the preceding  
27 two school years and containing:

1 (1) a summary of school district compliance with the  
2 student/teacher ratios and class-size limitations prescribed by  
3 Sections 25.111 and 25.112, including:

4 (A) the number of campuses and classes at each  
5 campus granted an exception from Section 25.112; and

6 (B) for [~~the performance rating under Subchapter~~  
7 ~~D of~~] each campus granted an exception from Section 25.112, a  
8 statement of whether the campus has been awarded a distinction  
9 designation under Subchapter G or has been identified as an  
10 unacceptable campus under Subchapter E;

11 (2) a summary of the exemptions and waivers granted to  
12 campuses and school districts under Section 7.056 or 39.232  
13 [~~39.112~~] and a review of the effectiveness of each campus or  
14 district following deregulation;

15 (3) an evaluation of the performance of the system of  
16 regional education service centers based on the indicators adopted  
17 under Section 8.101 and client satisfaction with services provided  
18 under Subchapter B, Chapter 8;

19 (4) an evaluation of accelerated instruction programs  
20 offered under Section 28.006, including an assessment of the  
21 quality of such programs and the performance of students enrolled  
22 in such programs; and

23 (5) the number of classes at each campus that are  
24 currently being taught by individuals who are not certified in the  
25 content areas of their respective classes.

26 Sec. 39.334 [~~39.184~~]. TECHNOLOGY REPORT. The agency shall  
27 prepare and deliver to the governor, the lieutenant governor, the

1 speaker of the house of representatives, each member of the  
 2 legislature, the Legislative Budget Board, and the clerks of the  
 3 standing committees of the senate and house of representatives with  
 4 primary jurisdiction over the public school system a technology  
 5 report covering the preceding two school years and containing  
 6 information on the status of the implementation of and revisions to  
 7 the long-range technology plan required by Section 32.001,  
 8 including the equity of the distribution and use of technology in  
 9 public schools.

10       Sec. 39.335 [~~39.185~~]. INTERIM REPORT. Not later than  
 11 December 1 of each odd-numbered year, the agency shall prepare and  
 12 deliver to the governor, the lieutenant governor, the speaker of  
 13 the house of representatives, each member of the legislature, the  
 14 Legislative Budget Board, and the clerks of the standing committees  
 15 of the senate and house of representatives with primary  
 16 jurisdiction over the public school system an interim report  
 17 containing, for the previous school year, the information required  
 18 by Section 39.333(2) [~~39.183(2)~~].

19                   SUBCHAPTER L [~~J~~]. NOTICE OF PERFORMANCE

20       Sec. 39.361 [~~39.251~~]. NOTICE IN STUDENT GRADE REPORT. The  
 21 first written notice of a student's performance that a school  
 22 district gives during a school year as required by Section  
 23 28.022(a)(2) must include [~~the following information~~]:

24           (1) a statement of whether the campus at which the  
 25 student is enrolled has been awarded a distinction designation  
 26 under Subchapter G or has been identified as an unacceptable campus  
 27 under Subchapter E [~~the most recent performance rating of the~~]

1 ~~campus at which the student is enrolled, as determined under~~  
2 ~~Section 39.072]; and~~

3 (2) an explanation of the significance of the  
4 information provided under Subdivision (1) [~~a definition and~~  
5 ~~explanation of each performance rating described by Section~~  
6 ~~39.072(a)]].~~

7 Sec. 39.362 [~~39.252~~]. NOTICE ON DISTRICT WEBSITE. Not  
8 later than the 10th day after the first day of instruction of each  
9 school year, a school district that maintains an Internet website  
10 shall make the following information available to the public on the  
11 website:

12 (1) the information contained in the most recent  
13 campus report card for each campus in the district [~~as determined~~]  
14 under Section 39.305 [~~39.052~~];

15 (2) the information contained in the most recent  
16 performance report for the district [~~as determined~~] under Section  
17 39.306 [~~39.053~~];

18 (3) the most recent accreditation status and  
19 performance rating of the district [~~as determined~~] under Sections  
20 39.052 and 39.054 [~~Section 39.072~~]; and

21 (4) a definition and explanation of each accreditation  
22 status under [~~performance rating described by~~] Section 39.051,  
23 based on commissioner rule adopted under that section [~~39.072(a)]].~~

24 SUBCHAPTER M [~~L~~]. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE

25 Sec. 39.401 [~~39.351~~]. DEFINITION. In this subchapter,  
26 "council" means the High School Completion and Success Initiative  
27 Council.

