

Chapter 1046

H.B. No. 1842

AN ACT

1
2 relating to public school accountability, including the
3 intervention in and sanction of a public school that has received an
4 academically unsuccessful performance rating for at least two
5 consecutive school years and the designation of a school district
6 as a district of innovation.

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

8 SECTION 1. Section 7.028(a), Education Code, is amended to
9 read as follows:

10 (a) Except as provided by Section 29.001(5), 29.010(a),
11 [~~39.056~~] or 39.057, the agency may monitor compliance with
12 requirements applicable to a process or program provided by a
13 school district, campus, program, or school granted charters under
14 Chapter 12, including the process described by Subchapter F,
15 Chapter 11, or a program described by Subchapter B, C, D, E, F, H, or
16 I, Chapter 29, Subchapter A, Chapter 37, or Section 38.003, and the
17 use of funds provided for such a program under Subchapter C, Chapter
18 42, only as necessary to ensure:

19 (1) compliance with federal law and regulations;
20 (2) financial accountability, including compliance
21 with grant requirements; and

22 (3) data integrity for purposes of:

23 (A) the Public Education Information Management
24 System (PEIMS); and

1 (B) accountability under Chapter 39.

2 SECTION 2. Subchapter C, Chapter 11, Education Code, is
3 amended by adding Section 11.0511 to read as follows:

4 Sec. 11.0511. STUDENT TRUSTEE FOR CERTAIN DISTRICTS. (a)
5 This section applies only to a school district described by Section
6 11.065(a) in which a school in the district is operating under a
7 campus turnaround plan.

8 (b) Notwithstanding Section 11.051(b), the board of
9 trustees of a school district may adopt a resolution establishing
10 as a nonvoting member a student trustee position as provided by this
11 section.

12 (c) For a student trustee position under this section, the
13 board shall adopt a policy that establishes:

14 (1) the term of the student trustee position;

15 (2) the procedures for selecting a student trustee,
16 including the method for filling a vacancy; and

17 (3) the procedures for removal of a student trustee.

18 (d) A student is eligible to serve as a student trustee if
19 the student is enrolled in the student's junior or senior year of
20 high school and is considered in good standing academically and
21 under the district code of conduct.

22 (e) The board shall adopt a policy regarding student
23 trustee:

24 (1) participation, other than voting, in board
25 deliberations, subject to Subsection (f); and

26 (2) access to information, documents, and records,
27 consistent with the Family Educational Rights and Privacy Act of

1 1974 (20 U.S.C. Section 1232g).

2 (f) A student trustee may not participate in a closed
3 session of a board meeting in which any issue related to a personnel
4 matter is considered.

5 (g) A student trustee is not entitled to receive
6 compensation or reimbursement of the student trustee's expenses for
7 services on the board.

8 (h) A school district may grant to a student who fulfills
9 the requirements of service of a student trustee not more than one
10 academic course credit in a subject area determined appropriate by
11 the district.

12 SECTION 3. (a) Section 12.101(b-4), Education Code, is
13 amended to read as follows:

14 (b-4) Notwithstanding Section 12.114, approval of the
15 commissioner under that section is not required for establishment
16 of a new open-enrollment charter school campus if the requirements
17 of this subsection [~~including the absence of commissioner~~
18 ~~disapproval under Subdivision (3),~~] are satisfied. A charter
19 holder having an accreditation status of accredited and at least 50
20 percent of its student population in grades assessed under
21 Subchapter B, Chapter 39, or at least 50 percent of the students in
22 the grades assessed having been enrolled in the school for at least
23 three school years may establish one or more new campuses under an
24 existing charter held by the charter holder if:

25 (1) the charter holder is currently evaluated under
26 the standard accountability procedures for evaluation under
27 Chapter 39 and received a district rating in the highest or second

1 highest performance rating category under Subchapter C, Chapter 39,
2 for three of the last five years with at least 75 percent of the
3 campuses rated under the charter also receiving a rating in the
4 highest or second highest performance rating category and with no
5 campus with a rating in the lowest performance rating category in
6 the most recent ratings;

7 (2) the charter holder provides written notice to the
8 commissioner of the establishment of any campus under this
9 subsection in the time, manner, and form provided by rule of the
10 commissioner; and

11 (3) not later than the 60th day after the date the
12 charter holder provides written notice under Subdivision (2), the
13 commissioner does not provide written notice to the charter holder
14 that the commissioner has determined that the charter holder does
15 not satisfy the requirements of this section [~~of disapproval of a~~
16 ~~new campus under this section~~].

17 (b) The heading to Section 12.116, Education Code, is
18 amended to read as follows:

19 Sec. 12.116. PROCEDURE FOR REVOCATION, [OR] MODIFICATION OF
20 GOVERNANCE, OR DENIAL OF RENEWAL.

21 (c) Section 12.116, Education Code, is amended by amending
22 Subsection (a) and adding Subsection (a-1) to read as follows:

23 (a) The commissioner shall adopt an informal procedure to be
24 used for:

25 (1) revoking the charter of an open-enrollment charter
26 school or for reconstituting the governing body of the charter
27 holder as authorized by Section 12.115; and

1 (2) denying the renewal of a charter of an
2 open-enrollment charter school as authorized by Section
3 12.1141(c).

4 (a-1) The procedure adopted under Subsection (a) for the
5 denial of renewal of a charter under Section 12.1141(c) or the
6 revocation of a charter or reconstitution of a governing body of a
7 charter holder under Section 12.115(a) must allow representatives
8 of the charter holder to meet with the commissioner to discuss the
9 commissioner's decision and must allow the charter holder to submit
10 additional information to the commissioner relating to the
11 commissioner's decision. In a final decision issued by the
12 commissioner, the commissioner shall provide a written response to
13 any information the charter holder submits under this subsection.

14 (d) This section applies beginning with the 2015-2016
15 school year.

16 SECTION 4. Subtitle C, Title 2, Education Code, is amended
17 by adding Chapter 12A to read as follows:

18 CHAPTER 12A. DISTRICTS OF INNOVATION

19 Sec. 12A.001. AUTHORIZATION. (a) Subject to Subsection
20 (b), a school district may be designated as a district of innovation
21 in accordance with this chapter.

22 (b) A school district is eligible for designation as a
23 district of innovation only if the district's most recent
24 performance rating under Section 39.054 reflects at least
25 acceptable performance.

26 (c) Consideration of designation as a district of
27 innovation may be initiated by:

1 (1) a resolution adopted by the board of trustees of
2 the district; or

3 (2) a petition signed by a majority of the members of
4 the district-level committee established under Section 11.251.

5 Sec. 12A.002. PUBLIC HEARING. (a) Promptly after adopting
6 a resolution under Section 12A.001(c)(1) or receiving a petition
7 under Section 12A.001(c)(2), the board of trustees shall hold a
8 public hearing to consider whether the district should develop a
9 local innovation plan for the designation of the district as a
10 district of innovation.

