

SUBJECT: Establishing the Rural Pathway Excellence Partnership (R-PEP) program

COMMITTEE: Public Education — committee substitute recommended

VOTE: 11 ayes — Buckley, Allen, Allison, Cunningham, Dutton, Cody Harris, Hefner, Hinojosa, K. King, Longoria, Talarico

2 nays — Harrison, Schaefer

WITNESSES: For — Maria Rodriguez Casas, Brooks County ISD; Mason Kyle, Buena Vista ISD; Conrad Cantu, Freer ISD; Mike Barrera, Premont ISD; Michael Gonzalez, Rural Schools Innovation Zone (*Registered, but did not testify*: Garry Jones, DFER; Bibi Yasmin Katsev, District Charter Alliance; Christine Yanas, Methodist Healthcare Ministries; Melissa Reid, Pewitt ISD; Michael Lee, TARS; Barry Haenisch, Texas Association of Community Schools; Whitney Broughton, Texas Association of School Boards; Suzi Kennon, Texas PTA; Bryce Adams, Texas Public Charter Schools Association; Stephanie Matthews, TX Association of Business; Tiffanie Harrison)

Against — (*Registered, but did not testify*: Denishea Williams, Texas Freedom Network; Alice Linahan, Women On The Wall; Meg Bakich)

On — (*Registered, but did not testify*: Brandon Hubbard, Chilton ISD; Eric Marin, Monica Martinez, James Terry, Texas Education Agency)

BACKGROUND: Some have suggested that rural school districts do not have the economies of scale to provide the range of college and career pathways sought by their students and would benefit from additional support from the state.

DIGEST: CSHB 2209 would require the commissioner of education to establish and administer the Rural Pathway Excellence Partnership (R-PEP) program to incentivize and support rural college and career pathway partnerships that would be multidistrict, cross-sector, and that would expand opportunities for underserved students to succeed in school and life while promoting economic development in rural areas. The program would enable an

eligible district that lacked an economy of scale, as determined by commissioner rule, to partner with a least one other district to offer a broader array of robust college and career pathways. Each partnership would be required to offer college and career pathways that aligned with regional labor market projections for high-wage, high-demand careers and be managed by a coordinating entity that:

- had or will have the capacity to effectively coordinate the partnership at the time students were served under the partnership;
- had entered into a performance agreement approved by the board of trustees of each partnering district that conferred to the coordinating entity the same authority as provided to an entity that contracted to operate a district campus;
- was eligible to be awarded a charter;
- had been granted a charter by each partnering district; and
- had on the entity's governing board, as either voting or ex officio members, representatives of each partnering district and member of regional higher education and workforce organizations.

A performance agreement would be required to:

- include ambitious and measurable performance goals and progress measures tied to current college, career, and military readiness outcomes and longitudinal postsecondary completion and employment-related outcomes;
- allocate responsibilities for accessing and managing progress and outcome information and annually publishing that information on the website of each partnering district and the coordinating entity;
- authorize the coordinating entity to optimize the value of each college and career pathway offered through the partnership by determining scheduling, adding or removing a pathway, hiring pathway-specific personnel, developing and exercising final approval of pathway budgets subject to certain requirements, and determining other matters critical to the efficacy of pathways; and
- provide that any eligible student residing in a partnering district could participate in a college or career pathway offered through the

partnership.

A coordinating entity employee that managed a partnership would be eligible for membership in and benefits from the Teacher Retirement System (TRS) if the employee would be eligible for membership and benefits by holding the same position at a partnering district.

For accountability purposes, a student enrolled in a college or career pathway would not be considered to have dropped out of high school or failed to complete the curriculum requirements for high school graduation until the sixth anniversary of the student's first day in high school.

A district that proposed to enter into a performance agreement would be required to notify the commissioner of education of the district's intent to enter into the agreement. The commissioner would establish procedures for a district to notify the commissioner. The commissioner would be required to notify the district whether the proposed agreement was approved or denied not later than the 60th day after the date the commissioner received the notification of the proposed agreement and all other required information. If the commissioner failed to notify the district within the prescribed period, the proposed agreement would be considered approved.

The bill would require the commissioner to establish a grant program to assist in the planning and implementation of a partnership under the program. The commissioner could award a grant only to a coordinating entity that had entered into an approved performance agreement. The commissioner could use no more than 15 percent of the money appropriated for the grant program to cover the cost of administering the grant program and to provide technical assistance and support to partnerships.

The commissioner would be required to adopt necessary rules to implement the R-PEP program, including rules establishing:

- requirements for a coordinating entity and a performance

- agreement with the entity;
- the period for which a partnership could operate after commissioner approval before renewal of approval was required; and
- standards for renewal of approval for a partnership.

The bill would not prohibit an agreement between a district and another entity for the provision of services at a district campus. The commissioner could accept gifts, grants, and donations from any source for the program. A private or nonprofit organization that contributed to the program could receive the Employers for Education Excellence Award.

R-PEP allotment and outcome bonus. For each full-time equivalent student in average daily attendance in grades nine through 12 in a college or career pathway offered through a partnership under the R-PEP program, the bill would entitle a district to an allotment equal to the basic allotment, or the sum of the basic allotment and the small and mid-sized district allotment, multiplied by:

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

Each year, the commissioner of education would determine for each district the minimum number of annual graduates of a college or career pathway who would be required to obtain within five years a postsecondary credential of value for the district to qualify for an outcomes bonus. In addition to the R-PEP allotment, for each graduate who earned such a postsecondary credential of value above the minimum number of students determined for the applicable district cohort, a district would be entitled to an annual outcomes bonus of:

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

The bill would entitle a district to each outcomes bonus for which an annual graduate qualified. A district could receive funding for a student for this allotment or any other allotment for which the student qualified.

The provisions of the bill regarding the R-PEP program would apply beginning with the 2023-2024 school year.

This bill, except for certain provisions, would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.

The provisions regarding the R-PEP allotment and outcome bonus would take effect September 1, 2023.

NOTES:

According to the Legislative Budget Board, the cost to the state of the bill for the biennium would be \$58,432,613.