1           Sec. 39.402 [~~39.352~~]. HIGH SCHOOL COMPLETION AND SUCCESS  
2 INITIATIVE COUNCIL. (a) The High School Completion and Success  
3 Initiative Council is established to identify strategic priorities  
4 for and make recommendations to improve the effectiveness,  
5 coordination, and alignment of high school completion and college  
6 and workforce readiness efforts.

7           (b) The council is composed of:

8                 (1) the commissioner of education;

9                 (2) the commissioner of higher education; and

10                (3) seven members appointed by the commissioner of  
11 education.

12           (c) In making appointments required by Subsection (b)(3),  
13 the commissioner of education shall appoint:

14                 (1) three members from a list of nominations provided  
15 by the governor;

16                 (2) two members from a list of nominations provided by  
17 the lieutenant governor; and

18                 (3) two members from a list of nominations provided by  
19 the speaker of the house of representatives.

20           (d) In making nominations under Subsection (c), the  
21 governor, lieutenant governor, and speaker of the house of  
22 representatives shall nominate persons who have distinguished  
23 experience in:

24                 (1) developing and implementing high school reform  
25 strategies; and

26                 (2) promoting college and workforce readiness.

27           Sec. 39.403 [~~39.353~~]. TERMS.       Members of the council

1 appointed under Section 39.402(b)(3) [~~39.352(b)(3)~~] serve terms of  
2 two years and may be reappointed for additional terms.

3 Sec. 39.404 [~~39.354~~]. PRESIDING OFFICER. The commissioner  
4 of education serves as the presiding officer of the council.

5 Sec. 39.405 [~~39.355~~]. COMPENSATION AND REIMBURSEMENT. A  
6 member of the council is not entitled to compensation for service on  
7 the council but is entitled to reimbursement for actual and  
8 necessary expenses incurred in performing council duties.

9 Sec. 39.406 [~~39.356~~]. COUNCIL STAFF AND FUNDING. (a)  
10 Except as otherwise provided, staff members of the agency, with the  
11 assistance of the Texas Higher Education Coordinating Board, shall  
12 provide administrative support for the council.

13 (b) Funding for the administrative and operational expenses  
14 of the council shall be provided by appropriation to the agency for  
15 that purpose and by gifts, grants, and donations solicited and  
16 accepted by the agency for that purpose.

17 Sec. 39.407 [~~39.357~~]. STRATEGIC PLAN. (a) The council  
18 shall adopt a strategic plan under this subchapter to:

19 (1) specify strategies to identify, support, and  
20 expand programs to improve high school completion rates and college  
21 and workforce readiness;

22 (2) establish specific goals with which to measure the  
23 success of the strategies identified under Subdivision (1) in  
24 improving high school completion rates and college and workforce  
25 readiness;

26 (3) identify strategies for alignment and  
27 coordination of federal and other funding sources that may be

1 pursued for high school reform, dropout prevention, and preparation  
2 of students for postsecondary coursework or employment; and

3 (4) identify key objectives for appropriate research  
4 and program evaluation conducted as provided by this subchapter.

5 (b) The commissioner of education and the commissioner of  
6 higher education shall adopt rules as necessary to administer the  
7 strategic plan adopted by the council under this section.

8 (c) The commissioner of education or the commissioner of  
9 higher education may not, in a manner inconsistent with the  
10 strategic plan, spend money, award a grant, or enter into a contract  
11 in connection with a program relating to high school success and  
12 completion.

13 Sec. 39.408 [~~39.358~~]. ELIGIBILITY CRITERIA FOR CERTAIN  
14 GRANT PROGRAMS. A school district or campus is eligible to  
15 participate in programs under Sections 21.4541, 29.095, 29.096,  
16 29.097, and 29.098 if the district or campus exhibited during each  
17 of the three preceding school years characteristics that strongly  
18 correlate with high dropout rates.