11 (b) At the conclusion of the public hearing or as soon as
12 possible after conclusion of the public hearing, the board of
13 trustees may:

14 (1) decline to pursue designation of the district as a
15 district of innovation; or

16 (2) appoint a committee to develop a local innovation
17 plan in accordance with Section 12A.003.

18 Sec. 12A.003. LOCAL INNOVATION PLAN. (a) A local
19 innovation plan must be developed for a school district before the
20 district may be designated as a district of innovation.

21 (b) A local innovation plan must:

22 (1) provide for a comprehensive educational program
23 for the district, which program may include:

24 (A) innovative curriculum, instructional
25 methods, and provisions regarding community participation, campus
26 governance, and parental involvement;

27 (B) modifications to the school day or year;

1 (C) provisions regarding the district budget and
2 sustainable program funding;

3 (D) accountability and assessment measures that
4 exceed the requirements of state and federal law; and

5 (E) any other innovations prescribed by the board
6 of trustees; and

7 (2) identify requirements imposed by this code that
8 inhibit the goals of the plan and from which the district should be
9 exempted on adoption of the plan, subject to Section 12A.004.

10 Sec. 12A.004. LIMITATION OF PERMISSIBLE EXEMPTIONS. (a) A
11 local innovation plan may not provide for the exemption of a
12 district designated as a district of innovation from the following
13 provisions of this title:

14 (1) a state or federal requirement applicable to an
15 open-enrollment charter school operating under Subchapter D,
16 Chapter 12;

17 (2) Subchapters A, C, D, and E, Chapter 11, except that
18 a district may be exempt from Sections 11.1511(b)(5) and (14) and
19 Section 11.162;

20 (3) state curriculum and graduation requirements
21 adopted under Chapter 28; and

22 (4) academic and financial accountability and
23 sanctions under Chapter 39.

24 (b) The commissioner shall:

25 (1) maintain a list of provisions of this title from
26 which school districts designated as districts of innovation are
27 exempt under this chapter; and

1 (2) notify the legislature of each provision from
2 which districts enrolling a majority of students in this state are
3 exempt.

4 Sec. 12A.005. ADOPTION OF LOCAL INNOVATION PLAN;
5 COMMISSIONER APPROVAL. (a) The board of trustees may not vote on
6 adoption of a proposed local innovation plan unless:

7 (1) the final version of the proposed plan has been
8 available on the district's Internet website for at least 30 days;

9 (2) the board of trustees has notified the
10 commissioner of the board's intention to vote on adoption of the
11 proposed plan; and

12 (3) the district-level committee established under
13 Section 11.251 has held a public meeting to consider the final
14 version of the proposed plan and has approved the plan by a majority
15 vote of the committee members, provided that the meeting required
16 by this subdivision may occur immediately before and on the same
17 date as the meeting at which the board intends to vote on adoption
18 of the proposed plan.

19 (b) A board of trustees may adopt a proposed local
20 innovation plan by an affirmative vote of two-thirds of the
21 membership of the board.

22 (c) On adoption of a local innovation plan, the district:

23 (1) is designated as a district of innovation under
24 this chapter for the term specified in the plan, subject to Section
25 12A.006;

26 (2) shall begin operation in accordance with the plan;
27 and

1 (3) is exempt from state requirements identified under
2 Section 12A.003(b)(2).

3 (d) A district's exemption described by Subsection (c)(3)
4 includes any subsequent amendment or redesignation of an identified
5 state requirement, unless the subsequent amendment or
6 redesignation specifically applies to a district of innovation.

7 Sec. 12A.006. TERM. The term of a district's designation as
8 a district of innovation may not exceed five years.

9 Sec. 12A.007. AMENDMENT, RESCISSION, OR RENEWAL OF LOCAL
10 INNOVATION PLAN. A local innovation plan may be amended,
11 rescinded, or renewed if the action is approved by a vote of the
12 district-level committee established under Section 11.251, or a
13 comparable committee if the district is exempt from that section,
14 and the board of trustees in the same manner as required for initial
15 adoption of a local innovation plan under Section 12A.005.

16 Sec. 12A.008. TERMINATION BY COMMISSIONER. (a) The
17 commissioner may terminate a district's designation as a district
18 of innovation if the district receives for two consecutive school
19 years:

20 (1) an unacceptable academic performance rating under
21 Section 39.054;

22 (2) an unacceptable financial accountability rating
23 under Section 39.082; or

24 (3) an unacceptable academic performance rating under
25 Section 39.054 for one of the school years and an unacceptable
26 financial accountability rating under Section 39.082 for the other
27 school year.

1 (b) Instead of terminating a district's designation as
2 authorized by Subsection (a), the commissioner may permit the
3 district to amend the district's local innovation plan to address
4 concerns specified by the commissioner.

5 (c) The commissioner shall terminate a district's
6 designation as a district of innovation if the district receives
7 for three consecutive school years:

8 (1) an unacceptable academic performance rating under
9 Section 39.054;

10 (2) an unacceptable financial accountability rating
11 under Section 39.082; or

12 (3) any combination of one or more unacceptable
13 ratings under Subdivision (1) and one or more unacceptable ratings
14 under Subdivision (2).

15 (d) A decision by the commissioner under this section is
16 final and may not be appealed.

17 Sec. 12A.009. COMMISSIONER RULEMAKING. The commissioner
18 may adopt rules to implement this chapter.

19 SECTION 5. Section 29.315, Education Code, is amended to
20 read as follows:

21 Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF
22 UNDERSTANDING. The Texas Education Agency and the Texas School for
23 the Deaf shall develop, agree to, and by commissioner rule adopt no
24 later than September 1, 1998, a memorandum of understanding to
25 establish:

26 (1) the method for developing and reevaluating a set
27 of indicators of the quality of learning at the Texas School for the

1 Deaf;

2 (2) the process for the agency to conduct and report on
3 an annual evaluation of the school's performance on the indicators;

4 (3) the requirements for the school's board to
5 publish, discuss, and disseminate an annual report describing the
6 educational performance of the school;

7 (4) the process for the agency to assign an
8 accreditation status to the school, to reevaluate the status on an
9 annual basis, and, if necessary, to conduct monitoring reviews
10 [~~make on-site accreditation investigations~~]; and

11 (5) the type of information the school shall be
12 required to provide through the Public Education Information
13 Management System (PEIMS).

14 SECTION 6. Section 30.005, Education Code, is amended to
15 read as follows:

16 Sec. 30.005. TEXAS SCHOOL FOR THE BLIND AND VISUALLY
17 IMPAIRED MEMORANDUM OF UNDERSTANDING. The Texas Education Agency
18 and the Texas School for the Blind and Visually Impaired shall
19 develop, agree to, and by commissioner rule adopt a memorandum of
20 understanding to establish:

21 (1) the method for developing and reevaluating a set
22 of indicators of the quality of learning at the Texas School for the
23 Blind and Visually Impaired;

24 (2) the process for the agency to conduct and report on
25 an annual evaluation of the school's performance on the indicators;

26 (3) the requirements for the school's board to
27 publish, discuss, and disseminate an annual report describing the

1 educational performance of the school;

2 (4) the process for the agency to:

3 (A) assign an accreditation status to the school;

4 (B) reevaluate the status on an annual basis; and

5 (C) if necessary, conduct monitoring reviews
6 [~~make on-site accreditation investigations~~]; and

7 (5) the type of information the school shall be
8 required to provide through the Public Education Information
9 Management System (PEIMS).

