

BILL ANALYSIS

Senate Research Center
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S.B. 3
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has long been a leader in public school accountability, but through the years, the current system has created an illusion of progress. While students and schools have incrementally improved under the current system, the passing standards on the assessments lack any link to success after graduation, whether for college or the workforce.

The world of tomorrow requires sound preparation for both college and careers. From the Texas high school graduating class of 2007, 10 percent of distinguished program graduates and 33 percent of recommended program graduates were not college-ready in at least one subject area. Nationally, employers estimate that 45 percent of recent high school graduates are not adequately prepared for the skills and abilities they need to advance beyond entry level. Eighty-five percent of newly created U.S. jobs will require education beyond high school.

S.B. 3 sets the goal of postsecondary readiness for all Texas students and challenges the system to elevate Texas to be among the top ten states in preparing students for postsecondary success over the next ten years. This legislation evaluates absolute student performance as part of the accountability system's accreditation tier, but it also looks at whether schools achieve growth in student achievement. Schools must meet the standard for that year or over a three-year average, which recognizes that atypical circumstances can occur but schools must correct trends of poor performance.

S.B. 3 also adds a distinction tier to the accountability system to recognize schools that achieve outstanding results in areas such as academic excellence, growth in student achievement, workforce readiness, second language learning, fine arts, and health and fitness. These recognitions look beyond a single test and consider multiple indicators of success.

The bill focuses on the core skills needed to master English language arts, mathematics, science, and social studies as requirements for high school graduation, but it provides students with access to additional electives as part of their graduation plans.

As proposed, S.B. 3 amends various provisions in the Education Code relating to student advancement, performance on assessment instruments, accelerated instruction, measures of student readiness, school district or campus accreditation, accreditation interventions and sanctions, interventions and sanctions for charter schools, management of low-performing schools, distinction designations, parent and educator reports, notices relating to performance, and career and technical education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the State Board of Education in SECTION 4 (Section 28.002, Education Code), SECTION 8 (Section 28.025, Education Code), SECTION 23 (Section 39.056, Education Code), and SECTION 57 (Section 39.306, Education Code) of this bill.

Rulemaking authority previously granted to the State Board of Education is modified in SECTION 8 (Section 28.025, Education Code) and SECTION 15 (Section 39.023, Education Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of education in SECTION 23 (Sections 39.051, 39.053, and 39.054, Education Code), SECTION 25 (Sec. 39.0822, Education

Code), SECTION 47 (Sections 39.201 and 39.202, Education Code), and SECTION 57 (Section 39.305, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 18 (Section 39.025, Education Code), SECTION 32 (Section 39.1321, Education Code), and SECTION 46 (Section 39.151, Education Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of higher education in SECTION 66 (Section 51.3062, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 68 (Section 51.807, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 7.056(e) and (f), Education Code, as follows:

(e) Prohibits a school campus or district, except as provided by Subsection (f), from receiving an exemption or waiver under this section from certain requirements or restrictions, including a requirement, restriction, or prohibition relating to curriculum essential knowledge or skills under Section 28.002 (Required Curriculum) or high school, rather than minimum, graduation requirements under Section 28.025 (High School Diploma and Certificate; Academic Achievement Record); and public school accountability as provided by Subchapters B (Assessment of Academic Skills), C (Performance Indicators), D (Accreditation Status), E (Successful School Awards), and J (Notice of Performance), rather than G (Accreditation Sanctions), Chapter 39 (Public School System Accountability).

(f) Authorizes a school district or campus that is required to develop and implement a student achievement improvement plan under Section 39.101 or 39.102, rather than 39.131 (Sanctions For Districts) or 39.132 (Sanctions for Academically Unacceptable and Certain Other Campuses), to receive an exemption or waiver under this section from any law or rule other than certain prohibitions, requirements, or restrictions. Makes conforming changes.

SECTION 2. Amends Section 7.062(e), Education Code, to require that the rules contain certain provisions, including requiring a school district to demonstrate, as a condition of eligibility for a grant, that the existing district science laboratories are insufficient in number to comply with the curriculum requirements imposed for the Texas Diploma, rather than the recommended program, and advanced high school programs under Section 28.025(b-1)(1) (regarding State Board of Education (SBOE) curriculum requirements for high school programs).

SECTION 3. Amends Section 12.104(b), Education Code, to provide that an open-enrollment charter school is subject to certain requirements, including a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title relating to high school graduation requirements under Section 28.025. Deletes existing text providing that an open-enrollment charter school is subject to satisfactory performance on assessment instruments. Makes conforming changes.

SECTION 4. Amends Section 28.002, Education Code, by adding Subsections (c-1) and (c-2), as follows:

(c-1) Requires SBOE to adopt rules to allow courses offered in the foundation curriculum or the enrichment curriculum to simultaneously satisfy, to the extent practicable, more than one required credit for the standard, Texas Diploma, or advanced high school program in which the student is participating.

(c-2) Requires SBOE to adopt rules to authorize each school district to implement a program under which students in middle or junior high school may earn credits toward high school graduation in middle or junior high school for any course determined by SBOE rule to qualify as a high school equivalent course.

SECTION 5. Amends Section 28.014(b), Education Code, to make conforming changes.

SECTION 6. Amends the heading to Section 28.0211, Education Code, to read as follows:

Sec. 28.0211. STUDENT ADVANCEMENT DETERMINATION; PERFORMANCE ON ASSESSMENT INSTRUMENTS; ACCELERATED INSTRUCTION.

SECTION 7. Amends Section 28.0211, Education Code, by amending Subsections (a)-(g) and (i), and adding Subsections (c-1), (d-1)-(d-3), as follows:

(a) Requires a school district, not later than the first day of the school year, to determine the requirements for student advancement from one grade level to the next. Requires the district, in determining whether a student may be promoted to the next grade level, to consider the student's score on an assessment instrument administered under Section 39.023(a), (b), or (1); the recommendation of the student's teacher; the student's grade in each subject or course; and any other necessary information as determined by the district. Deletes existing text providing that, except as provided by Subsection (b) (regarding the requirement that a school district provide a student who initially fails to perform satisfactorily on an assessment instrument at least two additional opportunities to take the assessment again) or (c) (regarding the requirement that a school district provide a student accelerated instruction in the applicable subject area each time the student fails to perform satisfactorily on an assessment instrument), a student is prohibited from being promoted to the fourth grade program to which the student would otherwise be assigned if the student does not perform satisfactorily on the third grade reading assessment instrument under Section 39.023 (Adoption and Administration of Instruments); the sixth grade program to which the student would otherwise be assigned if the student does not perform satisfactorily on the fifth grade mathematics and reading assessment instruments under Section 39.023; or the ninth grade program to which the student would otherwise be assigned if the student does not perform satisfactorily on the eighth grade mathematics and reading assessment instruments under Section 39.023.

(b) Requires a school district to provide to a student who initially fails to perform satisfactorily on the third grade reading assessment instrument, the fifth grade mathematics and reading assessment instruments, or the eighth grade mathematics and reading assessment instruments under Section 39.023 an additional opportunity to take the assessment instrument. Deletes existing text requiring a school district to provide to a student an assessment instrument specified under Subsection (a) at least two additional opportunities to take the assessment instrument; authorizing a school district to administer an alternative assessment instrument to a student who has failed an assessment instrument specified under Subsection (a) on the previous two opportunities; and notwithstanding any other provision of this section, authorizing a student to be promoted if the student performs at grade level on an alternative assessment instrument under this subsection that is appropriate for the student's grade level and approved by the commissioner of education (commissioner).

(c) Requires the school district, if a student fails to perform satisfactorily on a mathematics or reading assessment instrument administered under Section 39.023(a), (b), or (1), to establish a grade replacement committee to prescribe the accelerated instruction the district is required to provide to the student. Requires that the accelerated instruction program provided under this subsection be systematic and not be based solely on assessment instrument practice skills and for a student in a third, fifth, or eighth grade program, provide for instruction in the applicable subject area, and be approved by the student's parent or guardian and the district, and prohibits the program from having a ratio of more than 10 students for each teacher in an accelerated instruction group; or for a student in a program other than a third, fifth, or eighth grade program, be made available to the student's parent or guardian and the student's teacher in the next grade level. Deletes existing text requiring the school district in which the student attends school to provide the student, each time a student fails to perform satisfactorily on an assessment instrument specified under Subsection (a) (regarding mathematics and reading assessments administered to fourth, sixth, and ninth grade students), accelerated

instruction in the applicable subject area, including reading instruction for a student who fails to perform satisfactorily on a reading assessment instrument; requiring that a grade placement committee be established after a student fails to perform satisfactorily on an assessment instrument a second time to prescribe the accelerated instruction before the student is administered the assessment instrument the third time; and prohibiting an accelerated instruction group administered by a school district under this section from having a ratio of more than 10 students for each teacher.

(c-1) Requires a school district to implement an accelerated program under Subsection (c) not later than the 30th day after the first day of school of the next school year. Authorizes accelerated instruction to occur outside of regular school hours, including during summer school.

(d) Requires the school district, in addition to providing accelerated instruction to a student under Subsection (c), to notify the student's parent or guardian of certain information, including the information collected under Subsection (a); the areas requiring improvement to perform satisfactorily on a mathematics or reading assessment instrument specified under Section 39.023(a), (b), or (l); and any other applicable information as determined by the district.

(d-1) Requires a school district to make information provided to a parent or guardian under Subsections (d)(4) (regarding notifying a student's parents about information collected under Subsection (a)), (5) (regarding notifying a student's parents about the areas requiring improvement to perform satisfactorily on the mathematics or reading assessment instruments), and (6) (regarding notifying a student's parents about any other applicable information as determined by the district) available to the student's current teacher and the student's teacher in the next grade level.

(d-2) Requires the grade placement committee, after considering the information specified under Subsection (a), to make a determination that the student who failed a mathematics or reading assessment instrument administered under Section 39.023(a), (b), or (l) be retained at the same grade level for the next school year; or placed in the next grade level with accelerated instruction as provided under Subsection (c).