19 Sec. 39.409 [~~39.359~~]. PRIVATE FOUNDATION PARTNERSHIPS.  
20 (a) The commissioner of education or the commissioner of higher  
21 education, as appropriate, and the council may coordinate with  
22 private foundations that have made a substantial investment in the  
23 improvement of high schools in this state to maximize the impact of  
24 public and private investments.

25 (b) A private foundation is not required to obtain the  
26 approval of the appropriate commissioner or the council under  
27 Subsection (a) before allocating resources to a school in this



1 state.

2           Sec. 39.410 [~~39.360~~]. GRANT PROGRAM EVALUATION. (a) The  
3 commissioner of education shall annually set aside not more than  
4 five percent of the funds appropriated for high school completion  
5 and success to contract for the evaluation of programs supported by  
6 grants approved under this subchapter. In awarding a contract  
7 under this subsection, the commissioner shall consider centers for  
8 education research established under Section 1.005.

9           (b) A person who receives a grant approved under this  
10 subchapter must consent to an evaluation under this section as a  
11 condition of receiving the grant.

12           (c) The commissioner shall ensure that an evaluation  
13 conducted under this section includes an assessment of whether  
14 student achievement has improved. Results of the evaluation shall  
15 be provided through the online clearinghouse of information  
16 relating to the best practices of campuses and school districts  
17 established under Section 7.009.

18           Sec. 39.411 [~~39.361~~]. COUNCIL RECOMMENDATIONS. (a) Based  
19 on the strategic plan adopted under this subchapter [~~section~~], the  
20 council shall make recommendations to the commissioner of education  
21 or the commissioner of higher education, as applicable, for the use  
22 of federal and state funds appropriated or received for high school  
23 reform, college readiness, and dropout prevention, including  
24 grants awarded under Sections 21.4511, 21.4541, 29.095-29.098,  
25 29.917, 29.919, and 39.235 [~~39.115~~].

26           (b) The council shall include recommendations under this  
27 section for:

- 1           (1) key elements of program design;  
2           (2) criteria for awarding grants and evaluating  
3 programs;  
4           (3) program funding priorities; and  
5           (4) program evaluation as provided by this subchapter.

6           (c) The commissioner of education or the commissioner of  
7 higher education, as applicable, shall consider the council's  
8 recommendations and based on those recommendations may award grants  
9 to school districts, open-enrollment charter schools, institutions  
10 of higher education, regional education service centers, and  
11 nonprofit organizations to meet the goals of the council's  
12 strategic plan.

13           (d) The commissioner of education or the commissioner of  
14 higher education, as applicable:

15                 (1) is not required under this section to allocate  
16 funds to a program or initiative recommended by the council; and

17                 (2) may not initiate a program funded under this  
18 section that does not conform to the recommended use of funds as  
19 provided under Subsections (a) and (b).

20           Sec. 39.412 [~~39.362~~]. FUNDING PROVIDED TO SCHOOL  
21 DISTRICTS. From funds appropriated, the commissioner of education  
22 may provide funding to school districts to permit a school district  
23 to obtain technical assistance in preparing a grant proposal for a  
24 grant program administered under this subchapter.

25           Sec. 39.413 [~~39.363~~]. FUNDING FOR CERTAIN PROGRAMS. (a)  
26 From funds appropriated, the Texas Higher Education Coordinating  
27 Board shall allocate \$8.75 million each year to establish

1 mathematics, science, and technology teacher preparation academies  
2 under Section 21.462 and implement and administer the program under  
3 Section 29.098.

4 (b) The Texas Higher Education Coordinating Board shall  
5 establish mathematics, science, and technology teacher preparation  
6 academies under Section 21.462 and implement and administer the  
7 program under Section 29.098 in a manner consistent with the goals  
8 of this subchapter and the goals in "Closing the Gaps," the state's  
9 master plan for higher education.

10 Sec. 39.414 [~~39.364~~]. PRIVATE FUNDING. The commissioner of  
11 education or the commissioner of higher education, as appropriate,  
12 may accept gifts, grants, or donations to fund a grant administered  
13 under this subchapter.

14 Sec. 39.415 [~~39.365~~]. REPORTS. (a) Not later than  
15 December 1 of each even-numbered year, the agency shall prepare and  
16 deliver a report to the legislature that recommends any statutory  
17 changes the council considers appropriate to promote high school  
18 completion and college and workforce readiness.

