

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 3
By: Shapiro
Education
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Committee Report (Substituted)

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 elevates the importance of postsecondary readiness for all Texas students by incorporating it as an indicator in the accountability system. The bill also 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.

C.S.S.B. 3 amends current law relating to public school accountability, curriculum, and promotion requirements.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education (commissioner) in SECTION 16 (Section 39.025, Education Code), SECTION 17 (Section 39.0261, Education Code), SECTION 18 (Section 39.027, Education Code), SECTION 21 (Sections 39.053, 39.054, 39.0822, 39.084, 39.106, 39.202-39.204, and 39.305, Education Code), and SECTION 22 (Section 51.3062, Education Code) of this bill.

Rulemaking authority is expressly granted to the State Board of Education (SBOE) in SECTION 4 (Section 28.002, Education Code) and SECTION 7 (Section 28.025, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 23 (Section 51.807, Education Code) of this bill.

Rulemaking previously granted to SBOE is modified in SECTION 13 (Section 39.023, Education Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of higher education in SECTION 22 (Section 51.3062, Education Code) of this bill.

Rulemaking previously granted to SBOE is rescinded in SECTION 21 (Sections 39.053 and 39.054, Education Code) of this bill.

Rulemaking authority previously granted to SBOE is transferred to the commissioner in SECTION 21 (Section 39.306, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 16 (Section 39.025, Education Code), SECTION 21 (Sections 39.051, 39.053, 39.054, 39.106, 39.151, 39.233, and 39.234, 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 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); or 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 B, C, D, and 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 a prohibition on conduct that constitutes a criminal offense; a requirement imposed by federal law or rule; a requirement, restriction, or prohibition imposed by certain state laws or related rules; or textbook selection under Chapter 31. Makes conforming changes.

SECTION 2. Amends Section 11.203(d), Education Code, to require a principal who was employed as principal at a campus that was rated academically unacceptable during the preceding school year to participate in the school leadership pilot program for principals (program) and complete the program requirements not later than a date determined by the commissioner of education (commissioner), rather than requiring a principal of a campus rated academically unacceptable, as well as any person employed to replace that principal, to participate in the program and complete the program requirements not later than a date determined by the commissioner.

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) Authorizes the State Board of Education (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 minimum, recommended, 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 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 6. Amends Section 28.0211, Education Code, by amending Subsections (a)-(g) and (i), and adding Subsections (c-1) and (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 recommendation of the student's teacher, the student's grade in each subject or course, the student's score on an assessment instrument administered under Section 39.023(a), (b), or (1); 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 in which the student attends school, if a student fails to perform satisfactorily on a mathematics or reading assessment instrument administered under Section 39.023(a), (b), or (1) in the third, fifth, or eighth grade, to provide to the student accelerated instruction in the applicable subject area. Requires the district, if a student in the third, fifth, or eighth grade program fails to meet the requirements for student advancement from one grade level to the next as determined by a school district under Subsection (a), to establish a grade placement committee to prescribe the accelerated instruction the district is required to provide to the student. Authorizes the district, if a student in a program other than a third, fifth, or eighth grade program fails to meet the requirements for student advancement from one grade level to the next as

determined by a school district under Subsection (a), to establish a grade placement 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 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), including if applicable the student's failure to perform satisfactorily on the assessment instrument; the areas requiring improvement for the student to meet the requirements for advancement from one grade level to the next as determined by the district under Subsection (a); 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)(1) (regarding the information collected under Subsection (a), including the student's failure to perform satisfactorily on the assessment instrument), (4) (regarding notifying a student's parents about information collected under Subsection (a)), and (5) (regarding notifying a student's parents about the areas requiring improvement to perform satisfactorily on the mathematics or reading assessment instruments) available to the student's current teacher and the student's teacher in the next grade level.

(d-2) Requires the grade placement committee to make a determination that the student who failed to meet the requirements for student advancement from one grade level to the next determined by a school district under Subsection (a) 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 7. Amends Section 28.025, Education Code, by amending Subsections (a), (b), and (b-1), and adding Subsections (b-3), (b-4), and (b-5), as follows:

(a) Requires SBOE by rule to determine curriculum requirements for 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 minimum, recommended, 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 minimum, recommended, or advanced high school program.

(b) Requires a school district to ensure that each student enrolls in the courses necessary to complete the curriculum requirements identified by SBOE under Subsection (a) for the recommended or advanced high school program unless the student, the student's parent, or other person standing in parental relation to the student, and a school counselor or school administrator agree that the student should be permitted to take courses under the minimum high school program and the student is at least 16 years of age, has completed two credits required for graduation in each subject of the foundation curriculum under Section 28.002(a)(1), or has failed to be promoted to the tenth grade one or more times as determined by the school district.

(b-1) Requires SBOE by rule to require that except as provided by Subsection (b-2), the curriculum requirements for the recommended and advanced high school programs under Subsection (a) include a requirement that students successfully complete four credits, rather than courses, in each subject of the foundation curriculum under Section 28.002(a)(1); for the recommended high school program, two credits in the same 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), and, for the advanced high school program, three credits in the same language in a language other than English under Section 28.002(a)(2)(A); and eight elective credits; and one or more credits, rather than courses, offered in the required curriculum for the recommended and advanced high

school programs include a research writing component. Makes conforming changes. Makes nonsubstantive changes.

(b-3) Requires SBOE, in adopting rules to provide students with the option described by Subsection (b-1)(1), to approve a variety of mathematics and science courses that are authorized to be taken by a student after completion of Algebra II and physics to comply with the recommended program requirements. Requires a course under this subsection to contain substantively similar and rigorous academic content as a course approved under Subsection (b-2).

(b-4) Requires a school district, before a student's parent or other person standing in parental relation to the student may agree that the student be permitted to take courses under the minimum high school program as provided by Subsection (b), to provide written notice to the parent or person standing in parental relation explaining the benefits of the recommended high school program. Requires that the notice be developed by the Texas Education Agency (TEA) and be printed in English and Spanish and require that the student's parent or person standing in parental relation to the student sign a confirmation of receipt and return the confirmation to the student's campus.

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

SECTION 8. Amends Section 28.0252(b), Education Code, to require a school district, if the commissioner develops a standard method under this section, to use the standard method to compute a student's high school grade point average. Deletes existing text requiring a school district to use the standard method to compute a student's high school grade point average except that to the extent of a conflict between that method and the method adopted under Section 51.807 (Rulemaking), the student's grade point average computed in accordance with the method established under Section 51.807 is required to be used in determining the student's eligibility for university admission under Subchapter U (Uniform Admission Policy), Chapter 51 (Provisions Generally Applicable to Higher Education).

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 29.904(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 enrolled in courses that meet the curriculum requirements for the recommended or advanced high school program as determined under Section 28.025; 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 (THECB) 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 11. 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 other than student assessment data accessible through the student assessment data portal under Section 32.258. Deletes existing text authorizing the portal to be used to provide secure access to student assessment data. Makes nonsubstantive changes.

SECTION 12. Amends Section 32.258, Education Code, as follows:

Sec. 32.258. New heading: STUDENT ASSESSMENT DATA; DATA PORTAL. (a) Requires TEA to establish and maintain a student assessment data portal for use by school districts, teachers, parents, students, and public institutions of higher education. Requires, rather than authorizes, 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; 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; and an authorized employee of a public institution of higher education can readily access individual assessment data of students applying for admission 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 be available on or before the first instructional day of the school year following the year in which the data is collected, and 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 13. Amends Section 39.023, Education Code, by adding Subsection (a-1) and amending Subsections (c-4) and (e), 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 satisfactory performance for each performance standard under Section 39.0241; 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.

SECTION 14. 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 15. Amends Subchapter B, Chapter 39, Education Code, by amending Section 39.024 and adding Sections 39.0241 and 39.0242, as follows:

Sec. 39.024. MEASURE OF COLLEGE READINESS. (a) Defines "college readiness".

(b) Requires TEA to ensure that Algebra II and English III 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 college readiness.

(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 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 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 II and English III end-of-course assessment instruments indicating that students have attained college readiness.