(d-3) Prohibits a student who fails to participate in an accelerated instruction program developed under Subsection (c)(1) from being promoted to the next grade level program to which the student would otherwise be assigned if the student does not perform satisfactorily on the applicable assessment instrument specified under Subsection (b).

(e) Authorizes a student's parent or guardian to request that the grade placement committee reconsider the committee's decision under Subsection (d-2) to retain the student. Requires the school district to give the parent or guardian written notice of the opportunity to request reconsideration. Prohibits a student from being promoted on the basis of the grade placement committee's decision under this subsection unless that decision is unanimous. Makes a conforming change. Deletes existing text requiring a student, who after at least three attempts, fails to perform satisfactorily on an assessment instrument specified under Subsection (a) to be retained at the same grade level for the next school year in accordance with Subsection (a); authorizing the student's parent or guardian to appeal the student's retention by submitting a request to the grade placement committee established under Subsection (c); requiring the district to give the parent or guardian written notice of the opportunity to appeal; and authorizing the grade placement committee to decide in favor of a student's promotion only if the committee concludes, using standards adopted by the board of trustees, that if promoted and given accelerated instruction, the student is likely to perform at grade level.

(f) Requires that an accelerated instruction program under Subsection (c), rather than the educational plan, be designed to enable the student to perform at the appropriate grade level by the conclusion of the school year. Requires the student to be monitored during the school year to ensure that the student is progressing in accordance with the program, rather than the plan. Deletes existing text requiring a school district to provide to a student who, after three attempts, has failed to perform satisfactorily on an assessment

instrument specified under Subsection (a) accelerated instruction during the next school year as prescribed by an educational plan developed for the student by the student's grade placement committee established under Subsection (c), and requiring the district to provide that accelerated instruction regardless of whether the student has been promoted or retained.

(g) Makes conforming changes.

(i) Makes conforming changes.

SECTION 8. Amends Section 28.025, Education Code, by amending Subsections (a), (b), (b-1), (e), and (g), and adding Subsections (b-3) and (e-1) as follows:

(a) Requires SBOE by rule to determine curriculum requirements for the standard, Texas Diploma and advanced high school programs, rather than the minimum, recommended, and advanced high school programs that are consistent with the required curriculum under Section 28.002. Requires SBOE, subject to Subsection (b-1), to designate the specific courses in the foundation curriculum required for a student participating in the standard, Texas Diploma, or advanced high school program. Prohibits SBOE, except as provided by Subsection (b-1)(1)(B), from designating a specific course or a specific number of credits required for a subject in the enrichment curriculum. Provides that this subsection does not prohibit SBOE from designating the total number of credits required under the enrichment curriculum for a student participating in the standard, Texas Diploma, or advanced high school program.

(b) Makes a conforming change.

(b-1) Requires SBOE by rule to require that except as provided by Subsection (b-2), the curriculum requirements for the Texas Diploma and advanced high school programs under Subsection (a) include a requirement that students successfully complete certain courses, including two courses in a language other than English under Section 28.002(a)(2)(A) (regarding the curriculum requirement that school districts offer an enrichment curriculum that includes to the extent possible languages other than English), eight elective courses; and the curriculum requirements for the standard high school program under Subsection (a) include a requirement that the students successfully complete four courses in English language arts; three courses in mathematics; two courses in science; three courses in social studies; one additional course in either science or social studies; and nine elective courses. Makes conforming changes. Makes nonsubstantive changes.

(b-3) Provides that, notwithstanding Section 5.09, Chapter 5 (H.B. 1), 79th Legislature, 3rd Called Session, 2006, the curriculum requirements for the Texas Diploma and advanced high school programs under Section 28.025(b-1) apply to students entering the ninth grade beginning with the 2011-2012 school year. Provides that this subsection expires September 1, 2015.

(e) Makes conforming changes.

(e-1) Requires a school district to provide an endorsement of college readiness on the transcript of a student who has completed a Texas Diploma or advanced high school program and has demonstrated the performance standard for college readiness as provided by Section 39.024 (Satisfactory Performance) on the Algebra II and English III end-of-course assessment instruments. Requires a district to provide an endorsement of postsecondary readiness on the transcript of a student who has completed a Texas Diploma or advanced high school program and has demonstrated the alternate performance standard as provided under Section 39.0243. Requires SBOE to adopt rules as necessary to administer this subsection.

(g) Makes conforming changes.

SECTION 9. Amends Section 29.094(c), Education Code, to require that the standards established by the commissioner for purposes of this subsection be based on reading performance standards considered, rather than required, for student promotion under Section 28.0211 (Satisfactory Performance on Assessment Instruments Required; Accelerated Instruction).

SECTION 10. Amends Section 29.096(e), Education Code, to make a conforming change.

SECTION 11. Amends Section 29.904(d), Education Code, to provide that a plan developed under this section is required to include certain information regarding goals, including establishing an accurate method of measuring progress toward the goals established under Subdivision (1) that may include the percentage of district high school students and the percentage of students attending a district high school described by Subsection (a) (regarding high schools that average at least 26 graduating students per year and have been among the lowest 10 percent of high schools in the state in the percentage of students enrolling for the following academic year in an institution of higher education during the preceding five years) who are exempt under Section 51.3062(p) (regarding a student earning an exemption to the requirements of this section due to achieving a score set by the Texas Higher Education Coordinating Board on college entrance examinations) or (q) (regarding a student earning an exemption from the requirements of this section due to achieving a score set by the Texas Higher Education Coordinating Board for end-of-course assessment instruments), rather than Section 51.306(l) or (m), from administration of an assessment instrument under Section 51.3062, rather than Section 51.306, or have performed successfully on an assessment instrument under Section 51.3062. Makes conforming changes.

SECTION 12. Amends Section 32.252(b), Education Code, to require that the education Internet portal (portal) serve as a single point of access to educational resources, access to general student assessment data, and secure access to individual student assessment data. Makes nonsubstantive changes.

SECTION 13. Amends Section 32.258, Education Code, as follows:

Sec. 32.258. STUDENT ASSESSMENT DATA. (a) Requires, rather than authorizes, the Texas Education Agency (TEA) to establish a secure, interoperable system to be implemented through the portal under which a student or the student's parent or other person standing in parental relationship can easily access the student's individual assessment data; and an authorized employee of a school district, including a district teacher, can readily access individual assessment data of district students for use in developing strategies for improving student performance. Makes nonsubstantive changes.

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

(c) Requires TEA to establish an interoperable system to be implemented through the portal under which general student assessment data is easily accessible to the public.

(d) Requires that student assessment data provided under this section include student performance data on assessment instruments over multiple years, beginning with the 2007-2008 school year, including any data indicating progress in student achievement.

(e) Requires that each system established under this section permit comparisons of student performance information at the classroom, campus, district, and state levels. Deletes existing text requiring that in establishing the system required by this section, TEA seek to further the goal of providing school districts with access to student performance information at the classroom level. Makes nonsubstantive changes.

SECTION 14. Amends Section 33.007(b), Education Code, to make a conforming change.

SECTION 15. Amends Section 39.023, Education Code, by adding Subsection (a-1) and amending Subsections (c-4), (e), and (l), as follows:

(a-1) Requires TEA to develop assessment instruments required under Subsection (a) in a manner that allows, to the extent practicable, the score a student receives to provide reliable information relating to a student's college readiness performance, as defined by Section 39.024(a) (regarding SBOE being required to determine the level of performance considered to be satisfactory on assessment instruments, and the admission, review, and dismissal committee of a student being assessed being required to determine the level of performance considered to be satisfactory on the assessment instruments given to the student in accordance with criteria established by TEA rule); and an appropriate range of performances to serve as a valid indication of growth in student achievement.

(c-4) Requires TEA, to the extent practicable and subject to Section 39.024 (Satisfactory Performance), to ensure that each end-of-course assessment instrument adopted under Subsection (c) is developed in a manner that measures a student's performance under the college readiness standards established under Section 28.008 and validated by national postsecondary education experts for college readiness content and performance standards.

(e) Requires TEA, under rules adopted by SBOE, every third year, to release the questions and answer keys to each assessment instrument administered under Subsection (a) (regarding assessment instruments in reading, writing, mathematics, social studies, and science), (b) (regarding assessment instruments for students in a special education program), (c) (regarding assessment instruments for secondary-level courses in certain subjects), (d) (regarding the commissioner having the ability to participate in multistate efforts to develop voluntary standardized end-of-course assessment instruments), or (l) (regarding the adoption of assessment instruments adopted under Subsection (a) in Spanish), excluding any assessment instrument administered to a student for the purpose of retaking the assessment instrument, after the last time the instrument is administered for that school year.

(l) Requires SBOE to adopt rules for the administration of the assessment instruments adopted under Subsection (a) in Spanish to students in grades three through five, rather than six, who are limited English proficiency, as defined by Section 29.052 (Definitions), whose primary language is Spanish, and who are not otherwise exempt from the administration of an assessment instrument under Section 39.027(a)(3) (regarding the exemption of a student for up to one year after initial enrollment in a school in the United States if the student is of limited English proficiency and has not demonstrated proficiency in English as determined by the assessment instrument) or (4) (regarding the exemption of a student for a period up to two years in addition to the exemption allowed in Subdivision (3) if the student is a recent unschooled immigrant or is in a grade for which no assessment instrument in the student's primary language is available).

SECTION 16. Amends Section 39.0233(d), Education Code, to prohibit the questions adopted under this section from being administered in a separate section of the end-of-course assessment instrument. Deletes existing text requiring the questions adopted under this section to be administered in a separate section of the end-of-course assessment instrument in which the questions are included.

SECTION 17. Amends Subchapter B, Chapter 39, Education Code, by amending Section 39.024 and adding Sections 39.0241, 39.0242, and 39.0243, as follows:

Sec. 39.024. MEASURES OF READINESS. (a) Defines "college readiness" and "skilled workforce and technical readiness."