19 (b) Not later than March 1 and September 1 of each year, the  
20 commissioner of education shall prepare and deliver a progress  
21 report to the presiding officers of the standing committees of each  
22 house of the legislature with primary jurisdiction over public  
23 education, the Legislative Budget Board, and the Governor's Office  
24 of Policy and Planning on:

25 (1) the implementation of Sections 7.031, 21.4511,  
26 21.4541, 21.462, 28.008(d-1), 28.0212(d), 29.095-29.098, 29.911,  
27 29.917-29.919, and 39.235 [~~39.115~~] and this subchapter;

1 (2) the programs supported by grants approved under  
2 this subchapter; and

3 (3) the alignment of grants and programs to the  
4 strategic plan adopted under Section 39.407 [~~39.357~~].

5 Sec. 39.416 [~~39.366~~]. RULES. The commissioner of education  
6 and the commissioner of higher education shall adopt rules as  
7 necessary to administer this subchapter and any programs under the  
8 authority of the commissioner of education or the commissioner of  
9 higher education and the council under this subchapter.

10 SECTION 60. Section 42.002(b), Education Code, is amended  
11 to read as follows:

12 (b) The Foundation School Program consists of:

13 (1) two tiers that in combination provide for:

14 (A) sufficient financing for all school  
15 districts to provide a basic program of education that is rated  
16 [~~academically~~] acceptable or higher under Section 39.054 [~~39.072~~]  
17 and meets other applicable legal standards; and

18 (B) substantially equal access to funds to  
19 provide an enriched program; and

20 (2) a facilities component as provided by Chapter 46.

21 SECTION 61. Section 51.3062, Education Code, is amended by  
22 adding Subsections (i-1) and (q-1) to read as follows:

23 (i-1) The commissioner of higher education may by rule  
24 require an institution of higher education to adopt uniform  
25 standards for the placement of a student under this section.

26 (q-1) A student who has completed a recommended or advanced  
27 high school program as determined under Section 28.025 and

1 demonstrated the performance standard for college readiness as  
2 provided by Section 39.024 on the Algebra II and English III  
3 end-of-course assessment instruments is exempt from the  
4 requirements of this section with respect to those content areas.  
5 The commissioner of higher education by rule shall establish the  
6 period for which an exemption under this subsection is valid.

7 SECTION 62. Section 51.807, Education Code, as amended by  
8 Chapters 941 (H.B. 3826) and 1369 (H.B. 3851), Acts of the 80th  
9 Legislature, Regular Session, 2007, is reenacted to read as  
10 follows:

11 Sec. 51.807. RULEMAKING. (a) The Texas Higher Education  
12 Coordinating Board may adopt rules relating to the operation of  
13 admissions programs under this subchapter, including rules  
14 relating to the identification of eligible students.

15 (b) The Texas Higher Education Coordinating Board, after  
16 consulting with the Texas Education Agency, by rule shall establish  
17 standards for determining for purposes of this subchapter:

18 (1) whether a private high school is accredited by a  
19 generally recognized accrediting organization; and

20 (2) whether a person completed a high school  
21 curriculum that is equivalent in content and rigor to the  
22 curriculum requirements established under Section 28.025 for the  
23 recommended or advanced high school program.

24 SECTION 63. Chapter 61, Education Code, is amended by  
25 adding Subchapter T-1 to read as follows:

26 SUBCHAPTER T-1. CAREER AND TECHNICAL EDUCATION

27 Sec. 61.861. DEVELOPMENT OF MATHEMATICS AND SCIENCE COURSES

1 FOR HIGH-DEMAND OCCUPATIONS. (a) The commissioner of higher  
2 education and the commissioner of education, in consultation with  
3 the comptroller and the Texas Workforce Commission, may award a  
4 grant in an amount not to exceed \$1 million to an institution of  
5 higher education to develop advanced mathematics and science  
6 courses to prepare high school students for employment in a  
7 high-demand occupation. The commissioner of higher education, the  
8 commissioner of education, the comptroller, and the Texas Workforce  
9 Commission shall jointly determine what is considered a high-demand  
10 occupation for purposes of this subchapter.