(f) Requires TEA, to the extent practicable, in conjunction with THECB, to conduct research studies similar to the studies conducted under Subsection (c) for the appropriate science and social studies end-of-course assessment instruments. Authorizes the commissioner, in conjunction with the commissioner of higher education, if the commissioner, in conjunction with the commissioner of higher education, determines that the research studies conducted under this subsection substantiate a correlation between a certain level of performance by students on science and social studies end-of-course assessment instruments and college readiness, as soon as practicable, to establish student performance standards for the science and social studies end-of-course assessment instruments indicating that students have attained college readiness.

(f-1) Requires TEA, not later than December 1, 2012, 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 a summary of any implementation procedures adopted for each standard.

(f-2) Provides that Subsection (f-1) and this subsection expire January 1, 2013.

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

(h) Requires TEA and THECB jointly 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 and THECB, 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 and higher education a joint 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 and THECB, if TEA and THECB determine that the college readiness performance standards established under this section are not sufficiently rigorous, to jointly recommend changes to the college readiness performances standards.

(i) Requires TEA to gather data and conduct research to substantiate any correlation between a certain level of performance by students on end-of-course assessment instruments and success in military service or a workforce training, certification, or other credential program at a postsecondary educational institution that primarily offers associate degrees or certificates or credentials other than baccalaureate or advanced degrees.

Sec. 39.0241. New heading: PERFORMANCE STANDARDS. (a) Requires the commissioner, rather than 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) Requires the commissioner, in conjunction with the commissioner of higher education, to determine the level of performance necessary to indicate college readiness as defined by Section 39.024(a).

(a-2) Requires the commissioner, for the purpose of establishing performance across grade levels, to establish certain performance standards for certain end-of-course assessment instruments and grade-level assessment instruments.

(b) Creates this subsection from existing text. Makes no changes to this subsection.

(c) Makes a conforming change.

(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. PERFORMANCE STANDARDS: 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 for each performance standard under Section 39.0241 on certain grade-level assessment instruments or on certain end-of-course assessment instruments with satisfactory performance under the same performance standard on certain grade-level assessment or end-of-course assessment instruments.

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

(d) Requires TEA to continue to gather data and perform studies as provided under this section at least once every three years. Requires the commissioner, in collaboration with the commissioner of higher education, if the data do not support the correlation between student performance standards and college readiness, to revise the standard of performance considered to be satisfactory.

(e) Requires the commissioner, based on the data collected and studies performed periodically under Subsection (b), to increase the rigor of the performance standard established under Section 39.0241(a) as the commissioner determines necessary.

SECTION 16. 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 recommended 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 minimum 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 under either performance standard under Section 39.0241 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 minimum 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 recommended or advanced high school program to perform satisfactorily on the Algebra II and English III end-of-course assessment instruments. Provides that a student who performs satisfactorily on the Algebra II and English III end-of-course assessment instruments under the college readiness performance standard, as determined under Section 39.024, is not required to comply with the requirement to perform satisfactorily on two of three end-of-course assessment instruments in those subjects. 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) Requires the commissioner by rule to determine a method by which a student's satisfactory performance on an advanced placement test, international baccalaureate examination, a Scholastic Assessment Test (SAT) Subject Test, or another assessment instrument determined by the commissioner to be at least as rigorous as an end-of-course

assessment instrument adopted under Section 39.023(c) is authorized to be used as a factor in determining whether the student satisfies the requirements of Subsection (a), rather than including the cumulative score requirements of that subsection. Authorizes the commissioner by rule to determine a method by which a student's satisfactory performance on a Preliminary Scholastic Assessment Test (PSAT) assessment or a preliminary American College Test (ACT) may be used as a factor in determining whether the student satisfies the requirements of Subsection (a).

(b) Requires a student who failed to perform satisfactorily on the assessment instrument as determined by the commissioner under Section 39.0241(a), rather than achieve a score of at least 60 on the assessment instrument, each time an end-of-course assessment instrument is administered, to retake the assessment instrument. Authorizes a student who fails to perform satisfactorily on an Algebra II or English III end-of-course assessment instrument under the college readiness performance standard, as determined under Section 39.024(b), to retake the assessment instrument. Deletes existing text authorizing any other student to retake an end-of-course assessment instrument for any reason.

(b-1) Requires a school district to provide each student who fails to perform satisfactorily as determined by the commissioner under Section 39.0241(a), rather than who fails to achieve a score of at least 70, on an end-of-course assessment instrument with accelerated instruction in the subject assessed by the assessment instrument.

(b-2) Requires TEA, in collaboration with THECB, 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(b) 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 selected from a list of assessment instruments approved 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 determination of the commissioner regarding the list of approved alternate assessment instruments under this subsection and the performance required on the assessment instruments are 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) (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. Provides that 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 district 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; and a student subject to Subdivision (1) may not receive a high school diploma unless the student has performed satisfactorily on the English language arts, mathematics, science, and social studies assessment instruments administered under Section 39.023(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). Makes nonsubstantive changes.

SECTION 17. Amends Section 39.0261, Education Code, by adding Subsection (a-1), to require the commissioner by rule, as part of the assessment program under Section 39.022, to develop a plan for implementing college preparation assessment instruments under this section beginning with eighth grade assessment instruments under Subsection (a)(1) (relating to the requirement that a school district administer a preliminary college preparation assessment instrument to eighth grade students during the spring semester) in the 2010-2011 school year.

SECTION 18. Amends Section 39.027, Education Code, by amending Subsections (a) and (e), and adding Subsections (a-1) and (a-2), as follows:

(a) Authorizes a student to be administered an accommodated or alternative assessment instrument or be granted an exemption, rather than exempted, from or a postponement of the administration of an assessment instrument under certain sections, including Section 39.023(a), (b), (c), or (l) for a period of up to three years, rather than one year, after initial enrollment in a school in the United States if the student is an immigrant and a student of limited English proficiency, as defined by Section 29.052 (Definitions), who, as a result of inadequate schooling outside of the United States, lacks the necessary foundation in the essential knowledge and skills of the curriculum, rather than is of limited English proficiency and has not demonstrated proficiency in English as determined by the assessment system under Subsection (c), or Section 39.023(a), (b), (c), or (l) for a period of up to five, rather than two, years if the student is a student of limited English proficiency, as defined by Section 29.052, whose initial enrollment in a school in the United States was as an unschooled asylee or refugee, rather than in addition to the exemption period authorized by this subsection if the student has received an exemption under this subsection and is a recent unschooled immigrant or is in a grade for which no assessment instrument in the primary language of the student is available.

(a-1) Requires the language proficiency assessment committee established under Section 29.063 (Language Proficiency Assessment Committees) to determine whether a student meets the criteria under Subsection (a)(3) or (4) (relating to the authorization for immigrant or limited English proficiency students to be administered an accommodated or alternative assessment instrument or be granted an exemption from or a postponement of the administration of an assessment instrument). Requires the commissioner by rule to develop procedures under which the language proficiency assessment committee makes a determination under this subsection. Requires the commissioner, in adopting rules under this subsection, to consider the end-of-course requirements for graduation for students, and ensure that the language proficiency assessment committee requires students to be administered assessment instruments under this section at the earliest practical date.

(a-2) Defines "unschooled asylee or refugee."

(e) Requires 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 Section 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 19. 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 20. 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 21. Amends Subchapters C through L, Chapter 39, Education Code, as amended by Section 2.25, Chapter 396 (S.B. 4), and Section 4, Chapter 931 (H.B. 2307), Acts of the 76th Legislature, Regular Session, 1999, as follows:

SUBCHAPTER C. New heading: ACCREDITATION

(Deletes designation of existing SUBCHAPTER D. ACCREDITATION STATUS)

Sec. 39.051. New heading: ACCREDITATION STATUS. Redesignates existing Section 39.071 as Section 39.051. Provides that accreditation of a school district or campus is determined in accordance with this subchapter, rather than section. Requires the commissioner by rule to determine, rather than define, 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, not later than August 8 of each year, to determine the accreditation status of each school district. Makes nonsubstantive changes.