(b) Requires TEA to ensure that the end-of-course assessment instruments required under Section 39.023(c) are developed to be capable of, beginning with the 2011-2012 school year, measuring skilled workforce and technical readiness

for Algebra I and English III end-of-course assessment instruments; and college readiness for Algebra II and English III end-of-course instruments.

(c) Requires TEA, before the beginning of the 2011-2012 school year, to gather data and conduct research studies to substantiate the correlation between a certain level of performance by students on the Algebra I and English III end-of-course assessment instruments and skilled workforce and technical readiness; and the correlation between a certain level of performance by students on the Algebra II and English III end-of-course assessment instruments and college readiness.

(d) Requires that studies under Subsection (c) include an evaluation of any need for remediation courses to facilitate skilled workforce and technical readiness or college readiness.

(e) Requires the commissioner, based on the results of the studies conducted under Subsection (c), in conjunction with the commissioner of higher education, to establish student performance standards for the Algebra I and English III end-of-course assessment instruments indicating that students have attained skilled workforce and technical readiness; and the Algebra II and English III end-of-course assessment instruments indicating that students have attained college readiness.

(f) Requires TEA, to the extent practicable, to conduct research studies similar to the studies conducted under Subsection (c)(2) for the appropriate science and social studies end-of-course assessment instruments.

(f-1) Requires TEA, not later than December 1, 2010, to deliver to the lieutenant governor, the speaker of the house of representatives, and the clerks of the standing committees of the senate and the house of representatives with primary jurisdiction over public education a report that includes an analysis of the feasibility of establishing college readiness performance standards for science and social studies end-of-course assessment instruments, and if feasible, recommendations for implementing each standard.

(f-2) Provides that Subsection (f-1) and this subsection expire January 1, 2011.

(g) Requires TEA to continue to gather data to perform studies as provided under Subsections (c) and (f) at least once every two years.

(h) Requires TEA to periodically review the college readiness performance standards established under this section and compare the performance standards to performance standards established nationally and internationally for comparable assessment instruments. Requires TEA, following each review, to deliver to the lieutenant governor, the speaker of the house of representatives, and the clerks of the standing committees of the senate and the house of representatives with primary jurisdiction over public education a report on the results of the review indicating whether the college readiness performance standards established under this section are sufficiently rigorous to prepare students in this state to compete academically with students nationally and internationally. Requires TEA, if TEA determines that the college readiness performance standards established under this section are not sufficiently rigorous, to recommend changes to the college readiness performances standards.

Sec. 39.0241. SATISFACTORY PERFORMANCE. (a) Requires SBOE, except as otherwise provided by Subsection (b), rather than this subsection, to determine the level of performance considered to be satisfactory on the assessment instruments.

(a-1) Provides that beginning with the 2011-2012 school year, satisfactory performance on English language arts and mathematics assessment instruments for purposes of this chapter means the performance across grade levels necessary

to indicate college readiness, as defined by Section 39.024(a), except as modified by Section 39.0242(d), or provided by Subsection (a-2)(2) or Section 39.0243.

(a-2) Requires SBOE to establish, for the Texas Diploma, advanced, and standard high school programs, and for certain grade level assessments, certain performance standards for certain end-of-course assessment instruments.

(b) Makes a conforming change.

(c) Makes no changes to this subsection.

(d) Makes no changes to this subsection.

(e) Requires the commissioner to retain a portion of the total amount of funds allotted under Section 42.152(a) that the commissioner considers appropriate to finance activities under Subsection (c), rather than Subsections (c), and is authorized to retain a portion for activities under Subsection (d) and for intensive programs of instruction for students of limited English proficiency offered by school districts and is required to reduce each district's allotment proportionately.

Sec. 39.0242. SATISFACTORY PERFORMANCE: RESEARCH STUDIES AND IMPLEMENTATION OF STANDARD. (a) Requires TEA, during the 2010-2011 school year, to collect data through the annual administration of assessment instruments required under Section 39.023(a) in grades three through eight; and the administration to appropriate students throughout the state of an end-of-course assessment instrument field test.

(b) Requires TEA, before the beginning of the 2011-2012 school year, to analyze the data collected under Subsection (a) to substantiate the correlation between satisfactory student performance of students in certain grades and their performance on certain end-of-course assessment instruments.

(c) Requires that studies under this section include an evaluation of any need for remediation courses to facilitate skilled workforce and technical readiness or college readiness.

(d) Requires SBOE, based on the results of the studies conducted under this section, to establish a level of satisfactory performance that is more rigorous than the standards of satisfactory performance established before the 2011-2012 school year, but less rigorous than the level of satisfactory performance identified under the studies conducted under this section as indicating that students have attained college readiness. Requires SBOE to incrementally increase the level of satisfactory performance during the 2012-2013 through 2016-2017 school years to the level identified under the studies conducted under this section as indicating that students have attained college readiness.

(e) Requires TEA, once the level of satisfactory performance has been established at the level indicating college readiness, to continue to gather data and perform studies as provided under this section at least once every two years. Requires SBOE, if the data does not support the correlation between student performance standards and college readiness, to revise the standard of performance considered to be satisfactory.

Sec. 39.0243. ALTERNATE PERFORMANCE STANDARD: POSTSECONDARY READINESS. (a) Provides that this section applies only to a student participating in a Texas Diploma or advanced high school program who is administered the Algebra II and English III end-of-course assessment instruments.

(b) Provides that regardless of whether the student demonstrates the performance standard for college readiness as provided by Section 39.024, the student demonstrates postsecondary readiness under this section if the student earns in a

curriculum course in which the student is enrolled a certificate required for employment in a high-demand, high-wage, high-skill occupation, as determined under this section.

(c) Requires the Texas Workforce Commission (TWC) to develop, in consultation with the TWC Investment Council, a list of high-demand, high-wage, high-skill occupations in this state that have industry certifications. Requires TWC to provide the research and technical support for developing the list under this subsection.

(d) Requires the TWC Investment Council to consider the list developed under Subsection (c) and approve a list for submission to the commissioner. Requires the TWC Investment Council, on approval of the list, to deliver the list to the commissioner.

(e) Requires the commissioner, after consultation with the commissioner of higher education, to consider the list delivered under Subsection (d) and approve a final list of high-demand, high-wage, high-skill occupations in this state that have industry certifications.

(f) Requires that the list of high-demand, high-wage, high-skill occupations in this state that have industry certifications be reviewed and approved under the process provided by Subsections (c) through (e) every four years.

(g) Provides that notwithstanding any other provision of this section, a student's score on the Algebra II or English III end-of-course assessment instrument constitutes 15 percent of the student's grade in the applicable course.

SECTION 18. Amends Section 39.025, Education Code, by amending Subsections (a), (a-1), (b), (b-1), (b-2), and (f), and adding Subsections (a-2) and (c-1) as follows:

(a) Requires the commissioner to adopt rules requiring a student participating in the Texas Diploma or advanced high school program to be administered each end-of-course assessment instrument listed in Section 39.023(c) and requiring a student participating in the standard high school program to be administered an end-of-course assessment instrument listed in Section 39.023(c) only for Algebra I and English III and any other course in which the student is enrolled and for which an end-of-course assessment instrument is administered. Provides that except as otherwise provided by this section, a student is required to perform satisfactorily on two of the three end-of-course assessment instruments, in each subject in which the student is required to take end-of-course assessment instruments. Requires a student participating in the standard high school program, except as provided under Subsection (a-2), to perform satisfactorily on the Algebra I and English III end-of-course assessment instruments and a student participating in the Texas Diploma or advanced high school program to perform satisfactorily on the Algebra II and English III end-of-course assessment instruments. Deletes existing text providing that a student is required to achieve, in each subject in the foundation curriculum under Section 28.002(a)(1), a cumulative score that is at least equal to the product of the number of end-of-course assessment instruments administered to the student in that subject and 70, with each end-of-course assessment instrument scored on a scale of 100; requiring a student to achieve a score of at least 60 on an end-of-course assessment instrument for the score to count towards the student's cumulative score; providing that for purposes of this section, a student's cumulative score is determined using the student's highest score on each end-of-course assessment instrument administered to the student; and providing that this subsection does not require a student to demonstrate readiness to enroll in an institution of higher education. Makes conforming changes.

(a-1) Provides that the student's score on an end-of-course assessment instrument constitutes 15 percent of the student's grade in the course for which the assessment instrument is administered.

(a-2) Redesignates Subsection (a-1) as (a-2). Makes a conforming change.

(b) Makes a conforming change.

(b-1) Makes a conforming change.

(b-2) Requires TEA, in consultation with the Texas Higher Education Coordinating Board, to develop senior-level English language arts and mathematics accelerated instruction courses for purposes of this section. Requires the district, if a student does not demonstrate the performance standard for college readiness as provided by Section 39.024 on the Algebra II or English III end-of-course assessment instrument, to offer the student the opportunity to enroll in a course described by this subsection. Requires that a student who enrolls in a course described by this subsection be administered an appropriate end-of-course assessment instrument prescribed by Subsection (a). Deletes existing text requiring a school district, if a school district determines that a student, on completion of grade 11, is unlikely to achieve the cumulative score requirements for one or more subjects prescribed by Subsection (a) for receiving a high school diploma, to require the student to enroll in a corresponding content-area college preparatory course for which an end-of-course assessment instrument has been adopted, if available; and requiring that a student who enrolls in a college preparatory course described by this subsection be administered an end-of-course assessment instrument for the course, with the end-of-course assessment instrument scored on a scale of 40; and authorizing a student to use the student's score on the end-of-course assessment instrument for the college preparatory course towards satisfying the cumulative score requirements prescribed by Subsection (a).

(c-1) Prohibits a school district from administering an assessment instrument required for graduation administered under this section as this section existed before September 1, 1999. Authorizes a school district to administer to a student who failed to perform satisfactorily on an assessment instrument described by this subsection an alternate assessment instrument designated by the commissioner. Requires the commissioner to determine the level of performance considered to be satisfactory on an alternate assessment instrument. Prohibits the district from administering to the student an assessment instrument or part of an assessment instrument that assesses a subject that was not assessed in an assessment instrument required for graduation administered under this section as this section existed before September 2, 1999. Requires the commissioner to make available to districts information necessary to administer the alternate assessment instrument authorized by this subsection. Provides that the commissioner's determination regarding designation of an appropriate alternate assessment instrument under this subsection and the performance required on the assessment instrument is final and may not be appealed.