11 (b) An institution of higher education shall work in  
12 partnership with at least one independent school district and a  
13 business entity in developing a course for purposes of this  
14 section.

15 (c) A course developed for purposes of this section must:

16 (1) provide content that enables a student to develop  
17 the relevant and critical skills needed to be prepared for  
18 employment or additional training in a high-demand occupation;

19 (2) incorporate college and career readiness skills as  
20 part of the curriculum;

21 (3) be offered for dual credit; and

22 (4) satisfy a mathematics or science requirement under  
23 the recommended or advanced high school program as determined under  
24 Section 28.025.

25 (d) An institution of higher education shall periodically  
26 review and revise the curriculum for a course developed for  
27 purposes of this section to accommodate changes in industry

1 standards for the high-demand occupation.

2 Sec. 61.862. GRANT APPLICATION CRITERIA. The commissioner  
3 of higher education and the commissioner of education, in  
4 consultation with the comptroller and the Texas Workforce  
5 Commission, shall establish application criteria for a grant under  
6 this subchapter and in making an award shall give priority to  
7 courses that:

8 (1) will prepare students for high-demand, high-wage,  
9 and high-skill occupations and further postsecondary study;

10 (2) may be transferred as college credit to multiple  
11 institutions of higher education; and

12 (3) are developed as part of a sequence of courses that  
13 includes statewide availability of the instructional materials and  
14 training for the courses at a nominal cost to public educational  
15 institutions in this state.

16 Sec. 61.863. USE OF FUNDS. An institution of higher  
17 education may use funds awarded under this section to develop, in  
18 connection with a course described by Section 61.861:

19 (1) curriculum;

20 (2) assessments;

21 (3) instructional materials, including  
22 technology-based supplemental materials; or

23 (4) professional development programs for secondary  
24 grade-level teachers teaching a course described by Section 61.861.

25 Sec. 61.864. REVIEW OF COURSES. Courses for which a grant  
26 is awarded under this subchapter shall be reviewed by the  
27 commissioner of higher education and the commissioner of education,

1 in consultation with the comptroller and the Texas Workforce  
2 Commission, once every four years to determine whether the course:

3 (1) is being used by public educational institutions  
4 in this state;

5 (2) prepares high school students with the skills  
6 necessary for employment in the high-demand occupation and further  
7 postsecondary study; and

8 (3) satisfies a mathematics or science requirement for  
9 the recommended or advanced high school program as determined under  
10 Section 28.025.

11 Sec. 61.865. MATCHING CONTRIBUTION REQUIRED. An  
12 institution of higher education awarded a grant under this  
13 subchapter must obtain from one or more business entities in the  
14 industry for which students taking courses developed under Section  
15 61.861 are training, in a total amount equal to the amount of the  
16 state grant:

17 (1) gifts, grants, or donations of funds; or

18 (2) contributions of property that may be used in  
19 providing the courses.

20 Sec. 61.866. LIMITATION ON TOTAL AMOUNT OF GRANTS. In any  
21 state fiscal biennium, the total amount of grants awarded under  
22 this subchapter may not exceed \$10 million.

23 Sec. 61.867. FUNDING OF GRANTS. The commissioner of higher  
24 education shall administer this section using available  
25 appropriations and gifts, grants, and donations made for the  
26 purposes of this subchapter.

27 SECTION 64. Subtitle G, Title 3, Education Code, is amended



1 by adding Chapter 134 to read as follows:

2 CHAPTER 134. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM

3 Sec. 134.001. DEFINITIONS. In this chapter:

4 (1) "Nonprofit organization" means an organization  
5 exempt from federal income taxation under Section 501(a), Internal  
6 Revenue Code of 1986, as an organization described by Section  
7 501(c)(3) of that code.

8 (2) "Public junior college" and "public technical  
9 institute" have the meanings assigned by Section 61.003.

10 Sec. 134.002. JOBS AND EDUCATION FOR TEXANS (JET) FUND. (a)  
11 The comptroller shall establish and administer the Jobs and  
12 Education for Texans (JET) fund as a dedicated account in the  
13 general revenue fund.

14 (b) The following amounts shall be deposited in the fund:

15 (1) any amounts appropriated by the legislature for  
16 the fund for purposes of this chapter;

17 (2) interest earned on the investment of money in the  
18 fund; and

19 (3) gifts, grants, and other donations received for  
20 the fund.