(b) Requires the commissioner, in determining the accreditation status of a school district, to evaluate and consider performance on student achievement indicators described by Section 39.053(c); whether a significant pattern of decreased academic performance has developed as a result of the promotion in the preceding two school years of students who did not perform satisfactorily as determined by the commissioner under Section 39.0241(a) on assessment instruments administered under Section 39.023(a), (c), or (l), rather than of the district under the financial accountability system under Section 39.072; and performance under the financial accountability rating system developed under Subchapter D, rather than I. 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. Makes nonsubstantive changes.

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

(d) 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.

(e) Requires the commissioner to notify a school district that receives an accreditation status of accredited-warned or accredited-probation or a campus that performs below a standard required under this subchapter that the performance of the district or campus is below a standard required under this subchapter, rather than section. Requires the commissioner, if the district received an accreditation status of accredited-warned or accredited-probation for the preceding school year or if any campus performed below a standard required under this subchapter in the preceding school year, to notify the district or campus of a subsequent such designation on or before June 15. 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.

(f) 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.

(g) 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. Requires the commissioner to biennially review the indicators for the consideration of appropriate revisions. Deletes existing Section 39.051, relating to the requirement that SBOE adopt a set of indicators of the quality of learning on a campus.

(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, rather than race, ethnicity, gender, 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), (c), and (l), including the results of assessment instruments required for graduation retaken by a student, aggregated across grade levels by subject area, including for the performance standard determined by the commissioner under Section 39.0241(a), the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area, and for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by TEA under Section 39.034, on the assessment instruments, aggregated across grade levels by subject area; and for the college readiness performance standard as determined under Section 39.0241, the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area, and for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by TEA under Section 39.034, on the assessment instruments, aggregated across grade levels by subject area; and high school graduation rates, computed in accordance with standards

and definitions adopted in compliance with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et seq.).

(d) Requires the commissioner by rule, for purposes of Subsection (c), to determine the period within which a student must retake an assessment instrument for that assessment instrument to be considered in determining the accreditation status of the district. Deletes existing text relating to existing student achievement indicators adopted under this section. Deletes existing Subsection (b-1), relating to the requirement that students' performance on the indicators described by Subsections (b)(1), (2), (3), (8), (9), and (14) (relating to certain indicators adopted by SBOE to evaluate the quality of learning on school campuses) be based on longitudinal student data disaggregated by the bilingual education or special education program, if any, in which students of limited English proficiency were enrolled.

(e) Redesignates existing Subsection (c) as Subsection (e). Requires that performance on the student achievement indicators, rather than indicator, under Subsections (c)(1) and (2), rather than Subsection (b)(1), be compared to state standards and required improvement, rather than state standards, required improvement, and comparable improvement. Requires that the state standard be established by the commissioner. Provides that required improvement is the progress necessary for the campus or district to meet state standards and, for the student achievement indicator under Subsection (c)(1), for its students to meet each of the performance standards as determined under Section 39.0241.

(f) Redesignates existing Subsection (d) as Subsection (f). Requires the commissioner to annually define the state standard for the current school year for each student achievement indicator described by Subsection (c) and to project the state standards for each indicator for the following two school years. Deletes existing text relating to exit requirements as defined by the commissioner and measures of comparable improvement. Deletes existing text requiring the commissioner to annually define exemplary, recognized, and unacceptable performance for each academic excellence indicator included under Subsections (b)(1) through (7) and project the standards for each of those levels of performance for succeeding years. Deletes existing text requiring the commissioner, for the indicator under subsection (b)(8), to define exemplary, recognized and unacceptable performance based on student performance for the period covering both the current and preceding academic years.

(g) Prohibits the commissioner, in defining the required state standard 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, rather than prohibiting the commissioner, in defining exemplary, recognized, and unacceptable performance for the indicators under Subsections (b)(2) and (4), from considering a student as a dropout or as a student who has failed to attend a school.

(g-1) Requires the commissioner, in computing dropout and completion rates under Subsection (c)(2), to exclude students who are ordered by a court to attend a high school equivalency certificate program but who have not yet earned a high school equivalence certificate; students who were previously reported to the state as dropouts, and exclude students in attendance who are not in membership for purpose of average daily attendance; exclude students who first enrolled in U.S. schools in grades 7 through 12 as unschooled refugees or asylees per Section 39.027(a-2); exclude students who are in the district exclusively as a function of having been detained at the county detention facility but are otherwise nonstudents of the district in which the facility is located; and exclude students who return to school at any point up through the fourth Friday in October each year.

(h) Redesignates existing Subsection (e) as Subsection (h). Requires each school district to cooperate with TEA in determining whether a student is a dropout for the purposes of accreditation and evaluating performance by school districts and campuses under this chapter, rather than section.

(i) Redesignates existing Subsection (g) as Subsection (i). Deletes existing Subsection (f), requiring that the indicator under Subsection (b)(1) include the results of assessment instruments required under Section 39.023(b). 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 determined by the commissioner under Section 39.0241(a) or under the college readiness standard as determined under Section 39.0241 in the preceding school year on an assessment instrument required under Section 39.023(a), (c), or (1).

Sec. 39.054. METHODS AND STANDARDS FOR EVALUATION PERFORMANCE.

(a) Requires the commissioner to adopt rules consistent with this section to evaluate school district and campus performance and assign each school district and campus a performance rating that reflects satisfactory performance, unsatisfactory performance, or performance eligible for distinction under Subchapter G.

(a-1) Provides that a campus is considered academically accredited if the campus is assigned a satisfactory performance rating under this section.

(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), and whether a significant pattern of decreased academic performance has developed as a result of the promotion in the preceding two school years of students who did not perform satisfactorily as determined by the commissioner under Section 39.0241(a) on assessment instruments administered under Section 39.023(a), (c), or (1).

(b-1) Deletes existing Section 39.072 (Accreditation Standards), relating to the requirement that SBOE adopt rules to evaluate the performance of school districts and assign each district certain performance ratings. Requires that 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), rather than Subsection (b)(2) or (3), 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 assessments required under Section 39.023, and authorizes the consideration to be based on the results of a special accreditation investigation conducted under Section 39.057.

(c) Requires the commissioner, in evaluating school district and campus performance on the student achievement indicators adopted under Sections 39.053(c)(1) and (2), 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) Deletes existing text providing that a student confined by a court order in certain programs or facilities operated by the Texas Youth Commission (TYC), the Texas Juvenile Probation Commission (TJPC), 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 for purposes of determining performance of the district. Deletes existing Section 39.0721 (Gold Performance Rating Program). Deletes existing Section 39.073 (Determining Accreditation Status). Requires that each annual performance review under this section include

an analysis of the student achievement indicators adopted under Section 39.053(c), rather than Sections 39.051(b)(1) through (8), to determine school district and campus performance to determine school district and campus performance in relation to standards established for each indicator, and required improvement as defined under Section 39.053(e).

(d-1) Authorizes the commissioner by rule to adopt a method of evaluation by which a district or campus is not assigned an unsatisfactory performance rating solely because the district or campus fails to satisfy the minimum performance standards on 15 percent or fewer of the measures of evaluation the commissioner determines appropriate with respect to the student achievement indicators adopted under Section 39.053(c). Provides that under the method of evaluation adopted by the commissioner under this section, the commissioner may grant an exception under this subsection to a district or campus only if the performance of the district or campus is within five percentage points of the minimum performance standard established by the commissioner for the measure of evaluation; may not grant an exception under this subsection if a district or campus fails to satisfy the minimum performance standard on the same measure of evaluation for two consecutive school years; and may establish other performance criteria for a district or campus to obtain an exception under this subsection, rather than Section 39.051(c) and comparable improvement as defined by Section 39.051(c). Deletes existing Subsection (c), authorizing that a district's accreditation rating be raised or lowered based on the district's performance or be lowered based on the unacceptable performance of one or more campuses in the district. Deletes existing Subsection (d), requiring notice by the commissioner to a district that is rated academically unacceptable that the performance of the district that is rated academically unacceptable.