10 SECTION 7. Section 39.056, Education Code, is amended to
11 read as follows:

12 Sec. 39.056. MONITORING REVIEWS [~~ON-SITE INVESTIGATIONS~~].

13 (a) The commissioner may[+]

14 [~~(1)~~] direct the agency to conduct monitoring reviews
15 and random on-site visits [~~investigations~~] of a school district at
16 any time as authorized by Section 7.028 [~~to answer any questions~~
17 ~~concerning a program, including special education, required by~~
18 ~~federal law or for which the district receives federal funds, and~~

19 [~~(2) as a result of the investigation, change the~~
20 ~~accreditation status of a district, change the accountability~~
21 ~~rating of a district or campus, or withdraw a distinction~~
22 ~~designation under Subchapter C~~].

23 (b) The commissioner shall determine the frequency of
24 monitoring reviews [~~on-site investigations~~] by the agency
25 according to:

26 (1) annual comprehensive analyses of student
27 performance and equity in relation to the student achievement

1 indicators adopted under Section 39.053;

2 (2) reviews of fiscal reports and other fiscal data as
3 set forth in Section 44.010; or

4 (3) comprehensive analyses of financial
5 accountability standards under Subchapter D.

6 (c) In conducting a monitoring review [~~making an on-site~~
7 ~~accreditation investigation~~], the agency may [~~investigators shall~~]
8 obtain information from administrators, other district employees
9 [~~teachers~~], [~~and~~] parents of students enrolled in the school
10 district, and other persons as necessary. [~~The investigation may~~
11 ~~not be closed until information is obtained from each of those~~
12 ~~sources.~~] The commissioner [~~State Board of Education~~] shall adopt
13 rules for:

14 (1) obtaining information from parents and using that
15 information in the monitoring review [~~investigator's~~] report; and

16 (2) obtaining information from other district
17 employees [~~teachers~~] in a manner that prevents a district or campus
18 from screening the information.

19 (d) The agency shall give written notice to the
20 superintendent and the board of trustees of a school district of any
21 impending monitoring review [~~investigation of the district's~~
22 ~~accreditation~~].

23 (e) The agency [~~investigators~~] shall report [~~orally and~~] in
24 writing to the superintendent and president of the board of
25 trustees of the school district [~~and, as appropriate, to campus~~
26 ~~administrators~~] and shall make recommendations concerning any
27 necessary improvements or sources of aid such as regional education

1 service centers.

2 (f) A district which takes action with regard to the
3 recommendations provided by the agency [~~investigators~~] as
4 prescribed by Subsection (e) shall make a reasonable effort to seek
5 assistance from a third party in developing an action plan to
6 improve district performance using improvement techniques that are
7 goal oriented and research based.

8 (g) A monitoring review may include desk reviews and on-site
9 visits, including random on-site visits.

10 (h) The commissioner may at any time convert a monitoring
11 review to a special accreditation investigation under Section
12 39.057, provided the commissioner promptly notifies the school
13 district of the conversion.

14 SECTION 8. Section 39.058, Education Code, is amended to
15 read as follows:

16 Sec. 39.058. CONDUCT OF SPECIAL ACCREDITATION
17 INVESTIGATIONS. (a) The agency shall adopt written procedures for
18 conducting special accreditation [~~on-site~~] investigations under
19 this subchapter, including procedures that allow the agency to
20 obtain information from district employees in a manner that
21 prevents a district or campus from screening the information. The
22 agency shall make the procedures available on the agency Internet
23 website [~~to the complainant, the alleged violator, and the public~~].
24 Agency staff must be trained in the procedures and must follow the
25 procedures in conducting the special accreditation investigation.

26 (b) After completing a special accreditation [~~an~~]
27 investigation, the agency shall present preliminary findings to any

1 person or entity the agency finds has violated a law, rule, or
2 policy. Before issuing a report with its final findings, the agency
3 must provide a person or entity the agency finds has violated a law,
4 rule, or policy an opportunity for an informal review by the
5 commissioner or a designated hearing examiner.

6 SECTION 9. Section 39.102(a), Education Code, is amended to
7 read as follows:

8 (a) If a school district does not satisfy the accreditation
9 criteria under Section 39.052, the academic performance standards
10 under Section 39.053 or 39.054, or any financial accountability
11 standard as determined by commissioner rule, or if considered
12 appropriate by the commissioner on the basis of a special
13 accreditation investigation under Section 39.057, the commissioner
14 shall take any of the following actions to the extent the
15 commissioner determines necessary:

16 (1) issue public notice of the deficiency to the board
17 of trustees;

18 (2) order a hearing conducted by the board of trustees
19 of the district for the purpose of notifying the public of the
20 insufficient performance, the improvements in performance expected
21 by the agency, and the interventions and sanctions that may be
22 imposed under this section if the performance does not improve;

23 (3) order the preparation of a student achievement
24 improvement plan that addresses each student achievement indicator
25 under Section 39.053(c) for which the district's performance is
26 insufficient, the submission of the plan to the commissioner for
27 approval, and implementation of the plan;

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

6 (5) arrange a monitoring review [~~an on-site~~
7 ~~investigation~~] of the district;

8 (6) appoint an agency monitor to participate in and
9 report to the agency on the activities of the board of trustees or
10 the superintendent;

11 (7) appoint a conservator to oversee the operations of
12 the district;

13 (8) appoint a management team to direct the operations
14 of the district in areas of insufficient performance or require the
15 district to obtain certain services under a contract with another
16 person;

17 (9) if a district has a current accreditation status
18 of accredited-warned or accredited-probation, fails to satisfy any
19 standard under Section 39.054(e), or fails to satisfy financial
20 accountability standards as determined by commissioner rule,
21 appoint a board of managers to exercise the powers and duties of the
22 board of trustees;

23 (10) if for two consecutive school years, including
24 the current school year, a district has received an accreditation
25 status of accredited-warned or accredited-probation, has failed to
26 satisfy any standard under Section 39.054(e), or has failed to
27 satisfy financial accountability standards as determined by

1 commissioner rule, revoke the district's accreditation and:

2 (A) order closure of the district and annex the
3 district to one or more adjoining districts under Section 13.054;
4 or

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

8 (11) if a district has failed to satisfy any standard
9 under Section 39.054(e) due to the district's dropout rates, impose
10 sanctions designed to improve high school completion rates,
11 including:

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

14 (B) restructuring the district or appropriate
15 school campuses to improve identification of and service to
16 students who are at risk of dropping out of school, as defined by
17 Section 29.081;

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

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

23 SECTION 10. Section 39.106, Education Code, is amended by
24 amending Subsection (a) and adding Subsection (a-1) to read as
25 follows:

26 (a) If a campus performance is below any standard under
27 Section 39.054(e), the commissioner shall assign a campus

1 intervention team. A campus intervention team shall:

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

4 (A) a targeted on-site needs assessment relevant
5 to an area of insufficient performance of the campus as provided by
6 Subsection (b); or

7 (B) if the commissioner determines necessary, a
8 comprehensive on-site needs assessment, using the procedures
9 provided by Subsection (b);

10 (2) recommend appropriate actions as provided by
11 Subsection (c);

12 (3) assist in the development of a targeted
13 improvement plan;

14 (4) conduct a public meeting at the campus with the
15 campus principal, the members of the campus-level planning and
16 decision-making committee established under Section 11.251,
17 parents of students attending the campus, and community members
18 residing in the district to review the campus performance rating
19 and solicit input for the development of the targeted improvement
20 plan;

21 (5) assist the campus in submitting the targeted
22 improvement plan to the board of trustees for approval and
23 presenting the plan in a public hearing as provided by Subsection
24 (e-1); and

25 (6) [~~5~~] assist the commissioner in monitoring the
26 progress of the campus in implementing the targeted improvement
27 plan.

1 (a-1) The campus intervention team must provide written
2 notice of the public meeting required by Subsection (a)(4) to the
3 parents of students attending the campus and post notice of the
4 meeting on the Internet website of the campus. The notice must
5 include the date, time, and place of the meeting.

6 SECTION 11. The heading to Section 39.107, Education Code,
7 is amended to read as follows:

8 Sec. 39.107. CAMPUS TURNAROUND PLAN, BOARD OF MANAGERS
9 [RECONSTITUTION, — REPURPOSING], ALTERNATIVE MANAGEMENT, AND
10 CLOSURE.

11 SECTION 12. Section 39.107, Education Code, is amended by
12 amending Subsections (a), (a-1), (b), (b-1), (b-2), (d), (e),
13 (e-1), (e-2), (f), and (g) and adding Subsections (a-2), (b-3),
14 (b-4), (b-5), (b-6), (b-7), (b-8), (b-9), (e-4), (e-5), (e-6),
15 (g-1), and (g-2) to read as follows:

16 (a) After a campus has been identified as unacceptable for
17 two consecutive school years, the commissioner shall order the
18 campus to prepare and submit a campus turnaround plan [the
19 reconstitution of the campus]. The commissioner shall by rule
20 establish procedures governing the time and manner in which the
21 campus must submit the campus turnaround plan.

22 (a-1) A [In reconstituting a campus, a] campus intervention
23 team shall assist the campus in:

24 (1) developing an updated targeted improvement plan,
25 including a campus turnaround plan to be implemented by the campus;

26 (2) submitting the updated targeted improvement plan
27 to the board of trustees of the school district for approval and

1 presenting the plan in a public hearing as provided by Section
2 39.106(e-1);

3 (3) obtaining approval of the updated plan from the
4 commissioner; and

5 (4) executing the plan on approval by the
6 commissioner.

7 (a-2) Before a campus turnaround plan is prepared and
8 submitted for approval to the board of trustees of the school
9 district, the district, in consultation with the campus
10 intervention team, shall:

11 (1) provide notice to parents, the community, and
12 stakeholders that the campus has received an academically
13 unacceptable performance rating for two consecutive years and will
14 be required to submit a campus turnaround plan; and

15 (2) request assistance from parents, the community,
16 and stakeholders in developing the campus turnaround plan.

17 (b) The school district, in consultation with the campus
18 intervention team, shall prepare the campus turnaround plan and
19 allow parents, the community, and stakeholders an opportunity to
20 review the plan before it is submitted for approval to the board of
21 trustees of the school district. The plan must include details on
22 the method for restructuring, reforming, or reconstituting the
23 campus. If the district determines that granting a district
24 charter under Section 12.0522 is appropriate for the campus, the
25 campus turnaround plan must provide information on the
26 implementation of the district charter. The plan must assist the
27 campus in implementing procedures to satisfy all performance

1 standards required under Section 39.054(e) [~~decide which educators~~
2 ~~may be retained at that campus. A principal who has been employed~~
3 ~~by the campus in that capacity during the full period described by~~
4 ~~Subsection (a) may not be retained at that campus unless the campus~~
5 ~~intervention team determines that retention of the principal would~~
6 ~~be more beneficial to the student achievement and campus stability~~
7 ~~than removal].~~

8 (b-1) A campus turnaround plan must include:

9 (1) a detailed description of the academic programs to
10 be offered at the campus, including instructional methods, length
11 of school day and school year, academic credit and promotion
12 criteria, and programs to serve special student populations;

13 (2) the term of the charter, if a district charter is
14 to be granted for the campus under Section 12.0522;

15 (3) written comments from the campus-level committee
16 established under Section 11.251, if applicable, parents, and
17 teachers at the campus; and

18 (4) a detailed description of the budget, staffing,
19 and financial resources required to implement the plan, including
20 any supplemental resources to be provided by the district or other
21 identified sources [~~A teacher of a subject assessed by an~~
22 ~~assessment instrument under Section 39.023 may be retained only if~~
23 ~~the campus intervention team determines that a pattern exists of~~
24 ~~significant academic improvement by students taught by the teacher.~~
25 ~~If an educator is not retained, the educator may be assigned to~~
26 ~~another position in the district].~~

27 (b-2) A school district may:

1 (1) request that a regional education service center
2 provide assistance in the development and implementation of a
3 campus turnaround plan; or

4 (2) partner with an institution of higher education to
5 develop and implement a campus turnaround plan. [~~For each year that~~
6 ~~a campus is considered to have an unacceptable performance rating,~~
7 ~~a campus intervention team shall:~~

8 ~~[(1) assist in updating the targeted improvement plan~~
9 ~~to identify and analyze areas of growth and areas that require~~
10 ~~improvement;~~

11 ~~[(2) submit the updated plan to:~~

12 ~~[(A) the board of trustees of the school~~
13 ~~district, and~~

14 ~~[(B) the parents of campus students; and~~

15 ~~[(3) assist in submitting the updated plan to the~~
16 ~~commissioner for approval.]~~

17 (b-3) The updated targeted improvement plan submitted to
18 the board of trustees of a school district under Subsection (a-1)
19 must include all plans and details that are required to execute the
20 campus turnaround plan without any additional action or approval by
21 the board of trustees.

22 (b-4) A campus turnaround plan developed under this section
23 must take effect not later than the school year following the third
24 consecutive school year that the campus has received an
25 academically unacceptable performance rating.