21 Sec. 134.003. ADVISORY BOARD. (a) An advisory board of  
22 education and workforce stakeholders is created to assist the  
23 comptroller in administering this chapter.

24 (b) The advisory board is composed of seven members who  
25 serve two-year terms and are appointed as follows:

26 (1) one member appointed by the governor;

27 (2) one member appointed by the lieutenant governor;

1           (3) one member appointed by the speaker of the house of  
2 representatives;

3           (4) one member appointed by the Texas Higher Education  
4 Coordinating Board;

5           (5) one member appointed by the Texas Workforce  
6 Commission;

7           (6) one member of the public appointed by the  
8 comptroller; and

9           (7) the comptroller, who serves as the presiding  
10 officer.

11           (c) The advisory board shall meet at least once each quarter  
12 to review received applications and recommend awarding grants under  
13 this chapter.

14           Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT  
15 PROGRAM. The comptroller shall establish and administer the Jobs  
16 and Education for Texans (JET) Grant Program to provide grants to  
17 public junior colleges, public technical institutes, and eligible  
18 nonprofit organizations that apply to the advisory board in the  
19 manner prescribed by the advisory board. The comptroller shall  
20 award the grants on the advice and recommendations of the advisory  
21 board. Grants may be awarded under this chapter from the Jobs and  
22 Education for Texans (JET) fund for the following purposes:

23           (1) to develop, support, or expand programs of  
24 nonprofit organizations that meet the requirements of Section  
25 134.005 and that prepare low-income students for careers in  
26 high-demand occupations;

27           (2) to defray the start-up costs associated with the

1 development of new career and technical education programs at  
2 public junior colleges and public technical institutes that meet  
3 the requirements of Section 134.006; and

4 (3) to provide scholarships for students in career and  
5 technical education programs who meet the requirements of Section  
6 134.007.

7 Sec. 134.005. GRANTS TO NONPROFIT ORGANIZATIONS FOR  
8 INNOVATIVE AND SUCCESSFUL PROGRAMS. (a) The comptroller may award  
9 a grant to a nonprofit organization eligible under Subsection (b)  
10 for the development, support, or expansion of programs to prepare  
11 low-income students for careers in high-demand occupations.

12 (b) To be eligible to receive a grant under this section, a  
13 nonprofit organization must:

14 (1) provide a program to offer assistance to  
15 low-income students in preparing for, applying to, and enrolling in  
16 a public junior college or public technical institute;

17 (2) be governed by a board or other governing  
18 structure that includes recognized leaders of broad-based  
19 community organizations and members of the local business  
20 community;

21 (3) demonstrate to the satisfaction of the advisory  
22 board that the organization's program has achieved or will achieve  
23 the following measures of success among program participants, to  
24 the extent applicable to the type of program the organization  
25 provides:

26 (A) above average completion of developmental  
27 education among participating public junior college or public

1 technical institute students;

2 (B) above average persistence rates among  
3 participating public junior college or public technical institute  
4 students;

5 (C) above average certificate or degree  
6 completion rates by participating students within a three-year  
7 period compared to demographically comparable public junior  
8 college and public technical institute students; and

9 (D) employment of participating students at an  
10 average full-time starting wage that is equal to or greater than  
11 the prevailing wage for the occupation entered; and

12 (4) provide matching funds in accordance with rules  
13 adopted under Section 134.008.

14 (c) The matching funds required under Subsection (b)(4) may  
15 be obtained from any source available to the nonprofit  
16 organization, including in-kind contributions, community or  
17 foundation grants, individual contributions, and local  
18 governmental agency operating funds.

19 (d) Grants awarded under this section must be awarded in a  
20 manner that takes a balanced geographical distribution into  
21 consideration.

22 Sec. 134.006. GRANTS TO EDUCATIONAL INSTITUTIONS FOR CAREER  
23 AND TECHNICAL EDUCATION PROGRAMS. (a) The comptroller may award a  
24 grant for the development of new career and technical education  
25 courses or programs at public junior colleges and public technical  
26 institutes.