(e) Deletes existing text requiring TEA, in determining a district's accreditation rating, to consider the district's current special education compliance status with TEA, and the progress of students who have failed to perform satisfactorily in the preceding school year on an assessment instrument required under Section 39.023(a), (c), or (1). Redesignates Subsection (f) as Subsection (e). Provides that in the computation of dropout rates under Section 39.053(c)(2), rather than 39.051(b)(2), a student who is released 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. Prohibits the commissioner from limiting the number of students excluded from being counted as dropouts under the provision of this section. Makes nonsubstantive changes.

Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT 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, a student ordered by a juvenile court into a residential program or facility operated by or under contract with TYC, TJPC, a juvenile board, or any other government 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. Redesignates Section 39.074 as Section 39.056. (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

accountability rating of a district or campus or withdraw a distinction designation under Subchapter G, rather than raise or lower the performance rating.

(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, rather than academic excellence, indicators adopted under Section 39.053, rather than Section 39.051.

(c) Requires the investigators, in making an on-site investigation, rather than 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. Makes a nonsubstantive change.

(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 accreditation.

(e) Deletes existing Subsection (e) authorizing TEA, if an annual review indicates low performance on one or more of the indicators under Sections 39.051(b)(1) through (8) (relating to certain indicators adopted by SBOE to evaluate the quality of learning on school campuses) of one or more campuses in a school district, to conduct an on-site evaluation of those campuses only. Redesignates Subsection (f) as Subsection (e). 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. Redesignates existing Section 39.075 as Section 39.057. (a) Requires the commissioner to authorize special accreditation investigations to be conducted under certain circumstances, including when excessive numbers of students graduate under the minimum high school program or when excessive numbers of students eligible to enroll fail to complete an Algebra II course or any other course determined by the commissioner as distinguishing between students participating in the recommended high school program from students participating in the minimum high school program. Makes nonsubstantive changes.

(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) Redesignates existing Subsection (b-1) as Subsection (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) Redesignates existing Subsection (c) as Subsection (d). Authorizes the commissioner, based on the results of a special accreditation investigation, to take appropriate action under Subchapter E (Successful School Awards), rather than Subchapter G; lower the school district'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) Deletes existing Subsection (c), authorizing the commissioner, based on the results of a special accreditation investigation, to lower the district's accreditation rating and take appropriate action under Subchapter G. Authorizes the commissioner, regardless of whether the commissioner lowers the school district's accreditation status or the district's or campus's accountability rating 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 Section 39.102, rather than Section 39.131(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), 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. Redesignates existing Section 39.076 as Section 39.058. (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.

SUBCHAPTER D. FINANCIAL ACCOUNTABILITY
(Redesignates existing SUBCHAPTER I as SUBCHAPTER D.)

Sec. 39.081. DEFINITIONS. Redesignates existing Section 39.201 as Section 39.081. Defines "parent" and system."

Sec. 39.082. DEVELOPMENT AND IMPLEMENTATION. Redesignates existing Section 39.202 as Section 39.082. (a) Makes no changes to this subsection.

(b) Makes no changes to this subsection.

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 two 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 two years, as appropriate, certain information pertaining to the district's finances.

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

(d) Requires TEA to develop an electronic-based program 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 program before the district adopts its budget. Requires that the program 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 program 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 three 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.

Sec. 39.083. REPORTING. (a) Redesignates existing Section 39.203 as Section 39.083. Makes no changes to this subsection.

(b) Requires that the annual financial management report include a description of the district's financial management performance based on a comparison, provided by TEA, of the district's performance on the indicators adopted under Section 39.082(b), rather than 39.202(b) to state-established standards and the district's previous performance on the indicators; a description of the data submitted using the electronic-based program developed under Section 39.0822; and any descriptive information required by the commissioner.

(c)-(e) Makes no changes to these subsections.

Sec. 39.084. RULES. Redesignates existing Section 39.204 as Section 39.084. Requires the commissioner to adopt rules as necessary for the implementation and administration of this subchapter.

SUBCHAPTER E. New heading: ACCREDITATION INTERVENTIONS AND SANCTIONS

(Redesignates existing SUBCHAPTER G as SUBCHAPTER E.)

Sec. 39.101. New heading: INTERVENTIONS AND SANCTIONS FOR DISTRICTS.

(a) Redesignates existing Section 39.131 as Section 39.101. Requires the commissioner, if a school district does not satisfy the accreditation criteria under Section 39.052, rather than Section 39.071 (Accreditation), the performance standards under Sections 39.053 or 39.054, rather than 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 interventions and 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 for two consecutive school years, including the current school year. 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.

Sec. 39.102. New heading: INTERVENTIONS AND SANCTIONS FOR CAMPUSES.

Redesignates existing Section 39.132 as Section 39.102. Creates Subsection (a) designation. (a) 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 commissioner is required to take actions, to the extent the commissioner determines necessary, as provided by this chapter. Deletes existing text providing that if a campus performance is below any standard under Section 39.054(d) the campus is considered a academically unacceptable campus. Deletes existing text authorizing the commissioner to permit the campus to participate in an innovative redesign of the campus to improve campus performance or to take certain other actions.

(b) Authorizes the commissioner, for a campus described by Subsection (a), to the extent the commissioner determines necessary, to order a hearing to be held before the commissioner or the commissioner's designee at which the president of the board of trustees, the superintendent, and the campus principal shall appear and explain the campus's low performance, lack of improvement, and plans for improvement. Deletes existing text relating to actions the commissioner is authorized to take if a campus is considered an academically unacceptable campus.

(c) Authorizes the commissioner, notwithstanding the provisions of this subchapter, if the commissioner determines that a campus subject to interventions or sanctions under this subchapter has implemented substantially similar intervention measures under federal accountability requirements, to accept the substantially similar intervention measures as measures in compliance with this subchapter.

Sec. 39.103. New heading: INTERVENTIONS AND SANCTIONS FOR CHARTER

SCHOOLS. Redesignates existing Section 39.1321 as Section 39.103. (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.

(c) Makes no changes to this subsection.

(d) Makes a conforming change.

Sec. 39.104. New heading: CAMPUS IMPROVEMENT PLAN. Redesignates existing Section 39.1322 as Section 39.104. (a) Provides that this section applies 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. Requires the campus, on the request of the commissioner, to submit to the commissioner in an electronic format the portions of the campus improvement plan developed under Section 11.253 that are relevant to those areas for which the campus would not satisfy performance standards. Deletes existing text requiring the commissioner 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, and authorizing the commissioner to waive the requirement to assign a technical assistance team under this subsection if the improvement in performance standards among all student groups, including special populations, over the preceding three years indicates that the campus is likely to be rated academically acceptable in the following school year. Makes conforming changes.

(b) Requires the school, if the campus to which this section applies is an open-enrollment charter school, to establish a campus-level planning and decision-making committee as provided for through procedures as much as practicable the same as those provided by Sections 11.251(b)-(e) and develop a campus improvement plan as provided by Sections 11.253. Requires the school, on the request of the commissioner, to submit to the commissioner in an electronic format the portions of the campus improvement plan that are relevant to those areas for which the school would not satisfy performance standards. Deletes existing text requiring the commissioner, if a campus has been identified as academically unacceptable under Section 39.132, to appoint a campus intervention team. Deletes existing Subsections (c) and (d) relating to the technical assistance team.