26 (b-5) Following approval of a campus turnaround plan by the
27 commissioner, the school district, in consultation with the campus

1 intervention team, may take any actions needed to prepare for the
2 implementation of the plan.

3 (b-6) If a campus for which a campus turnaround plan has
4 been ordered under Subsection (a) receives an academically
5 acceptable performance rating for the school year following the
6 order, the board of trustees may:

7 (1) implement the campus turnaround plan;

8 (2) implement a modified version of the campus
9 turnaround plan; or

10 (3) withdraw the campus turnaround plan.

11 (b-7) A school district required to implement a campus
12 turnaround plan may modify the plan if the campus receives an
13 academically acceptable performance rating for two consecutive
14 school years following the implementation of the plan.

15 (b-8) Section 12.0522(b) does not apply to a district
16 charter approved by the commissioner under this section. A
17 district charter approved under this section may be renewed or
18 continue in effect after the campus is no longer subject to an order
19 under Subsection (a).

20 (b-9) The commissioner shall adopt rules governing the
21 procedures for an open-enrollment charter school campus that is
22 subject to an order issued under Subsection (a). An
23 open-enrollment charter school must revise the school's charter in
24 accordance with Section 12.114 in the campus turnaround plan.
25 Nothing in this section may be construed to modify any provision of
26 Subchapter D, Chapter 12, relating to the expiration, nonrenewal,
27 revocation, or modification of the governance of an open-enrollment

1 charter school. The governing board of the open-enrollment charter
2 school shall perform the duties of a board of trustees of a school
3 district under this section.

4 (d) The commissioner may approve a campus turnaround plan
5 only if the commissioner determines that the campus will satisfy
6 all student performance standards required under Section 39.054(e)
7 not later than the second year the campus receives a performance
8 rating following the implementation of the campus turnaround plan.
9 If the commissioner does not make this determination [~~determines~~
10 ~~that the campus is not fully implementing the updated targeted~~
11 ~~improvement plan or if the students enrolled at the campus fail to~~
12 ~~demonstrate substantial improvement in the areas targeted by the~~
13 ~~updated plan~~], the commissioner shall [~~may~~] order:

14 (1) appointment of a board of managers to govern the
15 district as provided by Section 39.112(b) [~~repurposing of the~~
16 ~~campus under this section~~];

17 (2) alternative management of the campus under this
18 section; or

19 (3) closure of the campus.

20 (e) If a campus is considered to have an unacceptable
21 performance rating for three consecutive school years after the
22 campus is ordered to submit a campus turnaround plan
23 [~~reconstituted~~] under Subsection (a), the commissioner, subject to
24 Subsection [~~(e-1) or~~] (e-2), shall order:

25 (1) appointment of a board of managers to govern the
26 district as provided by Section 39.112(b) [~~repurposing of the~~
27 ~~campus under this section~~]; or

1 (2) ~~[alternative management of the campus under this~~
2 ~~section; or~~

3 ~~[(3)]~~ closure of the campus.

4 (e-1) If the commissioner orders the closure of a campus
5 under this section, that campus may be repurposed to serve students
6 at that campus location only if the commissioner finds that the
7 repurposed campus offers a distinctly different academic program
8 and serves a majority of grade levels at the repurposed campus not
9 served at the original campus and approves a new campus
10 identification number for the campus. The majority of students
11 assigned to a campus that has been closed and repurposed may not
12 have attended that campus in the previous school year. Any student
13 assigned to a campus that has been closed must be allowed to
14 transfer to any other campus in the district that serves that
15 student's grade level and on request must be provided
16 transportation to the other campus. The commissioner may grant an
17 exemption allowing students assigned to a closed campus to attend
18 the repurposed campus if there is no other campus in the district at
19 which the students may enroll ~~[The commissioner may waive the~~
20 ~~requirement to enter an order under Subsection (e) for not more than~~
21 ~~one school year if the commissioner determines that, on the basis of~~
22 ~~significant improvement in student performance over the preceding~~
23 ~~two school years, the campus is likely to be assigned an acceptable~~
24 ~~performance rating for the following school year].~~

25 (e-2) For purposes of this subsection, "parent" has the
26 meaning assigned by Section 12.051. If the commissioner is
27 presented, in the time and manner specified by commissioner rule, a

1 written petition signed by the parents of a majority of the students
2 enrolled at a campus to which Subsection (e) applies, specifying
3 the action described by Subsection (e)(1) or [7] (2) [~~or~~ (3)] that
4 the parents request the commissioner to order, the commissioner
5 shall, except as otherwise authorized by this subsection, order the
6 specific action requested. If the board of trustees of the school
7 district in which the campus is located presents to the
8 commissioner, in the time and manner specified by commissioner
9 rule, a written request that the commissioner order specific action
10 authorized under Subsection (e) other than the specific action
11 requested in the parents' petition and a written explanation of the
12 basis for the board's request, the commissioner may order the
13 action requested by the board of trustees.

14 (e-4) A board of managers appointed by the commissioner
15 under this section is required to take appropriate actions to
16 resolve the conditions that caused a campus to be subject to an
17 order under Subsection (a), including amending the district's
18 budget, reassigning staff, or relocating academic programs.

19 (e-5) The commissioner may authorize payment of a board of
20 managers appointed under this section from agency funds.

21 (e-6) The commissioner may at any time replace a member of a
22 board of managers appointed under this section.

23 (f) Notwithstanding Section 39.112(e), the commissioner may
24 remove a board of managers appointed to govern a district under this
25 section only if the campus that was the basis for the appointment of
26 the board of managers receives an academically acceptable
27 performance rating for two consecutive school years. If a campus

1 that was the basis for the appointment of a board of managers
2 receives an academically unacceptable performance rating for two
3 additional consecutive years following the appointment of the board
4 of managers, the commissioner may remove the board of managers and,
5 in consultation with the local community, may appoint a new board of
6 managers to govern the district. [~~If the commissioner orders~~
7 ~~repurposing of a campus, the school district shall develop a~~
8 ~~comprehensive plan for repurposing the campus and submit the plan~~
9 ~~to the board of trustees for approval, using the procedures~~
10 ~~described by Section 39.106(e-1), and to the commissioner for~~
11 ~~approval. The plan must include a description of a rigorous and~~
12 ~~relevant academic program for the campus. The plan may include~~
13 ~~various instructional models. The commissioner may not approve the~~
14 ~~repurposing of a campus unless:~~

15 ~~[(1) all students in the assigned attendance zone of~~
16 ~~the campus in the school year immediately preceding the repurposing~~
17 ~~of the campus are provided with the opportunity to enroll in and are~~
18 ~~provided transportation on request to another campus, unless the~~
19 ~~commissioner grants an exception because there is no other campus~~
20 ~~in the district in which the students may enroll,~~

21 ~~[(2) the principal is not retained at the campus,~~
22 ~~unless the commissioner determines that students enrolled at the~~
23 ~~campus have demonstrated significant academic improvement, and~~