(f) Requires the commissioner by rule to adopt a transition plan to implement the amendments made by Chapter 1312 (regarding the administration of certain assessment instruments in public schools; providing a criminal penalty) (S.B. No. 1031), Acts of the 80th Legislature, Regular Session, 2007, replacing general subject assessment instruments administered at the high school level with end-of-course assessment instruments. Requires the commissioner, during the period under which the transition to end-of-course assessment instruments is made for students entering a grade above the ninth grade during the 2011-2012 school year, to retain, administer, and use for purposes of accreditation and other campus and district accountability measures, rather than ratings, under this chapter, rather than Subchapter D, the assessment instruments required by Section 39.023(a) or (c), as that section existed before amendment by Chapter 1312 (S.B. No. 1031), Acts of the 80th Legislature, Regular Session, 2007. Deletes existing text requiring the commissioner by rule to implement amendments made by (S.B. No. 1031), Acts of the 80th Legislature, Regular Session, 2007, to this section and Sections 39.023(a) and (c) and 39.051(b)(5).

SECTION 19. Amends Section 39.027(e), Education Code, to require that the performance under the assessment system developed under this subsection of students to whom Subsection (a)(3) or (4) applies be included in the indicator systems, rather than an academic excellence

indicator system, under Sections 39.053 and 39.301, as applicable, rather than Section 39.051, the performance report under Section 39.306, rather than Section 39.053, and the comprehensive annual report under Section 39.332, rather than Section 39.182.

SECTION 20. Amends Section 39.033(b), Education Code, to require that an agreement under this section require the private school to, as determined appropriate by the commissioner, provide to the commissioner the information described by Sections 39.053(c) (regarding the requirement that the board of trustees give notice to certain entities regarding a hearing for public discussion of the report) and 39.301(c) (regarding the commissioner's authorization to limit a challenge under this section), rather than Section 39.051(b) (regarding school performance on certain indicators adopted under this section that are disaggregated by certain factors), and maintain confidentiality in compliance with Section 39.030 (Confidentiality; Performance Reports). Makes a nonsubstantive change.

SECTION 21. Amends Section 39.034, Education Code, by amending Subsection (d) and adding Subsection (d-1), as follows:

(d) Requires TEA to determine the necessary annual improvement required each year for a student to be prepared to perform satisfactorily on, as applicable, the grade five assessment instruments, the grade eight assessment instruments, and the end-of-course assessment instruments required under this subchapter for graduation.

(d-1) Creates this subsection from existing text. Makes a conforming change.

SECTION 22. Repealers: Subchapters C (Performance Indicators) and D (Accreditation Status), Chapter 39, Education Code, as they existed on January 1, 2009.

SECTION 23. Amends Chapter 39, Education Code, by adding Subchapter C, as follows:

SUBCHAPTER C. ACCREDITATION

Sec. 39.051. ACCREDITATION STATUS. Provides that accreditation of a school district or campus is determined in accordance with this subchapter. Requires the commissioner by rule to determine in accordance with this subchapter the criteria for the following accreditation statuses: accredited, accredited-warned, and accredited-probation.

Sec. 39.052. DETERMINATION OF ACCREDITATION STATUS. (a) Requires the commissioner, following the end of each school year, to determine the accreditation status of each school district and campus.

(b) Requires the commissioner, in determining the accreditation status of a district, to evaluate and consider certain information and status of each district. Authorizes the commissioner to evaluate and consider the district's compliance with statutory requirements and requirements imposed by rule of the commissioner or SBOE under specific statutory authority that relate to certain performance data, the effectiveness of the district's programs for special populations, and the effectiveness of the district's career and technology program.

(c) Requires the commissioner, in determining the accreditation status of a campus, to evaluate and consider performance on student achievement indicators described by Section 39.053(c) and authorizes the commissioner to evaluate and consider other factors the commissioner considers appropriate

(d) Requires the commissioner, based on a school district's performance under Subsection (b) or a campus's performance under Subsection (c), to assign each district and campus an accreditation status, or revoke the accreditation of the district or campus and order closure of the district or campus under this subchapter.

(e) Authorizes a school district's accreditation status to be raised or lowered based on the district's performance or be lowered based on the performance of one or more campuses in the district that is below a standard required under this subchapter.

(f) Requires the commissioner to notify a school district or campus that receives an accreditation status of accredited-warned or accredited-probation that the performance of the district or campus is below a standard required under this subchapter. Requires the commissioner to require the district to notify the parents of students enrolled in the district and property owners in the district of the accreditation status of the district or campus and the implications of that accreditation status.

(g) Prohibits a school district that is not accredited from receiving funds from TEA or holding itself out as operating a public school of this state.

(h) Prohibits this chapter from being construed to invalidate a diploma awarded, course credit earned, or grade promotion granted by a school district before the commissioner revoked the district's accreditation.

Sec. 39.053. PERFORMANCE INDICATORS: STUDENT ACHIEVEMENT. (a) Requires the commissioner to adopt a set of indicators of the quality of learning and student achievement on a campus. Requires the commissioner to biennially review the indicators for the consideration of appropriate revisions.

(b) Requires that the performance on the student achievement indicators adopted under this section be compared to state-established standards. Requires that the degree of change from one school year to the next in performance on each indicator adopted under this section also be considered. Requires that the indicators be based on information that is disaggregated by race, ethnicity, and socioeconomic status.

(c) Requires that indicators of student achievement adopted under this section include the results of assessment instruments required under Section 39.023(a), (b), (c), and (l), aggregated by grade level and subject area, including certain data on the percentage of students who performed satisfactorily and unsatisfactorily on the assessment instruments; dropout rates computed in accordance with certain standards and definitions; and high school graduation rates computed in accordance with certain standards and definitions.

(d) Requires that performance on the student achievement indicators described by Subsection (c) be based on longitudinal student data that is disaggregated by the bilingual education or special language program, if any, in which students of limited English proficiency, as defined by Section 29.052, are or former students of limited English proficiency were enrolled. Requires that if a student described by this subsection is not or was not enrolled in specialized language instruction, the number and percentage of those students be provided.

(e) Requires the performance on the student achievement indicator described by Subsection (c)(1) (regarding the results of assessment instruments required under Sections 39.023(a), (b), (c), and (l), aggregated by grade level and subject area) to be compared to state standards, required improvement, and comparable improvement. Requires that the state standard be established by the commissioner. Sets forth that required improvement is the progress necessary for the campus or district to meet state standards and for its students to meet college readiness performance standards as determined under Section 39.0241 or the alternate performance standard established under Section 39.0243. Sets forth that comparable improvement is derived by measuring campuses and districts against a profile developed from a total state student performance database that exhibits substantial equivalence to the characteristics of students served by the campus or

district, including past academic performance, socioeconomic status, ethnicity, and limited English proficiency.

(f) Requires the commissioner to annually define the state standard for the current school year for each student achievement indicator described by Subsection (c) for accreditation and project the state standards for each indicator for accreditation for the following two school years. Requires the commissioner to periodically raise the state standards for the student achievement indicator described by Subsection (c)(1)(A) (regarding the percentage of students who performed satisfactorily and unsatisfactorily on the assessment instruments, aggregated by grade level and subject area) for accreditation as necessary to reach the goal of achieving, not later than the 2019-2020 school year, student performance in this state, disaggregated by race, ethnicity, and socioeconomic status, that ranks nationally in the top 10 states in terms of college readiness.

(g) Prohibits the commissioner, in defining the required state standard for accreditation for the indicator described by Subsection (c)(2), from considering as a dropout a student whose failure to attend school results from certain actions, including expulsion, adjudication, or conviction.

(h) Requires each school district to cooperate with TEA in determining whether a student is a dropout for purposes of accreditation and evaluating performance by school districts and campuses under this chapter.

(i) Requires the commissioner by rule to adopt accountability measures to be used in assessing the progress of students who have failed to perform satisfactorily as described by Subsection (c)(1)(A) in the preceding school year on an assessment instrument required under Section 39.023(a), (c), or (l).

Sec. 39.054. METHODS AND STANDARDS FOR EVALUATING PERFORMANCE.

(a) Requires the commissioner to adopt rules to evaluate school district and campus performance.

(b) Requires the commissioner, in evaluating performance, to evaluate against state standards and consider the performance of each campus in a school district and each open-enrollment charter school on the basis of the campus's or school's performance on the student achievement indicators adopted under Section 39.053(c). Requires that any consideration of the effectiveness of district programs under Section 39.052(b)(2)(B) (regarding the effectiveness of the district's programs for special populations) or (C) (regarding the effectiveness of the district's career and technology program) be based on data collected through the Public Education Information Management System (PEIMS) for purposes of accountability under this chapter and include the results of assessment instruments required under Section 39.023.

(c) Requires the commissioner, in evaluating school district and campus performance on the student achievement indicator adopted under Section 39.053(c)(1), to identify the satisfactory performance as meeting the state standard determined by the commissioner under Section 39.053(f) for the current school year based on student performance in the current school year, or student performance as averaged over the current school year and the preceding two school years.

(d) Requires that each annual accreditation review under Section 39.052 include an analysis of the student achievement indicators adopted under Section 39.053(c) to determine school district and campus performance in relation to standards established for each indicator, required improvement as defined under Section 39.053(e), and comparable improvement as defined by Section 39.053(e).

(e) Provides that in the computation of dropout rates under Section 39.053(c)(2), a student who is realized from a juvenile pre-adjudication secure detention facility

or juvenile post-adjudication secure correctional facility and fails to enroll in school or a student who leaves a residential treatment center after receiving treatment for fewer than 85 days and fails to enroll in school is prohibited from being considered to have dropped out from the school district or campus serving the facility or center unless that district or campus is the one to which the student is regularly assigned.