Sec. 39.105. New heading: CAMPUS INTERVENTION TEAM. Redesignates existing Section 39.1323 as Section 39.105. (a) Requires the commissioner, if a campus performance is below any standard under Section 39.054(d), to assign a campus intervention team. Requires a campus intervention team to engage in certain actions, including conducting a targeted, rather than comprehensive, on-site needs assessment relevant to an area of insufficient performance of the campus as provided by Subsection (b), rather than evaluation of the campus to determine the cause for the campus's low performance and lack of progress; or if the commissioner determines necessary, a comprehensive on-site needs assessment, using the procedures provided by Subsection (b); recommend appropriate actions as provided by Subsection (c); assist in the development of a targeted improvement plan, rather than school improvement plan for student achievement; assist the campus in submitting the targeted improvement plan to the board of trustees for approval and presenting the plan in a public hearing as provided by Subsection (e-1); and assist the commissioner in monitoring the progress of the campus in implementing the targeted improvement plan, rather than school improvement plan for improvement of student achievement. 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 an on-site needs assessment of the campus under Subsection (a) determine the contributing factors resulting in the campus's low performance and

lack of progress. Requires the team to use certain guidelines and procedures relevant to any area of insufficient performance in conducting a targeted on-site needs assessment and to use certain guidelines and procedures in conducting a comprehensive on-site needs assessment, including executing a targeted improvement plan under Subsection (d-1). 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. Makes conforming changes.

(c) Requires the campus intervention team, on completing the on-site needs assessment, rather than evaluation, under this section to recommend actions relating to any area of insufficient performance, including reallocation of resources; technical assistance; changes in school procedures or operations; staff development for instructional and administrative staff; intervention for individual administrators or teachers; waivers from state statutes or rules; or other actions the campus intervention team considers appropriate.

(d) Requires the campus intervention team to assist the campus in submitting the targeted improvement plan to the commissioner for approval.

(d-1) Requires the campus intervention team, in executing the targeted improvement plan, rather than the school improvement plan developed under Section (a)(3), if appropriate, to assist the campus in implementing research-based practices for curriculum development and classroom instruction, including bilingual education and special education programs and financial management, rather than if appropriate, and financial management. Deletes existing text requiring the campus intervention team to submit the school improvement plan to the commissioner for approval.

(e) Requires a campus intervention team, for each year campus performance is below any standard under Section 39.054(d), to continue to work with a campus until the campus satisfies all performance standards under Section 39.054(d), rather than is rated academically acceptable, for a two-year period; or the campus satisfies all performance standards under Section 39.054(d) for a one-year period and the commissioner determines that the campus is operating and will continue to operate in a manner that improves student achievement; assist in updating the targeted improvement plan to identify and analyze areas of growth and areas that require improvement; and submit each updated plan described by Subdivision (2) to the board of trustees of the school district. Deletes existing text relating to submitting each updated plan, with approval from the commissioner, to meet the needs of the campus. Makes conforming changes.

(e-1) Requires the board of trustees of the school district (board), after a targeted improvement plan or updated plan is submitted to the board, to conduct a hearing for the purpose of notifying the public of the insufficient performance expected by TEA, and the intervention measures or sanctions that may be imposed under this subchapter if the performance does not improve within the designated period, and soliciting public comment on the targeted improvement plan or any updated plan; authorizes the board of trustees to conduct one hearing relating to one or more campuses subject to a targeted improvement plan or an updated plan; and requires the board of trustees to submit the targeted improvement plan or any updated plan to the commissioner for approval.

(f) Authorizes the commissioner, notwithstanding any other provision of this subchapter, if the commissioner determines that a campus for which an intervention is ordered under Subsection (a), rather than Section 39.1322(b), is not fully implementing the campus intervention team's recommendations or targeted improvement plan or updated plan, to order the reconstitution of the campus as provided by Section 39.106. Makes a conforming change.

Sec. 39.106. New heading: RECONSTITUTION, REPURPOSING, ALTERNATIVE MANAGEMENT, AND CLOSURE. Redesignates existing Section 39.1324 as Section 39.106. (a) Requires the commissioner, unless otherwise provided under the procedures for approval of an updated targeted improvement plan under Section 39.105(e-1) or this subsection, after a campus has been identified as below any standard under Section 39.054(d) for two consecutive school years, to order the reconstitution of the campus, rather than if a campus has been identified as academically unacceptable for two consecutive school years including the current school year, to order the reconstitution of the campus and assign a campus intervention team. Requires a campus intervention team, in reconstituting a campus, to assist the campus in developing an updated targeted improvement plan; submitting the updated targeted improvement plan to the board of trustees of the school district for approval and presenting the plan in a public hearing as provided by Section 39.105(e-1); obtaining approval of the updated plan from the commissioner; and executing the plan on approval by the commissioner.

(b) Prohibits a principal who has been employed by the campus in that capacity during the full period, rather than the full two-year period, described by Subsection (a) from being retained at that campus unless the campus intervention team determines that students enrolled at the campus have demonstrated significant academic improvement or retention is appropriate under Section 39.236.

(b-1) Creates this subsection from existing text. Makes no changes to this subsection.

(b-2) Requires a campus intervention team, for each year the performance of a campus is below any standard under Section 39.054(d) after the second consecutive school year the performance of the campus is below any standard under Section 39.054(d), to assist in updating the targeted improvement plan to identify and analyze areas of growth and areas that require improvement; submit the updated plan to the board of trustees of the school district; and assist in submitting the updated plan to the commissioner for approval.

(c) Authorizes the commissioner to appoint a monitor, conservator, management team, or board of managers to the district to ensure and oversee district-level support to low-performing campuses and the implementation of the updated targeted improvement plan. Requires the commissioner, in making appointments under this subsection, to consider individuals who have demonstrated success in managing campuses with student populations from similar demographic groups and with similar educational needs as the student population the campus at which the individual appointed will serve. Makes a conforming change.

(d) Authorizes the commissioner, if the commissioner determines that the campus is not fully implementing the updated targeted improvement plan or if the students enrolled at the campus fail to demonstrate substantial improvement in the areas targeted by the updated plan, to order repurposing of the campus under this section or closure of the campus. Deletes existing text authorizing the commissioner under certain circumstances to pursue alternative management of the campus under Section 39.1327 or order closure of a campus. Makes conforming changes.

(e) Deletes existing text providing that the commissioner, if a campus is considered an academically unacceptable campus for the subsequent school year after the campus is reconstituted under this section, shall review the progress of the campus and may order closure of the campus or pursue alternative management under Section 39.1327. Redesignates Subsection (f) as Subsection (e). Requires the school district, if the commissioner orders repurposing of a campus, to develop a comprehensive plan for repurposing the campus and submit the plan to the board of trustees for approval, using the procedures described by Section 39.105(e-1), and to the commissioner for approval. Requires that the plan include a description of a rigorous and relevant academic program for the campus.

Authorizes the plan to include various instructional models. Prohibits the commissioner from approving the repurposing of a campus unless:

(1) all students in the assigned attendance zone of the campus in the school year immediately preceding the repurposing of the campus are provided with the opportunity to enroll in and are provided transportation on request to another school, which may include another school on the same campus, unless the commissioner grants an exception because there is no other school in the district in which the students may enroll;

(2) the principal is not retained at the campus, unless the commissioner determines that students enrolled at the campus have demonstrated significant academic improvement; and

(3) at least 75 percent of the teachers employed at the campus in the school year immediately preceding the repurposing of the campus are not retained at the campus, unless the commissioner or the commissioner's designee grants an exception, at the request of a school district for a teacher who provides instruction in a subject other than a subject for which an assessment instrument is administered under Section 39.023(a) or (c) who demonstrates to the commissioner satisfactory performance, or a teacher who provides instruction in a subject for which an assessment instrument is administered under Section 39.023(a) or (c) if the district demonstrates that the students of the teacher demonstrated satisfactory performance or improved academic growth on that assessment instrument.

(g) Authorizes an educator, if an educator is not retained under Subsection (f), to be assigned to another position in the district.

(h) Redesignates Subsection (b) as Subsection (h). Deletes existing Section 39.1327(a), relating to management of certain academically unacceptable campuses. Redesignates Section 39.1327(b) as Subsection (b). Requires the commissioner, if the commissioner orders alternative management under this section, to solicit proposals from qualified entities, rather than qualified nonprofit entities, to assume management of a campus subject to this section or, alternatively, authorizes the commissioner 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.

(i) Redesignates Subsection (c) as Subsection (i). Authorizes the commissioner, if the commissioner determines that the basis for the unsatisfactory performance of a campus for more than two consecutive school years is limited to a specific condition that may be remedied with targeted technical assistance, to require the district to contract for the appropriate technical assistance, rather than authorizes the commissioner, if the commissioner determines that the basis for identifying a campus as academically unacceptable is limited to a specific condition that may be remedied with targeted technical assistance to authorize the commissioner to provide the campus a one-year waiver under this section.