24 ~~[(3) teachers employed at the campus in the school~~
25 ~~year immediately preceding the repurposing of the campus are not~~
26 ~~retained at the campus, unless the commissioner or the~~
27 ~~commissioner's designee grants an exception, at the request of a~~

1 ~~school district, for:~~

2 ~~[(A) a teacher who provides instruction in a~~
3 ~~subject other than a subject for which an assessment instrument is~~
4 ~~administered under Section 39.023(a) or (c) who demonstrates to the~~
5 ~~commissioner satisfactory performance, or~~

6 ~~[(B) a teacher who provides instruction in a~~
7 ~~subject for which an assessment instrument is administered under~~
8 ~~Section 39.023(a) or (c) if the district demonstrates that the~~
9 ~~students of the teacher demonstrated satisfactory performance or~~
10 ~~improved academic growth on that assessment instrument.]~~

11 (g) Following the removal of a board of managers under
12 Subsection (f), or at the request of a managing entity appointed
13 under Subsection (d) to oversee the implementation of alternative
14 management, the commissioner may appoint a conservator or monitor
15 for the district to ensure district-level support for
16 low-performing campuses and to oversee the implementation of the
17 updated targeted improvement plan [If an educator is not retained
18 under Subsection (f), the educator may be assigned to another
19 position in the district].

20 (g-1) If the commissioner orders alternative management of
21 a campus under Subsection (d)(2), the school district shall execute
22 a contract with a managing entity for a term not to exceed five
23 years. The commissioner may require a district to extend the term
24 of the contract if the commissioner determines that extending the
25 contract on expiration of the initial term is in the best interest
26 of the students attending the campus. The terms of the contract must
27 be approved by the commissioner. If a campus receives an

1 academically unacceptable performance rating for two consecutive
2 school years after the managing entity assumes management of the
3 campus, the commissioner shall cancel the contract with the
4 managing entity.

5 (g-2) Subject to Subsection (e), at the end of the contract
6 term with a managing entity or the cancellation of a contract with a
7 managing entity under Subsection (g-1), the board of trustees of
8 the school district shall resume management of the campus.

9 SECTION 13. Subchapter E, Chapter 39, Education Code, is
10 amended by adding Section 39.1071 to read as follows:

11 Sec. 39.1071. TRANSITIONAL INTERVENTIONS AND SANCTIONS.

12 (a) For a campus that received an academically unacceptable
13 performance rating for the 2013-2014, 2014-2015, and 2015-2016
14 school years, the commissioner may apply the interventions and
15 sanctions authorized by this chapter as this chapter existed on
16 January 1, 2015, to the campus.

17 (b) If a campus described under Subsection (a) receives an
18 academically unacceptable performance rating for the 2016-2017 and
19 2017-2018 school years, the commissioner shall apply the
20 interventions and sanctions authorized by Section 39.107(e) to the
21 campus.

22 (c) For a campus that received an academically acceptable
23 performance rating for the 2013-2014 school year and an
24 academically unacceptable performance rating for the 2014-2015 and
25 2015-2016 school years, the commissioner shall apply the
26 interventions and sanctions authorized by Section 39.107(a) to the
27 campus.

1 (d) If a campus described under Subsection (c) receives an
2 academically unacceptable performance rating for the 2016-2017,
3 2017-2018, and 2018-2019 school years, the commissioner shall apply
4 the interventions and sanctions authorized by Section 39.107(e) to
5 the campus.

6 (e) The commissioner may adopt rules as necessary to
7 implement this section.

8 (f) This section expires September 1, 2020.

9 SECTION 14. Section 39.112, Education Code, is amended by
10 adding Subsections (d-1), (d-2), and (g) and amending Subsection
11 (e) to read as follows:

12 (d-1) The board of managers appointed by the commissioner
13 must, if possible, include community leaders, business
14 representatives who have expertise in leadership, and individuals
15 who have knowledge or expertise in the field of education.

16 (d-2) The commissioner must provide each individual
17 appointed to a board of managers with training in effective
18 leadership strategies.

19 (e) A board of managers shall, during the period of the
20 appointment, order the election of members of the board of trustees
21 of the district in accordance with applicable provisions of law.
22 Except as provided by this subsection, the members of the board of
23 trustees do not assume any powers or duties after the election until
24 the appointment of the board of managers expires. Not [At the
25 direction of the commissioner but not] later than the second
26 anniversary of the date the board of managers of a district was
27 appointed, the commissioner shall notify the board of managers and

1 the board of trustees of the date on which the appointment of the
 2 board of managers will expire [~~shall order an election of members~~
 3 ~~of the district board of trustees. The election must be held on a~~
 4 ~~uniform election date on which an election of district trustees may~~
 5 ~~be held under Section 41.001, Election Code, that is at least 180~~
 6 ~~days after the date the election was ordered~~]. Following each of
 7 the last three years of the period of the appointment, one-third of
 8 the members of the board of managers shall be replaced by the number
 9 of members of the school district board of trustees who were elected
 10 at an election ordered under this subsection that constitutes, as
 11 closely as possible, one-third of the membership of the board of
 12 trustees. On the expiration of the appointment of the board of
 13 managers [~~qualification of members for office~~], the board of
 14 trustees assumes all of the powers and duties assigned to a board of
 15 trustees by law, rule, or regulation.

16 (g) Following the expiration of the period of appointment of
 17 a board of managers for a district, the commissioner shall provide
 18 training in effective leadership strategies to the board of
 19 trustees of the school district.

20 SECTION 15. Subchapter E, Chapter 39, Education Code, is
 21 amended by adding Sections 39.1121 and 39.1122 to read as follows:

22 Sec. 39.1121. APPOINTMENT OF BOARD OF MANAGERS FOR
 23 OPEN-ENROLLMENT CHARTER SCHOOL; SUPERINTENDENT. (a) A board of
 24 managers appointed for an open-enrollment charter school or a
 25 campus of an open-enrollment charter school under this chapter or
 26 Chapter 12 has the powers and duties prescribed by Section
 27 39.107(e-4), if applicable, and Sections 39.112(a), (b), (c), and

1 (d).

2 (b) If the commissioner appoints a board of managers for an
3 open-enrollment charter school or a campus of an open-enrollment
4 charter school, the commissioner may also appoint a superintendent.

5 (c) Except as otherwise provided by this subsection, a board
6 of managers for an open-enrollment charter school or a campus of an
7 open-enrollment charter school may not serve for a period that
8 exceeds the period authorized by law for a board of managers
9 appointed for a school district. A board of managers appointed to
10 wind up the affairs of a former open-enrollment charter school or
11 campus serves until dissolved by the commissioner.

12 (d) Any person appointed by the commissioner to serve on the
13 board of managers for an open-enrollment charter school or a campus
14 of an open-enrollment charter school or as superintendent acts on
15 behalf of the commissioner and is entitled to:

16 (1) sovereign immunity; and
17 (2) representation by the attorney general for any act
18 or omission taken while acting in the person's official capacity.