27 (b) A grant received under this section may be used only:

1           (1) to support courses or programs that prepare  
2 students for career employment in occupations that are identified  
3 by local businesses as being in high demand, including courses  
4 offered for dual credit;

5           (2) to finance initial costs of career and technical  
6 education course or program development, including the costs of  
7 constructing or renovating facilities, purchasing equipment, and  
8 other expenses associated with the development of a new course; and

9           (3) to finance a career and technical education course  
10 or program that leads to a license, certificate, or postsecondary  
11 degree.

12           (c) In awarding a grant under this section, the comptroller  
13 shall primarily consider the potential economic returns to the  
14 state from the development of the career and technical education  
15 course or program. The comptroller may also consider whether the  
16 course or program:

17           (1) is part of a new, emerging industry or high-demand  
18 occupation;

19           (2) offers new or expanded dual credit career and  
20 technical educational opportunities in public high schools; or

21           (3) is provided in cooperation with other public  
22 junior colleges or public technical institutes across existing  
23 service areas.

24           (d) To be eligible to receive a grant under this section, a  
25 public junior college or public technical institute must provide  
26 matching funds in accordance with rules adopted under Section  
27 134.008. The matching funds may be obtained from any source

1 available to the junior college or technical institute, including  
2 in-kind contributions, industry consortia, community or foundation  
3 grants, individual contributions, and local governmental agency  
4 operating funds.

5 Sec. 134.007. SCHOLARSHIPS. (a) The comptroller may award  
6 a scholarship to a public junior college or public technical  
7 institute student.

8 (b) To be eligible to receive a scholarship under this  
9 section, a student must:

10 (1) demonstrate financial need; and

11 (2) be enrolled in a training program for a  
12 high-demand occupation, as determined by the comptroller on the  
13 recommendation of the advisory board.

14 Sec. 134.008. RULES. The comptroller shall adopt rules as  
15 necessary for the administration of this chapter.

16 SECTION 65. Section 302.006(c), Labor Code, is amended to  
17 read as follows:

18 (c) To be eligible to receive a scholarship awarded under  
19 this section, a person must:

20 (1) be employed in a child-care facility, as defined  
21 by Section 42.002, Human Resources Code;

22 (2) intend to obtain a credential, certificate, or  
23 degree specified in Subsection (b);

24 (3) agree to work for at least 18 additional months in  
25 a child-care facility, as defined by Section 42.002, Human  
26 Resources Code, that accepts federal Child Care Development Fund  
27 subsidies and that, at the time the person begins to fulfill the

1 work requirement imposed by this subdivision, is located:

2 (A) within the attendance zone of a public school  
3 campus considered low-performing under Subchapter E, Chapter 39  
4 [~~Section 39.132~~], Education Code; or

5 (B) in an economically disadvantaged community,  
6 as determined by the commission; and

7 (4) satisfy any other requirements adopted by the  
8 commission.

9 SECTION 66. The following sections of the Education Code  
10 are repealed:

11 (1) Sections 39.034(e), (f), and (g); and

12 (2) Section 44.011.

13 SECTION 67. (a) Section 21.054(b), Education Code, is  
14 repealed.

15 (b) This repeal applies beginning with the 2009-2010 school  
16 year.

17 SECTION 68. (a) Not later than December 1, 2010, the Texas  
18 Education Agency shall prepare and deliver to the governor, the  
19 lieutenant governor, the speaker of the house of representatives,  
20 each member of the legislature, the clerks of the standing  
21 committees of the senate and the house of representatives with  
22 primary jurisdiction over public education, and the Legislative  
23 Budget Board a transition plan containing the information described  
24 by Subsections (b) and (c) of this section.

25 (b) The transition plan referred to in Subsection (a) of  
26 this section must contain a detailed description of the process the  
27 commissioner of education will use to develop and implement this

1 Act, including:

2 (1) the timeline;

3 (2) the means by which public school educators who are  
4 representative of this state and other stakeholders, including  
5 parents of public primary and secondary school students, and  
6 business and community leaders, will be included in the process to  
7 develop and implement this Act, in accordance with Section  
8 7.055(b)(11), Education Code;

9 (3) the resources required to implement this Act,  
10 including resources that may be required by districts and campuses;

11 (4) the scope and sequence of tasks that must be  
12 accomplished to implement this Act; and

13 (5) the use of the standard rulemaking process to  
14 adopt any procedures necessary to implement this Act.