(j) Redesignates Subsection (d) as Subsection (j). Makes a conforming change.

(k) Redesignates Subsection (e) as Subsection (k). Requires the entity, to qualify for consideration as a managing entity under this section, to submit a proposal that provides information relating to the entity's management and leadership team that will participate in management of the campus under consideration, including information relating to individuals that have documented success in whole school interventions that increased the educational and performance levels of students in

campuses, rather than academically unacceptable campuses, in which the campus performance was below any standard under Section 39.054(d).

(l) Redesignates Subsection (f) as Subsection (l). Makes a conforming change.

(m) Redesignates Subsection (g) as Subsection (m). Makes no changes to this subsection.

(n) Redesignates Subsection (h) as Subsection (n). Makes no changes to this subsection.

(o) Redesignates Subsection (i) as Subsection (o). Makes no changes to this subsection.

(p) Redesignates Subsection (j) as Subsection (p). Makes no changes to this subsection.

(q) Redesignates Subsection (k) as Subsection (q). Makes no changes to this subsection.

(r) Redesignates Subsection (l) as Subsection (r). Makes no changes to this subsection.

Sec. 39.107. ANNUAL REVIEW. Redesignates existing Section 39.133 as Section 39.107. Requires the commissioner to review at least annually the performance of a district for which the accreditation status or rating has been lowered due to insufficient, rather than unacceptable, student performance and prohibits the commissioner from raising the accreditation status or rating until the district has demonstrated improved student performance.

Sec. 39.108. ACQUISITION OF PROFESSIONAL SERVICES. Redesignates existing Section 39.1331 as Section 39.108. Authorizes the commissioner, in addition to other interventions and sanctions authorized under this subchapter, rather than Sections 39.131 and 39.132, to order a school district or campus to acquire professional services at the expense of the district or campus to address the applicable financial, assessment, data quality, program, performance, or governance deficiency. Authorizes the commissioner's order to require the district or campus to select or be assigned an external auditor, data quality expert, professional authorized to monitor district assessment instrument administration, or curriculum or program expert; or provide for or participate in the appropriate training of district staff or board of trustees members in the case of a district, or campus staff, in the case of a campus.

Sec. 39.109. COSTS PAID BY DISTRICT. Redesignates existing Section 39.134 as Section 39.109. Requires that the costs of providing a monitor, conservator, management team, campus intervention team, technical assistance team, managing entity, or service provider under this subchapter, rather than Section 39.1327, or service provider under Section 39.1331, be paid by the district.

Sec. 39.110. CONSERVATOR OR MANAGEMENT TEAM. Redesignates existing Section 39.135 as Section 39.110. (a) Makes no changes to this subsection.

(b) Makes no changes to this subsection.

(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).

Sec. 39.111. BOARD OF MANAGERS. Redesignates existing Section 39.136 as Section 39.111. (a)-(e) Makes no changes to these subsections.

Sec. 39.112. New heading: CAMPUS INTERVENTION TEAM. Redesignates existing Section 39.137 as Section 39.112. Authorizes a campus intervention team, rather than a special campus intervention team, appointed under this subchapter to consist of teachers, principals, other educational professionals, and superintendents recognized for excellence in their roles and appointed by the commissioner to serve as members of a team.

Sec. 39.113. IMMUNITY FROM CIVIL LIABILITY. Redesignates existing Section 39.138 as Section 39.113. Makes no changes to this subsection.

Sec. 39.114. CAMPUS NAME CHANGE PROHIBITED. Prohibits the commissioner, in reconstituting, repurposing, or imposing any other intervention or sanction on a campus under this subchapter, other than closure, from requiring that the name of the campus be changed.

Sec. 39.115. TRANSITIONAL INTERVENTIONS AND SANCTIONS (a) Authorizes the commissioner, during the period of transition to the accreditation system established under ___B. No. 3, Acts of the 81st Legislature, Regular Session, 2009, to be implemented in August 2013, to suspend assignment of accreditation statuses and performance ratings for the 2011-2012 school year.

(b) Requires the commissioner, during the 2011-2012 school year, to continue to implement interventions and sanctions for those districts and campuses identified as having unsatisfactory performance in the 2010-2011 school year in accordance with the performance standards applicable during the 2010-2011 school year and authorizes the commissioner to increase or decrease the level of interventions and sanctions based on an evaluation of the district's or campus's performance.

(c) Requires that the performance ratings and accreditation statuses issued in the 2010-2011 and 2012-2013 school years be considered consecutive for purposes of determining multiple years of unsatisfactory performance and required district and campus interventions and sanctions under this subchapter.

(d) Provides that this section expires September 1, 2014.

SUBCHAPTER F. New heading: PROCEDURES FOR CHALLENGE OF ACCOUNTABILITY DETERMINATION

(Redesignates existing SUBCHAPTER K as SUBCHAPTER F.)

Sec. 39.151. New heading: REVIEW BY COMMISSIONER: ACCOUNTABILITY DETERMINATION. Redesignates existing Section 39.301 as Section 39.151. (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 academic or financial accountability rating that affects the district or school.

(b) Requires that the rules under Subsection (a) provide for the commissioner to appoint a committee to make recommendations to the commissioner on a challenge made to a TEA decision relating to an academic performance rating or determination or financial accountability rating.

(c)-(e) Makes no changes to these subsections.

Sec. 39.152. REVIEW BY STATE OFFICE OF ADMINISTRATIVE HEARINGS: SANCTIONS. Redesignates existing Section 39.302 as Section 39.152. (a)-(c) Makes no changes to these subsections.

SUBCHAPTER G. DISTINCTION DESIGNATIONS

Sec. 39.201. ELIGIBILITY INDICATOR FOR DISTINCTION DESIGNATION. (a) Provides that a district or campus is eligible for a distinction designation under this subchapter if:

(1) the district or campus attains a minimum percentage, as determined by the commissioner, of:

(A) students who performed satisfactorily, as determined under the college readiness performance standard under Section 39.0241, on assessment instruments required under Section 39.023(a)-(c) or (l), aggregated across grade levels by subject area; or

(B) students who met the standard for annual improvement, as determined by TEA under Section 39.034 (Measure of Annual Improvement in Student Achievement), on assessment instruments required under Section 39.023(a)-(c) or (l), aggregated across grade levels by subject area, for students who did not perform satisfactorily as described by Paragraph (A); or

(2) the district or campus demonstrates a significant increase as compared to the preceding school year, as determined by the commissioner, in the percentage of students who performed satisfactorily as described by Subdivision (1)(A) or who met the standard for annual improvement as described by Subdivision (1)(B).

(b) Requires the commissioner to periodically raise the minimum percentage for the eligibility for the distinction designation described by Subsection (a)(1) as necessary to reach the goal of achieving, by 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.

(c) Provides that if college readiness performance standards are adopted for science and social studies end-of-course assessment instruments under Section 39.024(f), those performance standards and assessment instruments apply in determining district or campus eligibility under this section.

Sec. 39.202. ACADEMIC EXCELLENCE DISTINCTION DESIGNATION FOR DISTRICTS AND CAMPUSES. (a) Requires the commissioner to award a district or campus an academic excellence distinction designation if the district or campus attains percentages of students under Sections 39.201(a)(1) and (2) higher than the percentages determined by the commissioner under Sections 39.201(a)(1) and (2).

(b) Requires the commissioner by rule to establish a recognized and exemplary rating for the academic distinction designation under this section. Requires the commissioner, in establishing the recognized and exemplary ratings, to adopt criteria for the ratings, including the percentages of students under Sections 39.201(a)(1) and (2). Authorizes the commissioner to consider the level of increased performance from school year to school year as a factor.