19 (e) Any person appointed to serve on the board of managers
20 for an open-enrollment charter school or a campus of an
21 open-enrollment charter school or as superintendent serves at the
22 discretion of the commissioner and may be replaced by the
23 commissioner at any time.

24 Sec. 39.1122. COMPENSATION OF BOARD OF MANAGERS FOR
25 OPEN-ENROLLMENT CHARTER SCHOOL AND SUPERINTENDENT. (a) The
26 commissioner may authorize compensation for a member of a board of
27 managers for an open-enrollment charter school or a campus of an

1 open-enrollment charter school or a superintendent appointed by the
2 commissioner.

3 (b) The commissioner shall establish the terms of
4 compensation provided under Subsection (a).

5 (c) The commissioner shall use funds received by or due to
6 the former charter holder under Section 12.106 or funds returned to
7 the state from liquidation of state property held by a former
8 charter holder for compensation of a member of a board of managers
9 for an open-enrollment charter school or a campus of an
10 open-enrollment charter school or a superintendent.

11 (d) If funds described by Subsection (c) are not available
12 or the commissioner determines that the circumstances require, the
13 commissioner may use available agency funds, provided that the use
14 of the available funds for that purpose is not prohibited by other
15 law.

16 (e) To the extent this section conflicts with Section
17 39.107(e-5), this section prevails.

18 SECTION 16. Section 39.114, Education Code, is amended to
19 read as follows:

20 Sec. 39.114. IMMUNITY FROM CIVIL LIABILITY. An employee,
21 volunteer, or contractor acting on behalf of the commissioner under
22 this subchapter, or a member of a board of managers appointed by the
23 commissioner under this subchapter, is immune from civil liability
24 to the same extent as a professional employee of a school district
25 under Section 22.051.

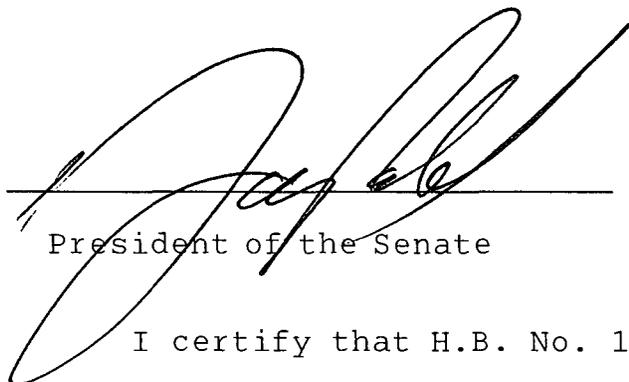
26 SECTION 17. Section 39.106(f), Education Code, is repealed.

27 SECTION 18. Not later than December 1, 2018, the

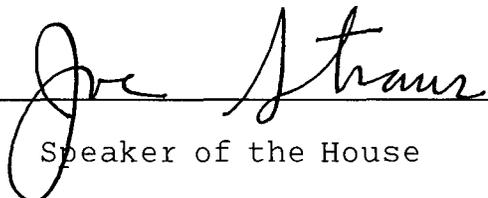
1 Legislative Budget Board shall publish a report evaluating the
2 implementation of Section 39.107, Education Code, as amended by
3 this Act, including an analysis of whether the changes in law made
4 by this Act result in improvements to school performance and
5 student performance. The Legislative Budget Board may contract with
6 another entity for the purpose of producing the evaluation required
7 by this section.

8 SECTION 19. This Act applies to the academic performance
9 ratings issued to public school campuses beginning with the
10 2015-2016 school year.

11 SECTION 20. This Act takes effect immediately if it
12 receives a vote of two-thirds of all the members elected to each
13 house, as provided by Section 39, Article III, Texas Constitution.
14 If this Act does not receive the vote necessary for immediate
15 effect, this Act takes effect September 1, 2015.

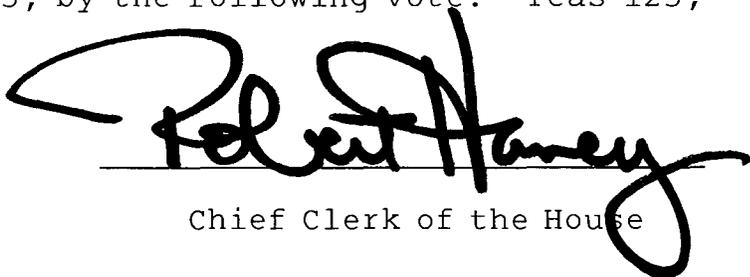


President of the Senate

H.B. No. 1842


Speaker of the House

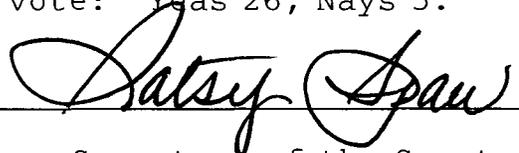
I certify that H.B. No. 1842 was passed by the House on May 13, 2015, by the following vote: Yeas 143, Nays 1, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1842 on May 29, 2015, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1842 on May 31, 2015, by the following vote: Yeas 125, Nays 18, 2 present, not voting.



Chief Clerk of the House

H.B. No. 1842

I certify that H.B. No. 1842 was passed by the Senate, with amendments, on May 26, 2015, by the following vote: Yeas 21, Nays 10; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1842 on May 31, 2015, by the following vote: Yeas 26, Nays 5.



Secretary of the Senate

APPROVED: 6-16-2015

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

6:30 pm O'CLOCK



Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 30, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (Relating to public school accountability, including the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years and the designation of a school district as a district of innovation.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1842, Conference Committee Report: a negative impact of (\$1,631,738) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$816,715)
2017	(\$815,023)
2018	(\$815,023)
2019	(\$818,356)
2020	(\$815,023)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2016	(\$816,715)
2017	(\$815,023)
2018	(\$815,023)
2019	(\$818,356)
2020	(\$815,023)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	5.0
2017	6.0
2018	6.0
2019	6.0
2020	6.0

Fiscal Analysis

The bill would amend the Education Code related to public school accountability, including the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years and the designation of a school district as a district of innovation.

The bill would require the commissioner to order a campus identified as unacceptable for two consecutive years to prepare and submit a campus turnaround plan. The bill phases in these interventions. The bill specifies the required elements of campus turnaround plans and allows a district to request assistance from a regional education service center (RESA) or partner with an Institute of Higher Education (IHE) to develop and implement the plan. The bill would only allow the commissioner to approve a campus turnaround plan if the commissioner determines that the campus will satisfy student performance standards not later than the second year the campus will receive a performance rating following the plan's implementation. If the commissioner does not make this determination, the commissioner has the option to appoint a board of managers to govern the district.

The bill would require the commissioner to adopt a transition plan allowing a public school campus with an unacceptable academic performance rating for three or more consecutive school years before the effective date of the bill to continue with interventions and sanctions already applied, to be closed, or for a board of managers to be appointed if the campus receives an academically unacceptable performance rating for the two school years following the effective date of this Act.