Sec. 39.055. STUDENT CONFINED BY COURT ORDER NOT CONSIDERED FOR ACCOUNTABILITY PURPOSES. Provides that notwithstanding any other provision of this code, for purposes of determining the performance of a school district or campus under this chapter, including the accreditation status of a district or campus, a student confined by court order in a residential program or facility operated by or under contract with the Texas Youth Commission, the Texas Juvenile Probation Commission, a juvenile board, or any other governmental entity is not considered to be a student of the school district in which the program or facility is physically located. Requires that the performance of such a student on an assessment instrument or other student achievement indicator adopted under Section 39.053 or reporting indicator adopted under Section 39.301 be determined, reported, and considered separately from the performance of students attending a school of the district in which the program or facility is physically located.

Sec. 39.056. ON-SITE INVESTIGATIONS. (a) Authorizes the commissioner to direct TEA to conduct on-site investigations of a school district at any time to answer any questions concerning a program, including special education, required by federal law or for which the district receives federal funds, and as a result of the investigation, to change the accreditation status of a district or campus or withdraw a distinction designation under Subchapter G.

(b) Requires the commissioner to determine the frequency of on-site investigations by TEA according to annual comprehensive analyses of student performance and equity in relation to the student achievement indicators adopted under Section 39.053.

(c) Requires the investigators, in making an on-site accreditation investigation, to obtain information from administrators, teachers, and parents of students enrolled in the school district. Prohibits the investigation from being closed until information is obtained from each of those sources. Requires SBOE to adopt rules for obtaining information from parents and using that information in the investigator's report, and obtaining information from teachers in a manner that prevents a district or campus from screening the information.

(d) Requires TEA to give written notice to the superintendent and the board of trustees of a school district of any impending investigation of the district's or campus's accreditation.

(e) Authorizes TEA, if an annual accreditation review under Section 39.052 indicates low performance on one or more of the indicators adopted under Section 39.053(c) of one or more campuses in a school district, to conduct an on-site evaluation of those campuses only.

(f) Requires the investigators to report orally and in writing to the board of trustees of the school district and, as appropriate, to campus administrators and make recommendations concerning any necessary improvements or sources of aid such as regional education service centers.

Sec. 39.057. SPECIAL ACCREDITATION INVESTIGATIONS. (a) Requires the commissioner to authorize special accreditation investigations to be conducted under certain circumstances.

(b) Prohibits TEA, if TEA's findings in an investigation under Subsection (a)(6) (regarding an allegation involving conflict between board of trustee members or

between the board and the district administration if the conflict involves a violation of a role or duty of the board or administration clearly defined by this code) indicate that the board of trustees has observed a lawfully adopted policy, from substituting its judgment for that of the board.

(c) Authorizes the commissioner to authorize special accreditation investigations to be conducted in response to repeated complaints submitted to TEA concerning imposition of excessive paperwork requirements on classroom teachers.

(d) Authorizes the commissioner, based on the results of a special accreditation investigation, to take appropriate action under Subchapter E (Successful School Awards), lower the school district's or campus's accreditation status, or take action under both Subdivisions (1) (regarding the commissioner taking appropriate action under Subchapter E) and (2) (regarding the lowering of the school district's or campus's accreditation status).

(e) Authorizes the commissioner, regardless of whether the commissioner lowers the school district's or campus's accreditation status under Subsection (d), to take action under Sections 39.101(a)(1) through (8) (regarding certain actions the commissioner is allowed to undertake when a school district does not satisfy any accreditation criteria, academic performance standards, or financial accountability standard) or 39.102 (1) through (7) (regarding certain actions the commissioner is allowed to undertake for academically unacceptable campuses) if the commissioner determines that the action is necessary to improve any area of a district's or campus's performance, including the district's financial accounting practices.

Sec. 39.058. CONDUCT OF INVESTIGATIONS. (a) Requires TEA to adopt written procedures for conducting on-site investigations under this subchapter. Requires TEA to make the procedures available to the complainant, the alleged violator, and the public. Requires TEA staff to be trained in the procedures and follow the procedures in conducting the investigation.

(b) Requires TEA, after completing an investigation, to present preliminary findings to any person TEA finds has violated a law, rule, or policy. Requires TEA, before issuing a report with its final findings, to provide a person TEA finds has violated a law, rule, or policy an opportunity for an informal review by the commissioner or a designated hearing examiner.

SECTION 24. Redesignates Subchapter I, Chapter 39, Education Code, as Subchapter D, Chapter 39, Education Code, and redesignates the sections in the redesignated subchapter, Sections 39.201-39.204, Education Code, as Sections 39.081-39.084, Education Code.

SECTION 25. Amends Subchapter I, Chapter 39, Education Code, redesignated by this Act as Subchapter D, Chapter 39, Education Code, by adding Sections 39.0821-39.0823, as follows:

Sec. 39.0821. COMPTROLLER REVIEW OF RESOURCE ALLOCATION PRACTICES. Requires the comptroller of public accounts (comptroller) to identify school districts and campuses that use resource allocation practices that contribute to high academic achievement and cost-effective operations. Requires the comptroller, in identifying districts and campuses under this section, to evaluate existing academic accountability and financial data by integrating the data, rank the results of the evaluation under Subdivision (1) (regarding the evaluation of existing academic accountability and financial data) to identify the relative performance of districts and campuses, and identify potential areas for district and campus improvement.

Sec. 39.0822. FINANCIAL SOLVENCY REVIEW REQUIRED. (a) Requires TEA to develop a review process to anticipate the future financial solvency of each school district. Requires that the review process analyze district revenues and expenditures for the preceding school year, and projected district revenues and expenditures for the current school year and the following five school years.

(b) Requires that the review process developed, in analyzing the information under Subsection (a), consider, for the preceding school year, the current school year, and the following five years, as appropriate, certain information pertaining to the district's finances.

(c) Requires TEA to consult school district financial officers in developing the review process under this section.

(d) Requires TEA to develop a computer software template for school districts to use in submitting information to TEA for purposes of this section. Requires each district to update information to the template within the period prescribed by the commissioner. Requires the commissioner to adopt rules under this subsection to allow a district to enter estimates of critical data into the template before the district adopts its budget. Requires that the template be capable of importing, to the extent practicable, data a district has previously submitted to TEA; include an entry space that allows a district to enter information explaining any irregularity in data submitted; and provide alerts for a student-to-staff ratio that is significantly outside the norm, a rapid depletion of the district general fund balance, and a significant discrepancy between actual budget figures and projected revenues and expenditures.

(e) Requires that an alert in the template developed under Subsection (d) be developed to notify TEA immediately on the occurrence of a condition described by Subsection (d)(3) (regarding student-to-staff ratios significantly outside the norm, a rapid depletion of district general fund balance, and a significant discrepancy between actual budget figures and projected revenues and expenditures). Requires TEA, after TEA is alerted, to immediately notify the affected school district regarding the condition triggering the alert.

Sec. 39.0823. PROJECTED DEFICIT. (a) Requires the district, if the review process under Section 39.0822 indicates a projected deficit for a school district general fund within the following five school years, to provide TEA interim financial reports, supplemented by staff and student count data, as needed, to evaluate the district's current budget status.

(b) Requires the school district, if the interim financial data provided under Subsection (a) substantiates the projected deficit, to develop a financial plan and submit the plan to TEA for approval. Authorizes TEA to approve the plan only if TEA determines the plan will permit the district to avoid the projected insolvency.

(c) Requires the commissioner to assign a school district an accredited-warned status if the district does not adhere to guidelines set forth by TEA for a plan approved by TEA under Subsection (b), or TEA determines that the approved plan is no longer sufficient or is not appropriately implemented.

SECTION 26. Amends Section 39.203(b), Education Code, redesignated by this Act as Section 39.083(b), Education Code, to make conforming and nonsubstantive changes.

SECTION 27. Redesignates Subchapter G, Chapter 39, Education Code, as Subchapter E, Chapter 39, Education Code, and redesignates the sections in the redesignated subchapter, Sections 39.131, 39.132, 39.1321-39.1324, 39.1327, 39.133, 39.1331, 39.134-39.138, Education Code, as Sections 39.101-39.114, Education Code, respectively.

SECTION 28. Amends the heading to Subchapter G, Chapter 39, Education Code, redesignated by this Act as Subchapter E, Chapter 39, Education Code, to read as follows:

SUBCHAPTER E. ACCREDITATION INTERVENTIONS AND SANCTIONS

SECTION 29. Amends Section 39.131, Education Code, redesignated by this Act as Section 39.101, Education Code, as follows:

Sec. 39.101. New heading: INTERVENTIONS AND SANCTIONS FOR DISTRICTS. (a) Requires the commissioner, if a school district does not satisfy the accreditation criteria under Section 39.052, rather than Section 39.071 (Accreditation), the academic performance standards under Section 39.072 (Accreditation Standards), or any financial accountability standard as determined by commissioner rule, to take any certain actions to the extent the commissioner determines necessary, including ordering a hearing conducted by the board of trustees of the district for the purpose of notifying the public of the insufficient, rather than unacceptable, performance, the improvements in performance expected by TEA, and the sanctions that may be imposed under this section if the performance does not improve; order the preparation of a student achievement improvement plan that addresses each student achievement, rather than academic excellence, indicator under Section 39.053(c) for which the district's performance is insufficient, the submission of the plan to the commissioner for approval and the implementation of the plan; appoint a board of managers to exercise the powers and duties of the board of trustees if a district has a current accreditation status of accredited-warned or accredited-probation, or fails to satisfy any standard under Section 39.054(d), rather than is rated academically unacceptable. Makes conforming and nonsubstantive changes.

(b) Provides that this subsection applies regardless of whether a district has satisfied the accreditation criteria. Authorizes the commissioner, if for two consecutive school years, including the school year for which the accreditation status is currently determined, a district has an a conservator or management team assigned, to appoint a board of managers, a majority of whom must be residents of the district, to exercise the powers and duties of the board of trustees.