(c) Requires the commissioner to investigate types and amounts of monetary and nonmonetary awards available to motivate districts and campuses to increase the number of students who perform satisfactorily, as determined under the college readiness performance standard under Section 39.0241. Requires the commissioner, not later than November 30, 2010, to provide a report based on the investigation under this subsection to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees with primary jurisdiction over public education and appropriations.

Requires that the report include strategies for increasing student performance in this state to a level that ranks in the top 10 states in terms of college readiness.

Sec. 39.203. **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 eligible under Section 39.201 in annual improvement in student achievement, as determined under Section 39.034, in English language arts, mathematics, science, or social studies.

(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 and is ranked in the top 25 percent of campuses eligible under Section 39.201 under the performance criteria described by this subsection. 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 39.204, be awarded a distinction designation by the commissioner for the following programs or the following specific categories of performance: academic achievement in English language arts, mathematics, science, or social studies; 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 eligible under Section 39.201 and satisfies all performance standards under Section 39.054(d).

Sec. 39.204. **CAMPUS DISTINCTION DESIGNATION CRITERIA; COMMITTEES.**

(a) Requires the commissioner by rule to establish standards for considering campuses for distinction designations under Section 39.203(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 39.203(c).

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

(d) Authorizes, for each committee, 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.

SUBCHAPTER H. ADDITIONAL REWARDS

(Redesignates existing SUBCHAPTER F as SUBCHAPTER H.)

Sec. 39.231. **RECOGNITION AND REWARDS.** Redesignates existing Section 39.111 as Section 39.231. Requires SBOE to develop a plan for recognizing and rewarding school districts and campuses that are rated as exemplary or recognized under Subchapter G and for developing 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.

Sec. 39.232. EXCELLENCE EXEMPTIONS. Redesignates Section 39.112 as Section 39.232. (a) Exempts a school campus or district that is rated exemplary under Subchapter G, except as provided by Subsection (b), from requirements and prohibitions imposed under this code including rules adopted under this code.

(b) Provides that a school campus or district is not exempt under this section from certain requirements or actions, including a requirement, restriction, or prohibition relating to public school accountability as provided by Subchapters B-E and J, rather than G; and purchasing, rather than competitive bidding, under Subchapter B (Purchases; Contracts), Chapter 44 (Fiscal Management). Makes a conforming change.

(c) Requires TEA to monitor and evaluate deregulation of a school campus or district under this section and Section 7.056.

(d) Authorizes the commissioner to exempt an exemplary school campus under Subchapter G 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.

Sec. 39.233. RECOGNITION OF HIGH SCHOOL COMPLETION AND SUCCESS AND COLLEGE READINESS PROGRAMS. Redesignates existing Section 39.113 as Section 39.233. (a) Makes conforming changes.

(b) Makes no changes to this subsection.

Sec. 39.234. HIGH SCHOOL ALLOTMENT. Redesignates existing Section 39.114 as Section 39.234. (a) Makes no changes to this subsection.

(b) Authorizes 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.

(b-1), (c), and (d) Makes no changes to these subsections.

Sec. 39.235. HIGH SCHOOL INNOVATION GRANT INITIATIVE. Redesignates existing Section 39.115 as Section 39.235. (a) Makes a conforming change.

(b)-(d) Makes no changes to these subsections.

Sec. 39.236. INITIATIVE FOR RETAINING QUALITY EDUCATORS. Redesignates Section 39.116 as Section 39.236. Authorizes a school district, notwithstanding Section 39.106(b), rather than 39.1324(b), to assist in preventing dropouts and disruptions that may result from certain mandatory sanctions, to retain at a campus as a principal during the period, rather than two-year period, described by Section 39.106(a), rather than Section 39.1324(a), if the students enrolled at the campus have demonstrated a pattern of significant academic improvement.

SUBCHAPTER I. SUCCESSFUL SCHOOL AWARDS
(Redesignates existing SUBCHAPTER E as SUBCHAPTER I.)

Sec. 39.261. CREATION OF SYSTEM. Redesignates existing Section 39.091 as Section 39.261. Makes no changes to this section.

Sec. 39.262. TYPES OF AWARDS. Redesignates existing Section 39.092 as Section 39.262. Makes no changes to this section.

Sec. 39.263. AWARDS. Redesignates existing Section 39.093 as Section 39.263. (a) Requires that the criteria that the commissioner uses to select successful schools and districts be related to the goals in Section 4.002 and include consideration of performance on the student achievement indicators adopted under Section 39.053(a) and consideration of the distinction designation criteria prescribed by or developed under Subchapter G. Makes conforming changes.

(b) Creates this subsection from existing text. Makes a conforming change.

(c) Redesignates Subsection (b) as Subsection (c).

(d) Redesignates Subsection (c) as Subsection (d).

Sec. 39.264. USE OF AWARDS. Redesignates existing Section 39.094 as Section 39.264. Makes no changes to this section.

Sec. 39.265. FUNDING. Redesignates existing Section 39.095 as Section 39.265. Makes no changes to this section.

Sec. 39.266. CONFIDENTIALITY. Redesignates existing Section 39.096 as Section 39.266. Makes no changes to this section.

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 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; the measures of progress towards college readiness and dual language proficiency for students of limited English proficiency; the percentage of students who enroll and begin at an institution of higher education in the school year following high school graduation; and the percentage of students who successfully complete the first year of instruction at an institution of higher education without needing a developmental education course.

(d) Requires that performance on the indicators described by Section 39.053(c) and 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 evaluating indicators 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 by the commissioner under Section 39.0241(a) 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 Section 39.302 and provide the report at the beginning of the school year to each teacher for incoming students who were assessed on an assessment instrument under Section 39.023.

Sec. 39.305. CAMPUS REPORT CARD. Redesignates existing Section 39.052 as Section 39.305. (a) 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, and state established standards, rather than compared to previous campus and district performance, current district performance, state established standards, and comparable campus group performance.

(b) Requires that the report card include certain information regarding student achievement indicators and reporting indicators, rather than academic excellence indicators adopted under Sections 39.051(b)(1) through (10); 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.

(c) Requires the commissioner to adopt rules requiring dissemination of the information required under Subsection (b)(4) and appropriate class size and student performance portions of campus report cards annually to the parent, guardian, conservator, or other person having lawful control of 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. Redesignates existing Section 39.053 as Section 39.306. (a) Requires each board of trustees to publish an annual report describing the educational performance of the 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 information indicating the district's accreditation status and identifying each district campus awarded a distinction designation under Subchapter G or considered a low-performing campus under Subchapter E, rather than certain performance ratings.

(b) Requires that the board of trustees determine supplemental information to be included in the reports be determined by the board of trustees. Requires that performance information in the annual reports on the indicators described by Sections 39.053 and 39.301, rather than indicators established under Section 39.051, 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 district and parents of and other persons standing in parental relation to a district student, rather than guardians, conservators, and other persons having lawful control of 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 district. Makes conforming and nonsubstantive changes.

(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 the commissioner, rather than 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, school 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. Redesignates existing Section 39.054 as Section 39.307. 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. Makes conforming changes.

Sec. 39.308. ANNUAL AUDIT OF DROPOUT RECORDS; REPORT. Redesignates existing Section 39.055 as Section 39.308. (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) Creates this subsection from existing text. Provides that if the electronic audit of a school 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 subsection.

(c) Creates this subsection from existing text. Entitles the district, if the risk-based system indicates that a school 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) Redesignates Subsection (e) as Subsection (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) Creates this subsection from existing text. Entitles the commissioner to access all district records the commissioner considers necessary or appropriate for the review, analysis, or approval of district dropout data.

SUBCHAPTER K. REPORTS BY TEXAS EDUCATION AGENCY (Redesignates existing SUBCHAPTER H as SUBCHAPTER K.)

Sec. 39.331. GENERAL REQUIREMENTS. Redesignates existing Section 39.181 as Section 39.331. Makes no changes to this section.

Sec. 39.332. COMPREHENSIVE ANNUAL REPORT. Redesignates existing Section 39.182 as Section 39.332. (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 LBB, 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 required by Subsection (b).