15 (c) Except as provided by this subsection, the transition  
16 plan referred to in Subsection (a) of this section must provide for  
17 the implementation during the 2011-2012 school year of changes made  
18 by this Act to the accreditation and academic accountability  
19 system. The assignment of accreditation statuses and any other  
20 academic accountability designations under this Act must be  
21 implemented beginning with the 2012-2013 school year.

22 (d) In conjunction with the transition plan prepared and  
23 delivered under this section, the commissioner of education shall  
24 provide for an equivalence of a performance rating, accreditation  
25 status, distinction designation, or performance indicator, as  
26 applicable, for each statutory performance rating or performance  
27 indicator that is superseded by this Act.



1 SECTION 69. To the extent of any conflict, the reenactment  
2 by this Act of Section 51.807, Education Code, prevails over  
3 another Act of the 81st Legislature, Regular Session, 2009,  
4 relating to nonsubstantive additions to and corrections in enacted  
5 codes.

6 SECTION 70. Section 11.203(d), Education Code, as amended  
7 by this Act, applies only to a principal employed at a school that  
8 is rated academically unacceptable during the 2008-2009 school  
9 year.

10 SECTION 71. (a) Except as provided by this section, this  
11 Act applies beginning with the 2009-2010 school year.

12 (a-1) Section 28.002(c-1), Education Code, as added by this  
13 Act, applies beginning with the 2010-2011 school year.

14 (b) Sections 39.023(e), Education Code, as amended by this  
15 Act, and 39.053(g), Education Code, as added by this Act, apply  
16 immediately.

17 (c) Except as provided by Subsection (b) of this section,  
18 Subchapter C, Chapter 39, Education Code, as amended by this Act,  
19 applies beginning with the 2011-2012 school year.

20 (d) Except as provided by Subsection (e) of this section,  
21 Subchapter E, Chapter 39, Education Code, as amended by this Act,  
22 applies as provided by the transition plan adopted by the  
23 commissioner of education under Section 39.116, Education Code, as  
24 added by this Act.

25 (e) Notwithstanding any other provision of this Act, the  
26 commissioner of education may immediately apply any exceptions to  
27 interventions and sanctions under Subchapter E, Chapter 39,

1 Education Code, as amended by this Act, to interventions and  
2 sanctions under Subchapter G, Chapter 39, Education Code, as that  
3 law existed prior to amendment by this Act.

4 SECTION 72. This Act takes effect immediately if it  
5 receives a vote of two-thirds of all the members elected to each  
6 house, as provided by Section 39, Article III, Texas Constitution.  
7 If this Act does not receive the vote necessary for immediate  
8 effect, this Act takes effect September 1, 2009.

David Newkum

President of the Senate

Jim Strawn

Speaker of the House

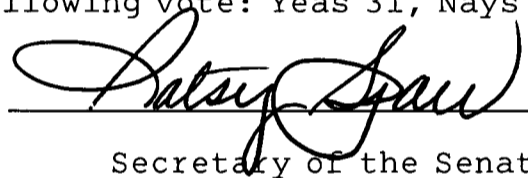
I certify that H.B. No. 3 was passed by the House on April 29, 2009, by the following vote: Yeas 146, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3 on May 18, 2009, and requested the appointment of a conference committee to consider the differences between the two houses; that the House adopted the conference committee report on H.B. No. 3 on May 31, 2009, by the following vote: Yeas 143, Nays 0, 2 present, not voting; and that the House adopted H.C.R. No. 283 authorizing certain corrections in H.B. No. 3 on June 1, 2009, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

Robert Haney

Chief Clerk of the House

H.B. No. 3

I certify that H.B. No. 3 was passed by the Senate, with amendments, on May 13, 2009, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; that the Senate adopted the conference committee report on H.B. No. 3 on May 31, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate adopted H.C.R. No. 283 authorizing certain corrections in H.B. No. 3 on June 1, 2009, by the following vote: Yeas 31, Nays 0.

  
Secretary of the Senate

APPROVED: 19 JUN '09

Date

  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2 PM O'CLOCK

JUN 19 2009