SECTION 30. Amends Section 39.132, Education Code, redesignated by this Act as Section 39.102, Education Code, as follows:

Sec. 39.102. New heading: INTERVENTIONS AND SANCTIONS FOR LOW-PERFORMING CAMPUSES. Provides that if a campus performance is below any standard under Section 39.054(d), rather than Section 39.073(b) (regarding certain criteria required to be included in an annual review for determining accreditation status), the campus is considered a low-performing, rather than an academically unacceptable, campus. Makes conforming changes.

SECTION 31. Amends the heading to Section 39.1321, Education Code, redesignated by this Act as Section 39.103, Education Code, to read as follows:

Sec. 39.103. INTERVENTIONS AND SANCTIONS FOR CHARTER SCHOOLS.

SECTION 32. Amends Sections 39.1321(a), (b), and (d), Education Code, redesignated by this Act as Sections 39.103(a), (b), and (d), Education Code, as follows:

(a) Provides that interventions and sanctions, rather than sanctions, authorized under this chapter for a school district or campus apply in the same manner to an open-enrollment charter school.

(b) Makes a conforming change.

(d) Makes a conforming change.

SECTION 33. Amends Sections 39.1322(a) and (b), Education Code, redesignated by this Act as Sections 39.104(a) and (b), Education Code, as follows:

(a) Requires the commissioner, if a campus performance satisfies performance standards under Section 39.054(d), rather than is rated academically unacceptable, for the current school year but would not satisfy performance standards under Section 39.054(d), rather than be rated as academically unacceptable, if the standards, rather than performance standards, to be used for the following school year were applied to the current school

year, to select and assign a technical assistance team to assist the campus in executing a school improvement plan and any other school improvement strategies the commissioner determines appropriate. Makes conforming changes.

(b) Requires the commissioner to appoint a campus intervention team if a campus has been identified as a low-performing campus, rather than academically unacceptable, under Section 39.102, rather than Section 39.132 (Sanctions for Academically Unacceptable and Certain Other Campuses).

SECTION 34. Amends Sections 39.1323(a), (b), (e), and (f), Education Code, redesignated by this Act as Sections 39.105(a), (b), (e), and (f), Education Code, as follows:

(a) Requires a campus intervention team to engage in certain actions, including conducting a comprehensive on-site needs assessment of the campus as provided by Subsection (b); and recommend appropriate actions as provided by Subsection (c). Deletes existing text requiring the campus intervention team to conduct a comprehensive on-site evaluation of the campus to determine the cause for the campus's low performance and lack of progress; recommend actions, including reallocation of resources and technical assistance, changes in school procedures or operations, staff development for instructional and administrative staff, intervention for individual administrators or teachers, waivers from state statute or rule, or other actions the team considers appropriate.

(b) Requires that a comprehensive on-site needs assessment of the campus under Subsection (a) determine the causal factors resulting in the campus's low performance and lack of progress. Deletes existing text requiring a campus intervention team assigned under Section 39.1322 (Technical Assistance and Campus Intervention Teams) to a campus to conduct a comprehensive on-site needs assessment of the campus to determine the causal factors resulting in the campus's low performance and lack of progress.

(e) Makes conforming changes.

(f) Makes a conforming change.

SECTION 35. Amends Section 39.1324, Education Code, redesignated by this Act as Section 39.106, Education Code, to read as follows:

Sec. 39.106. MANDATORY INTERVENTIONS AND SANCTIONS.

SECTION 36. Amends Sections 39.1324(a), (d), (e), and (f), Education Code, redesignated by this Act as Sections 39.106(a), (d), (e), and (f), Education Code, as follows:

(a) Requires the commissioner, if a campus has been identified as a low-performing campus under Section 39.102 for two consecutive school years, including the school year for which the performance is currently determined, to order the reconstitution of the campus and assign a campus intervention team. Makes conforming changes.

(d) Authorizes the commissioner, notwithstanding any other provision of this subchapter, if the commissioner determines that a campus subject to Subsection (a) is not fully implementing the school improvement plan, to pursue alternative management of the campus under Section 39.107, rather than Section 39.1327 (Management of Certain Academically Unacceptable Campuses), or order closure of the campus.

(e) Makes conforming changes.

(f) Makes conforming changes.

SECTION 37. Amends the heading to Section 39.1327, Education Code, redesignated by this Act as Section 39.107, Education Code, to read as follows:

Sec. 39.107. MANAGEMENT OF CERTAIN LOW-PERFORMING CAMPUSES.

SECTION 38. Amends Sections 39.1327(a)-(f), Education Code, redesignated by this Act as Sections 39.107(a)-(f), Education Code, as follows:

(a) Makes conforming changes.

(b) Provides that the commissioner is required to solicit proposals from qualified nonprofit or for profit entities to assume management of a campus subject to this section or is authorized to appoint to assume management of a campus subject to this section a school district other than the district in which the campus is located that is located in the boundaries of the same regional education service center as the campus is located. Requires a district appointed under this section to assume management of a campus subject to this section in the same manner provided by this section for a qualified, rather than nonprofit, entity or in accordance with commissioner rule.

(c) Makes a conforming change.

(d) Makes a conforming change.

(e) Makes a conforming change.

(f) Makes a conforming change.

SECTION 39. Amends Section 39.133, Education Code, redesignated by this Act as Section 39.108, Education Code, as follows:

Sec. 39.108. ANNUAL REVIEW. Requires the commissioner to review at least annually the performance of a district for which the accreditation status, rather than rating, has been lowered due to insufficient student performance and prohibits the commissioner from raising the accreditation status until the district has demonstrated improved student performance.

SECTION 40. Amends Section 39.1331, Education Code, redesignated by this Act as Section 39.109, Education Code, to make conforming changes.

SECTION 41. Amends Section 39.134, Education Code, redesignated by this Act as Section 39.110, Education Code, to make conforming changes.

SECTION 42. Amends Section 39.135(c), Education Code, redesignated by this Act as Section 39.111(c), Education Code, as follows:

(c) Requires a conservator or management team, if directed by the commissioner, to prepare a plan for the implementation of action under Section 39.101(a)(9) or (10), rather than Section 39.131(a)(9) (regarding the requirement that a district appoint a board of managers to exercise the powers and duties of the board of directors if a district has a current accreditation status of accredited-warned or accredited-probation, is rated academically unacceptable, or fails to satisfy certain financial accountability standards) or (10) (regarding the requirement that the commissioner revoke a district's accreditation status if the district has not made significant improvement for two consecutive school years).

SECTION 43. Redesignates Subchapter K, Chapter 39, Education Code, as Subchapter F, Chapter 39, Education Code, and redesignates the sections in the redesignated subchapter Sections 39.301 and 39.302, as Sections 39.151 and 39.152, Education Code.

SECTION 44. Amends the heading to Subchapter K, Chapter 39, Education Code, redesignated by this Act as Subchapter F, Chapter 39, Education Code, to read as follows:

**SUBCHAPTER F. PROCEDURES FOR CHALLENGE OF ACCREDITATION STATUS,
ACCOUNTABILITY DETERMINATION, INTERVENTION, OR SANCTION**

SECTION 45. Amends the heading to Section 39.301, Chapter 39, Education Code, redesignated by this Act as Section 39.151, Education Code, to read as follows:

Sec. 39.151. REVIEW BY COMMISSIONER: ACCREDITATION STATUS OR ACCOUNTABILITY DETERMINATION

SECTION 46. Amends Sections 39.301(a), (b), and (e), Chapter 39, Education Code, redesignated by this Act as Sections 39.151(a), (b), and (e), Education Code, as follows:

(a) Requires the commissioner by rule to provide a process for a school district or open-enrollment charter school to challenge a TEA decision made under this chapter relating to an accreditation status determination or other determination made under this chapter regarding the academic or financial performance of the district or school, rather than the accountability rating that affects the district or school.

(b) Makes conforming changes.

(e) Makes conforming changes.

SECTION 47. Amends Chapter 39, Education Code, by adding Subchapter G, as follows:

SUBCHAPTER G. DISTINCTION DESIGNATIONS

Sec. 39.201. CAMPUS DISTINCTION DESIGNATIONS. (a) Requires the commissioner to award a campus a distinction designation if the campus is ranked in the top 25 percent of campuses in the state in annual improvement in student achievement as determined under Section 39.034 (Measure of Annual Improvement in Student Achievement).

(b) Requires the commissioner, in addition to the distinction designation described by Subsection (a), to award a campus a distinction designation if the campus demonstrates an ability to significantly diminish or eliminate performance differentials between student subpopulations. Requires the commissioner to adopt rules related to the distinction designation under this subsection to ensure that a campus does not artificially diminish or eliminate performance differentials through inhibiting the achievement of the highest achieving student subpopulation.

(c) Requires that a campus, in addition to the distinction designations described by Subsections (a) and (b), that satisfies the criteria developed under Section 39.202, be awarded a distinction designation by the commissioner for the following programs or the following specific categories of performance: academic achievement; fine arts; physical education; 21st Century Workforce Development program; and second language acquisition program.

(d) Prohibits a campus from being awarded a distinction designation under this subchapter unless the campus is assigned an accreditation status of accredited under Section 39.052.

Sec. 39.202. CAMPUS DISTINCTION DESIGNATION CRITERIA; COMMITTEES.

(a) Requires the commissioner by rule to establish standards for considering campuses for distinction designations under Section 39.201(c) and methods for awarding distinction designations to campuses.

(b) Requires the commissioner, in adopting rules under this section, to establish a separate committee to develop criteria for each distinction designation under Section 39.201(c).

(c) Sets forth the required composition of the committee established under this section.

(d) Authorizes the governor, lieutenant governor, and speaker of the house of representatives to each appoint a person described by each subdivision of Subsection (c).

(e) Requires each committee, in developing criteria for distinction designations under this section, to identify a variety of indicators for measuring excellence, and consider categories for distinction designations, with criteria relevant to each category, based on the level of a program, whether elementary school, middle or junior high school, or high school, and the student enrollment of a campus.