(b) Creates this subsection from existing text. Requires the report to contain an evaluation of the achievements of the state educational program in regulation to the statutory goals for the public education system under Section 4.002 (Public Education Academic Goals). Requires the report to contain an evaluation of the status of education in the state as reflected by the student achievement indicators described by Section 39.053 and the reporting indicators described by Section 39.301, rather than an evaluation of the status of education in the state as reflected by the academic excellence indicators adopted under Section 39.051. Makes conforming changes.

(c) Redesignates Subsection (b) as Subsection (c). Makes a conforming change.

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

(e) Redesignates Subsection (c) as Subsection (e). Makes no changes to this subsection.

Sec. 39.333. REGIONAL AND DISTRICT LEVEL REPORT. Redesignates existing Section 39.183 as Section 39.333. 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 LBB, 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 exemption 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 Subchapter E, rather than the performance rating under Subchapter D of each campus granted an exemption for Section 25.112; and a summary of the exemptions and waivers granted to campuses and school districts under Section 7.056 or 39.232, rather than Section 7.056 or 39.112, and a review of the effectiveness of each campus or district following deregulation.

Sec. 39.334. TECHNOLOGY REPORT. Redesignates existing Section 39.184 as Section 39.334. Makes no changes to this section.

Sec. 39.335. INTERIM REPORT. Redesignates existing Section 39.185 as Section 39.335. Makes a conforming change.

SUBCHAPTER L. NOTICE OF PERFORMANCE
(Redesignates existing SUBCHAPTER J as SUBCHAPTER L.)

Sec. 39.361. NOTICE IN STUDENT GRADE REPORT. Redesignates existing Section 39.251 as Section 39.361. Requires that 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) include a statement of whether the campus at which the student is enrolled has been awarded a distinction designation under Subchapter G or has been identified as a low-performing campus under Subchapter E, and an explanation of the significance of the information provided under Subdivision (1). Deletes existing text requiring that 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) include the following information: the most recent performance rating of the campus at which the student is enrolled, as determined under Section 39.072 and a definition and explanation of each performance rating described by Section 39.072(a).

Sec. 39.362. NOTICE ON DISTRICT WEBSITE. Redesignates existing Section 39.252 as Section 39.362. Requires a school district that maintains an Internet website, not later than the 10th day after the first day of instruction of each school year, to make certain information available to the public on the website, including a definition and explanation of each accreditation status under Section 39.051, based on commissioner rules adopted under this section, rather than a definition and explanation of each performance rating described by Section 39.072(a). Makes conforming changes.

SUBCHAPTER M. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE
(Redesignates existing SUBCHAPTER L as SUBCHAPTER M.)

Sec. 39.401. DEFINITION. Redesignates existing Section 39.351 as Section 39.401. Makes no changes to this section.

Sec. 39.402. HIGH SCHOOL COMPLETION AND SUCCESS INITIATIVE COUNCIL. Redesignates existing Section 39.352 as Section 39.402. Makes no changes to this subsection.

Sec. 39.403. TERMS. Redesignates existing Section 39.353 as Section 39.403. Makes a conforming change.

Sec. 39.404. PRESIDING OFFICER. Redesignates existing Section 39.354 as Section 39.404. Makes no changes to this section.

Sec. 39.405. COMPENSATION AND REIMBURSEMENT. Redesignates existing 39.355 as Section 39.405. Makes no changes to this section.

Sec. 39.406. COUNCIL STAFF AND FUNDING. Redesignates existing Section 39.356 as Section 39.406. Makes no changes to this section.

Sec. 39.407. STRATEGIC PLAN. Redesignates existing Section 39.357 as Section 39.408. Makes no changes to this section.

Sec. 39.408. ELIGIBILITY CRITERIA FOR CERTAIN GRANT PROGRAMS. Redesignates existing Section 39.358 as Section 39.408. Makes no changes to this section.

Sec. 39.409. PRIVATE FOUNDATION PARTNERSHIPS. Redesignates existing Section 39.359 as Section 39.409. Makes no changes to this section.

Sec. 39.410. GRANT PROGRAM EVALUATION. Redesignates existing Section 39.360 as Section 39.410. Makes no changes to this section.

Sec. 39.411. COUNCIL RECOMMENDATIONS. Redesignates existing Section 39.361 as Section 39.411. Makes a conforming change.

Sec. 39.412. FUNDING PROVIDED TO SCHOOL DISTRICTS. Redesignates existing Section 39.362 as Section 39.412. Makes no changes to this section.

Sec. 39.413. FUNDING FOR CERTAIN PROGRAMS. Redesignates existing Section 39.363 as Section 39.413. Makes no changes to this section.

Sec. 39.414. PRIVATE FUNDING. Redesignates existing Section 39.364 as Section 39.414. Makes no changes to this section.

Sec. 39.415. REPORTS. Redesignates existing Section 39.365 as Section 39.415. Makes conforming changes.

Sec. 39.416. RULES. Redesignates existing Section 39.366 as Section 39.416. Makes no changes to this section.

SECTION 22. Amends Section 51.3062, Education Code, by adding Subsections (i-1) and (q-1), as follows:

(i-1) Authorizes the commissioner of higher education to by rule require an institution of higher education to adopt uniform standards for the placement of a student under this section.

(q-1) Provides that a student who has completed a recommended 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 23. Reenacts 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, as follows:

Sec. 51.807. RULEMAKING. (a) Authorizes THECB to adopt rules relating to the operation of admissions programs under this subchapter, including rules relating to the identification of eligible students.

(b) Requires THECB, after consulting with TEA, by rule to establish standards for determining for purposes of this subchapter whether a private high school is accredited by a generally recognized accrediting organization; and whether a person completed a high school curriculum that is equivalent in content and rigor to the curriculum requirements established under Section 38.025 for the recommended or advanced high school program.

SECTION 24. 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 and the commissioner of 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 commissioner of 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 recommended 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 and the commissioner of 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 and further postsecondary study; 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 Section 61.861, curriculum, assessments, instructional materials, including technology-based supplemental materials, or professional development programs for secondary grade-level teachers teaching a course described by Section 61.861.

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 and the commissioner of 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, prepares high school students with the skills

necessary for employment in the high-demand occupation and further postsecondary study, and satisfies a mathematics or science requirement for the recommended or advanced high school program as determined under Section 28.025.

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 25. (1) 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.

(2) Repealer: Section 44.011 (Spending Targets for District Expenditures), Education Code.

SECTION 26. (a) Requires TEA, not later than December 1, 2010, to prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the clerks of the standing committees of the senate and the house of representatives with primary jurisdiction over public education, and the Legislative Budget Board a transition plan containing the information described by Subsections (b) and (c) of this section.

(b) Requires that the transition plan referred to in Subsection (a) of this section contain a detailed description of the process the commissioner of education will use to develop and implement this Act, including the timeline; the means by which public school educators who are representative of this state and other stakeholders, including parents of public primary and secondary school students, and business and community leaders, will be included in the process to develop and implement this Act, in accordance with Section 7.055(b)(11) (relating to authorizing the appointment of advisory committees), Education Code; the resources required to implement this Act, including resources that may be required by districts and campuses; the scope and sequence of tasks that must be accomplished to implement this Act; and the use of the standard rulemaking process to adopt any procedures necessary to implement this act.

(c) Requires that the transition plan referred to in Subsection (a) of this section, except as provided by this subsection, provide for the implementation during the 2011-2012 school year of changes made by this Act to the accreditation and academic accountability system. Requires that the assignment of accreditation statuses and any other academic accountability designations under this Act be implemented beginning with the 2012-2013 school year.

SECTION 27. Provides that to the extent of any conflict, the reenactment of this Act of Section 51.807, Education Code, prevails over another Act of the 81st Legislature, Regular Session, 2009, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 28. (a) Provides that this Act applies beginning with the 2009-2010 school year except as provided by Subsection (b) of this section.

(b) Provides that Subchapter E, Chapter 39, Education Code, as amended by this Act, applies as provided by the transition plan adopted by the commissioner of education under Section 39.115, Education Code, as added by this Act.

SECTION 29. Effective date: upon passage or September 1, 2009.