SECTION 48. Redesignates Subchapter F, Chapter 39, Education Code, as Subchapter H, Chapter 39, Education Code, and Sections 39.111-39.116, Education Code, as Sections 39.231-39.236, Education Code.

SECTION 49. Amends Section 39.111, Education Code, redesignated by this Act as Section 39.231, Education Code, as follows:

Sec. 39.231. **RECOGNITION AND REWARDS.** Requires SBOE to develop a plan for recognizing and rewarding school campuses that receive a distinction designation under Subchapter G and develop a network for sharing proven successful practices statewide and regionally. Deletes existing text requiring SBOE to develop a plan for recognizing and rewarding school districts and campuses that are rated as exemplary or recognized and for developing a network for sharing proven successful practices statewide and regionally.

SECTION 50. Amends Section 39.112, Education Code, redesignated by this Act as Section 39.232, Education Code, as follows:

Sec. 39.232. New heading: **DISTINCTION EXEMPTIONS.** (a) Provides that, except as provided by Subsection (b), a school campus, rather than a school campus or district, that holds a distinction designation under Section 39.201(a) or (c)(1), rather than is rated exemplary, is exempt from requirements and prohibitions imposed under this code including rules adopted under this code.

(b) Provides that a school campus is not exempt under this section from certain requirements or actions, including purchasing, rather than competitive bidding, under Subchapter B (Purchases; Contracts), Chapter 44 (Fiscal Management). Makes a conforming change.

(c) Makes a conforming change.

(d) Authorizes the commissioner to exempt a school campus that receives a distinction designation under Section 39.201(a) or (c)(1), rather than exempt an exemplary school campus, from elementary class size limits under this section if the school campus submits to the commissioner a written plan showing steps that will be taken to ensure that the exemption from the class size limits will not be harmful to the academic achievement of the students on the school campus.

SECTION 51. Amends Section 39.113(a), Education Code, redesignated by this Act as Section 39.233(a), Education Code, to make conforming changes.

SECTION 52. Amends Section 39.114(b), Education Code, redesignated by this Act as Section 39.234(b), to authorize a school district to use funds allocated under Section 42.2516(b)(3) on any instructional program in grades six through 12 other than an athletic program if the district's measure of progress toward college readiness is determined exceptional by a standard set by the commissioner and the district's completion rates for grades nine through 12 exceed completion rate standards required by the commissioner to achieve a status of accredited under Section 39.051. Makes conforming and nonsubstantive changes.

SECTION 53. Amends Section 39.115(a), Education Code, redesignated by this Act as Section 39.235(a), Education Code, to make a conforming change.

SECTION 54. Amends Section 39.116, Education Code, redesignated by this Act as Section 39.236, Education Code, to make conforming changes.

SECTION 55. Redesignates Subchapter E, Chapter 39, Education Code, as Subchapter I, Chapter 39, Education Code, and redesignates Sections 39.091-39.096, Education Code, as Sections 39.261-39.266, Education Code.

SECTION 56. Amends Section 39.093, Education Code, redesignated by this Act as Section 39.263, Education Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Makes conforming changes.

(a-1) Makes a conforming change.

SECTION 57. Amends Chapter 39, Education Code, by adding Subchapter J, as follows:

SUBCHAPTER J. PARENT AND EDUCATOR REPORTS

Sec. 39.301. **ADDITIONAL PERFORMANCE INDICATORS: REPORTING.** (a) Requires the commissioner, in addition to the indicators adopted under Section 39.053, to adopt indicators of the quality of learning on a campus for the purpose of preparing reports under this chapter. Requires the commissioner to biennially review the indicators for the consideration of appropriate revisions.

(b) Requires that performance on the indicators adopted under this section be evaluated in the same manner provided for evaluation of the student achievement indicators under Section 39.053(b)

(c) Requires that indicators for reporting purposes include certain information, including data regarding student performance on college entrance exams and assessment instruments; student attainment of course requirements for graduation; percentage of students provided accelerated instruction and promoted through the grade placement committee process; percentage of students exempted from the administration of an assessment instrument; percentage of students in a special education program assessed through assessment instruments; and the measures of progress towards college readiness and dual language proficiency for students of limited English proficiency.

(d) Requires that performance on the indicators described by Subsections (c)(3) (regarding the numerical progress of students who failed to perform satisfactorily under the college readiness performance standard on an assessment instrument), (4) (regarding the percentage of students provided accelerated instruction and promoted through the grade placement committee), and (9) (regarding the measure of progress toward dual language proficiency for students of limited English proficiency) be based on longitudinal student data that is disaggregated by the bilingual education or special language program, if any, in which students of limited English proficiency, as defined by Section 29.052, are or former students of limited English proficiency were enrolled. Requires that if a student described by this subsection is not or was not enrolled in specialized language instruction, the number and percentage of those students be provided.

(e) Provides that Section 39.055 applies in determining the performance of a school district or campus on an indicator described by Subsection (c).

Sec. 39.302. **REPORT TO DISTRICT: COMPARISONS FOR ANNUAL PERFORMANCE ASSESSMENT.** (a) Requires TEA to report to each school district the comparisons of student performance made under Section 39.034.

(b) Requires TEA, to the extent practicable, to combine the report of comparisons with the report of the student's performance on assessment instruments under Section 39.023.

Sec. 39.303. REPORT TO PARENTS. (a) Requires the school district a student attends to provide a record of the comparisons made under Section 39.034 and provided to the district under Section 39.302 in a written notice to the student's parent or other person standing in parental relationship.

(b) Requires the school district, for a student who failed to perform satisfactorily as determined under the college readiness performance standard under Section 39.0241 on an assessment instrument administered under Section 39.023(a), (c), or (l), to include in the notice specific information relating to access to online education resources at the appropriate assessment instrument content level, including educational resources described by Section 32.252(b)(2) and assessment instruments questions and answers released under Section 39.023(e).

Sec. 39.304. TEACHER REPORT CARD. Requires each school district to prepare a report of the comparisons made under Section 39.034 and provided to the district under 39.302 and provide the report to each teacher for all students who were assessed on an assessment instrument under Section 39.023 and were provided instruction by that teacher in the subject for which the assessment instrument was administered under Section 39.023.

Sec. 39.305. CAMPUS REPORT CARD. (a) Requires TEA, not later than August 1 of each year, to report the performance of each campus in a school district on the basis of the campus's performance on the indicators described by Section 39.053(c).

(b) Requires TEA, each school year, to prepare and distribute to each school district a report card for each campus. Requires that the campus report cards be based on the most current data available disaggregated by student groups. Requires that campus performance be compared to previous campus and district performance, current district performance, state-established standards, and comparable campus group performance.

(c) Requires that the report card include certain information regarding student achievement indicators and reporting indicators; average class size by grade level and subject; administrative and instructional costs per student, computed in a manner consistent with Section 44.0071; and the district's instructional expenditures ratio and instructional employees ratio computed under Section 44.0071 and the statewide average of those ratios, as determined by the commissioner.

(d) Requires the commissioner to adopt rules requiring dissemination of the information required under Subsection (c)(4) and appropriate class size and student performance portions of campus report cards annually to the parent or other person standing in parental relationship to each student at the campus. Requires the school district, on written request, to provide a copy of a campus report card to any other party.

Sec. 39.306. PERFORMANCE REPORT. (a) Requires each board of trustees to publish an annual report describing the educational performance of the school district and of each campus in the district that includes uniform student performance and descriptive information as determined under rules adopted by the commissioner. Requires that the annual report also include certain information regarding the school's status and performance in certain areas, including compliance and violent or criminal incidents.

(b) Requires that the board of trustees determine supplemental information to be included in the report be determined by the board of trustees. Requires that performance information in the annual report on the indicators described by

Sections 39.053 and 39.301 and descriptive information required by this section be provided by TEA.

(c) Requires the board of trustees to hold a hearing for public discussion of the report. Requires the board of trustees to give notice of the hearing to property owners in the school district and parents of and other persons standing in parental relation to a district student. Requires that the notification include notice to a newspaper of general circulation in the district and notice to electronic media serving the district. Requires that after the hearing the report be widely disseminated within the district in a manner to be determined under rules adopted by the commissioner.

(d) Requires that the report also include a comparison provided by TEA of certain performance data pertaining to each campus and the school district.

(e) Authorizes the report to include certain student, financial, staff, and program information, as well as the number of students placed in a disciplinary alternative education program under Chapter 37 (Discipline; Law and Order).

(f) Requires SBOE by rule to authorize the combination of this report with other reports and financial statements and to restrict the number and length of reports that school districts, district employees, and school campuses are required to prepare.

(g) Requires that the report include a statement of the amount, if any, of the school district's unencumbered surplus fund balance as of the last day of the preceding fiscal year and the percentage of the preceding year's budget that the surplus represents.

Sec. 39.307. USES OF PERFORMANCE REPORT. Requires that the information required to be reported under Section 39.306 be the subject of public hearings or meetings required under Sections 11.252 (District-Level Planning and Decision-Making), 11.253 (Campus Planning And Site-Based Decision-Making), and 39.306; a primary consideration in school district and campus planning; and a primary consideration of SBOE in the evaluation of the performance of the commissioner, the commissioner in the evaluation of the performance of the directors of the regional education service centers, the board of trustees of a school district in the evaluation of the performance of the superintendent of the district, and the superintendent in the evaluation of the performance of the district's campus principals.

Sec. 39.308. ANNUAL AUDIT OF DROPOUT RECORDS; REPORT. (a) Requires the commissioner to develop a process for auditing school district dropout records electronically. Requires the commissioner to also develop a system and standards for review of the audit or use systems already available at TEA. Requires that the system be designed to identify districts that are at high risk of having inaccurate dropout records and that, as a result, require on-site monitoring of dropout records.

(b) Provides that if the electronic audit of a district's dropout records indicates that a district is not at high risk of having inaccurate dropout records, the district is not subject to on-site monitoring under this section.

(c) Entitles the district, if the risk-based system indicates that a district is at high risk of having inaccurate dropout records, to an opportunity to respond to the commissioner's determination before on-site monitoring is authorized to be conducted. Requires that the district respond not later than the 30th day after the date the commissioner notifies the district of the commissioner's determination. Requires the commissioner, if the district's response does not change the commissioner's determination that the district is at high risk of having inaccurate dropout records or if the district does not respond in a timely manner, to order TEA staff to conduct on-site monitoring of the district's dropout records.

(d) Requires the commissioner to notify the board of trustees of a school district of any objection the commissioner has to the district's dropout data, any violation of sound accounting practices or of a law or rule revealed by the data, or any recommendation by the commissioner concerning the data. Requires the commissioner, if the data reflect that a penal law has been violated, to notify the county attorney, district attorney, or criminal district attorney, as appropriate, and the attorney general.

(e) Entitles the commissioner to access all district records the commissioner considers necessary or appropriate for the review, analysis, or approval of district dropout data.

SECTION 58. Redesignates Subchapter H, Chapter 39, Education Code, as Subchapter K, Chapter 39, Education Code, and redesignates Sections 39.181-39.185, Education Code, as Sections 39.331-39.335, Education Code.

SECTION 59. Amends Section 39.182, Education Code, redesignated by this Act as Section 39.332, Education Code, as follows:

Sec. 39.332. COMPREHENSIVE ANNUAL REPORT. (a) Requires TEA, not later than December 1 of each year, to prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the Legislative Budget Board, and the clerks of the standing committees of the senate and house of representatives with primary jurisdiction over the public school system a comprehensive report covering the preceding school year and containing the information described by Subsection (b).

(b) Created from text of existing Subsection (a). Requires that the report contain an evaluation of the achievements of the state educational program in relation to the statutory goals for the public education system under Section 4.002 (Public Education Academic Goals). Makes conforming and nonsubstantive changes.

(c) Redesignated from existing Subsection (b). Makes a conforming change.

(d) Redesignated from existing Subsection (b-1). Makes a conforming change.

(e) Redesignated from existing Subsection (c).

SECTION 60. Amends Section 39.183, Education Code, redesignated by this Act as Section 39.333, Education Code, as follows:

Sec. 39.333. REGIONAL AND DISTRICT LEVEL REPORT. Requires TEA to prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the Legislative Budget Board, and the clerks of the standing committees of the senate and house of representatives with primary jurisdiction over the public school system a regional and district level report covering the preceding two school years and containing certain information, including a summary of school district compliance with the student/teacher ratios and class-size limitations prescribed by Sections 25.111 (Student/Teacher Ratios) and 25.112 (Class Size), including for each campus granted an exception from Section 25.112, a statement of whether the campus has been awarded a distinction designation under Subchapter G or has been identified as a low-performing campus under Section 39.102, rather than the performance rating under Subchapter D (Accreditation Status) of each campus granted an exception from Section 25.112; a summary of the exemptions and waivers granted to campuses and school districts under Section 7.056 or 39.232, rather than 39.112; and a review of the effectiveness of each campus or district following deregulation.

SECTION 61. Amends Section 39.185, Education Code, redesignated by this Act as Section 39.335, Education Code, to make a conforming change.

SECTION 62. Redesignates Subchapter J, Chapter 39, Education Code, as Subchapter L, Chapter 39, Education Code, and amends it as follows:

SUBCHAPTER L. NOTICE OF PERFORMANCE

Sec. 39.361. NOTICE IN STUDENT GRADE REPORT. Deletes existing text providing that a definition and explanation of each performance rating described by Section 39.072(a) is required to be included in the first written notice of a student's performance that a school district gives during a school year as required by Section 28.022(a)(2). Makes conforming changes.

Sec. 39.362. NOTICE ON DISTRICT WEBSITE. Makes conforming changes.

SECTION 63. Redesignates Subchapter L, Chapter 39, Education Code, as Subchapter M, Chapter 39, Education Code, and Sections 39.351-39.366 as Sections 39.401-39.416, Education Code.

SECTION 64. Amends Section 39.353, Education Code, redesignated by this Act as Section 39.403, Education Code, to make conforming changes.

SECTION 65. Amends Section 39.365(b), Education Code, redesignated by this Act as Section 39.415(b), Education Code, to make conforming changes.

SECTION 66. Amends Section 51.3062, Education Code, by adding Subsection (q-1) as follows:

(q-1) Provides that a student who has completed a Texas Diploma or advanced high school program as determined under Section 28.025 and demonstrated the performance standard for college readiness as provided by Section 39.024 on the Algebra II and English III end-of-course assessment instruments is exempt from the requirements of this section with respect to those content areas. Requires the commissioner of higher education by rule to establish the period for which an exemption under this subsection is valid.

SECTION 67. Amends Sections 51.803(a), (b), and (d), Education Code, to make conforming changes.

SECTION 68. Provides that Section 51.807, Education Code, as amended by Chapters 941 (H.B. 3826) and 1369 (H.B. 3851), Acts of the 80th Legislature, Regular Session, 2007, is reenacted and amended to make a conforming change.

SECTION 69. Amends Sections 56.203(a) and (d), Education Code, to make conforming changes.

SECTION 70. Amends Section 56.204(a), Education Code, to make conforming changes.

SECTION 71. Amends Section 56.210(b), Education Code, to make a conforming change.

SECTION 72. Amends Sections 56.304(a), (f), and (g), Education Code, as follows:

(a) Requires a person, to be eligible initially for a TEXAS grant, to meet certain criteria, including being a graduate of a public or private high school in this state who graduated not earlier than the 1998-1999 school year and who completed the Texas Diploma or advanced high school program established under Section 28.025, rather than Section 28.002, or its equivalent. Makes conforming changes.

(f) Makes conforming changes.

(g) Makes conforming changes.

SECTION 73. Amends the heading to Section 56.3041, Education Code, to read as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON ON TRACK TO COMPLETE TEXAS DIPLOMA OR ADVANCED PROGRAM.

SECTION 74. Amends Sections 56.3041(a) and (b), Education Code, to make conforming changes.

SECTION 75. Amends Section 56.308(b), Education Code, to make conforming changes.

SECTION 76. Amends Section 56.455, Education Code, to make a conforming change.

SECTION 77. Amends Section 61.792(b), Education Code, to make a conforming change.

SECTION 78. Amends Section 61.852(a), Education Code, to make a conforming change.

SECTION 79. Amends Section 61.855(d), Education Code, to make a conforming change.

SECTION 80. Amends Chapter 61, Education Code, by adding Subchapter T-1, as follows:

SUBCHAPTER T-1. CAREER AND TECHNICAL EDUCATION

Sec. 61.861. DEVELOPMENT OF MATHEMATICS AND SCIENCE COURSES FOR HIGH-DEMAND OCCUPATIONS. (a) Authorizes the commissioner of higher education, in consultation with the comptroller and TWC, to award a grant in an amount not to exceed \$1 million to an institution of higher education in developing advanced mathematics and science courses to prepare high school students for employment in a high-demand occupation. Requires the commissioner of higher education, the comptroller, and TWC to jointly determine what is considered a high-demand occupation for purposes of this subchapter.

(b) Requires an institution of higher education to work in partnership with at least one independent school district and a business entity in developing a course for purposes of this section.

(c) Requires that a course developed for purposes of this section provide content that enables a student to develop the relevant and critical skills needed to be prepared for employment or additional training in a high-demand occupation; incorporate college and career readiness skills as part of the curriculum; be offered for dual credit; and satisfy a mathematics or science requirement under the Texas Diploma or advanced high school program as determined under Section 28.025.

(d) Requires an institution of higher education to periodically review and revise the curriculum for a course developed for purposes of this section to accommodate changes in industry standards for the high-demand occupation.

Sec. 61.862. GRANT APPLICATION CRITERIA. Requires the commissioner of higher education, in consultation with the comptroller and TWC, to establish application criteria for a grant under this subchapter and in making an award, give priority to courses that will prepare students for high-demand, high-wage, and high-skill occupations; may be transferred as college credit to multiple institutions of higher education; and are developed as part of a sequence of courses that includes statewide availability of the instructional materials and training for the courses at a nominal cost to public educational institutions in this state.

Sec. 61.863. USE OF FUNDS. Authorizes an institution of higher education to use funds awarded under this section to develop, in connection with a course described by Subsection (a), curriculum, assessments, or instructional materials, including technology-based supplemental materials.

Sec. 61.864. REVIEW OF COURSES. Requires that courses developed for which a grant is awarded under this subchapter be reviewed by the commissioner of higher education, in consultation with the comptroller and TWC, once every four years to determine whether the course is being used by public educational institutions in this state and prepares high school students with the skills necessary for employment in the high-demand occupation.

Sec. 61.865. MATCHING CONTRIBUTION REQUIRED. Requires an institution of higher education awarded a grant under this subchapter to obtain from one or more business entities in the industry for which students taking courses developed under Section 61.861 are training, in a total amount equal to the amount of the state grant, gifts, grants, or donations of funds, or contributions of property that are authorized to be used in providing the courses.

Sec. 61.866. LIMITATION ON TOTAL AMOUNT OF GRANTS. Prohibits the total amount of grants awarded under this subchapter from exceeding \$10 million in any state fiscal biennium.

Sec. 61.867. FUNDING OF GRANTS. Requires the commissioner of higher education to administer this section using available appropriations and gifts, grants, and donations made for the purposes of this subchapter.

SECTION 81. Repealers: Sections 39.034(e) (regarding TEA reporting to each school district certain comparisons made regarding student performance on an assessment instrument), (f) (regarding the requirement that the school a student attends providing a record of the required comparisons made on the student to the student's parents in written format), and (g) (regarding TEA combining the report of the required comparisons of a student with the student's performance on assessment instruments), Education Code.

SECTION 82. Provides that a reference in law to the minimum high school program means the basic high school program. Provides that a reference in law to the recommended high school program means the Texas Diploma high school program.

SECTION 83. Provides that this Act applies beginning with the 2009-2010 school year.

SECTION 84. Effective date: upon passage or September 1, 2009.