The bill would allow the creation of Districts of Innovation.

The bill would require the Legislative Budget Board to publish an evaluation report of the bill's impact not later than December 1, 2018.

The bill would apply beginning with academic performance ratings issued to the public school campuses beginning with the 2015-2016 school year.

This bill would take effect immediately if passed with the necessary voting margins, or September 1, 2015.

Methodology

The bill is expected to result in a cost of \$816,715 in fiscal year 2016; \$815,023 in fiscal year 2017 and 2018; \$818,356 in fiscal year 2019; and \$815,023 in fiscal year 2020.

According to information provided by the Texas Education Agency (TEA), the turnaround plans

required under the bill would be significantly more customized and detailed than the current plans, which are based on a template, and TEA reports they would require a new staff division to approve and monitor campus turnaround plans. This analysis assumes that one Director full-time equivalent (FTE), three Program Specialist FTEs, and one Administrative Assistant FTE in fiscal year 2016 would be required to approve and monitor campus turn-around plans, adopt transition plans, conduct on-site investigations, identify deficiencies and possible solutions, and provide technical assistance. Once full implementation begins, it is assumed that one additional Program Specialist FTEs will be needed in FY 2017 and subsequent years.

The TEA would contract with RESCs at an estimated cost of \$200,000 per year to develop and deliver training on school reform planning processes.

The estimated cost to expand the network capacity for the leased space for the new TEA division is \$12,828 in FY 2016 and \$12,000 per year to maintain. The estimated addition cost for leased space is \$21,465 annually.

The commissioner would be required to provide each board of managers member with training in effective leadership strategies at a cost of \$5,000 per board. Currently, two districts would require a board of managers creating a total training cost of \$10,000. Every third year, one-third of the board would be replaced generating a cost of \$3,333. In the future, the number of districts requiring a board of managers could vary significantly based on the number of campuses with turnaround plans that the commissioner does not approve. Because of this, costs could also vary significantly.

The Legislative Budget Board reporting provisions in the bill can be accomplished with existing resources.

Local Government Impact

Districts may contract with RESCs or IHEs for services and may be required to retain other expertise or board of managers.

There may be some administrative costs for required postings or notifications, hiring of special experts or RESCs, or extensions of conservators or management teams. However, such costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, SL, AW

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 28, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (Relating to public school accountability, including the expansion of or renewal of the charter of an open-enrollment charter school and the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1842, As Passed 2nd House: a negative impact of (\$4,262,884) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$2,147,832)
2017	(\$2,115,052)
2018	(\$2,365,052)
2019	(\$2,368,385)
2020	(\$2,365,052)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2016	(\$2,147,832)
2017	(\$2,115,052)
2018	(\$2,365,052)
2019	(\$2,368,385)
2020	(\$2,365,052)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	11.0
2017	13.0
2018	13.0
2019	13.0
2020	13.0

Fiscal Analysis

The bill would amend the Education Code related to the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years. The bill would require the commissioner to order a campus identified as unacceptable for two consecutive years to prepare and submit a campus turnaround plan. The bill phases in these interventions. The bill specifies the required elements of campus turnaround plans and allows a district to request assistance from a regional education service center (RESC) or partner with an Institute of Higher Education (IHE) to develop and implement the plan.

The bill would only allow the commissioner to approve a campus turnaround plan if the commissioner determines that the campus will satisfy student performance standards not later than the second year the campus will receive a performance rating following the plan's implementation. If the commissioner does not make this determination, the commissioner has the option to appoint a board of managers to govern the district.

The bill would require the commissioner of education to adopt a transition plan allowing a public school campus with an unacceptable academic performance rating for three or more consecutive school years before the effective date of the bill to continue with interventions and sanctions already applied, to be closed, or for a board of managers to be appointed if the campus receives an academically unacceptable performance rating for the two school years following the effective date of this Act.

The bill would allow the creation of Innovation Zones and Districts of Innovation, subject to the approval of the commissioner.

The bill would allow the commissioner to create a State Turnaround District and appoint a state turnaround manager to manage a campus identified as academically unacceptable for two consecutive school years.

The bill would require the State Board of Education to study the length of the instructional day and academic year necessary to allow for the completion of the required curriculum.

The bill would require the Legislative Budget Board to publish an evaluation report of the bill's impact not later than December 1, 2018.

The bill would apply beginning with the 2015-2016 school year.

This bill would take effect immediately if passed with the necessary voting margins, or September 1, 2015.

Methodology

The bill is expected to result in a cost of \$2,147,832 in fiscal year 2016; \$2,115,052 in fiscal year 2017; \$2,365,052 in fiscal year 2018; \$2,368,385 in fiscal year 2019; and \$2,365,052 in fiscal year 2020.

According to information provided by the Texas Education Agency (TEA), the turnaround plans required under the bill would be significantly more customized and detailed than the current plans, which are based on a template, and TEA reports they would require a new staff division to approve and monitor campus turnaround plans. This analysis assumes that one Director full-time equivalent (FTE), six Program Specialist FTEs, and one Administrative Assistant FTE in fiscal year 2016 would be required to approve and monitor campus turn-around plans, adopt transition plans, conduct on-site investigations, identify deficiencies and possible solutions, and provide technical assistance. Once full implementation begins, it is assumed that two additional Program Specialist FTEs will be needed in FY 2017 and subsequent years.

The TEA would contract with RESCs at an estimated cost of \$400,000 per year to develop and deliver training on school reform planning processes.

According to information provided by TEA, implementation of the Innovation Zone and Districts of Innovation will require one Program Specialist FTE and one Attorney FTE to review plans, provide legislative notifications, and determine local and state rules, policies, and laws that could be exempted.

According to information provided by TEA, one additional Program Specialist FTE would be required to assist with the review of additional charter application.

The estimated cost to expand the network capacity for the leased space for the new TEA division is \$12,828 in FY 2016 and \$12,000 per year to maintain. The estimated addition cost for leased space is \$29,214 annually.

The commissioner would be required to provide each board of managers member with training in effective leadership strategies at a cost of \$5,000 per board. Currently, two districts would require a board of managers creating a total training cost of \$10,000. Every third year, one-third of the board would be replaced generating a cost of \$3,333. In the future, the number of districts requiring a board of managers could vary significantly based on the number of campuses with turnaround plans that the commissioner does not approve. Because of this, costs could also vary significantly.

The estimated cost to contract for a study on instructional day length and academic year length necessary to allow for the completion of the required curriculum is \$300,000 in Fiscal Year 2016.

The TEA assumes the creation and implementation of a state turnaround manager and district would add \$250,000 in FY 2016; \$500,000 in FY 2017; and \$750,000 in subsequent years.

The Legislative Budget Board reporting provisions in the bill can be accomplished with existing resources.

Local Government Impact

Districts would be required to provide notification to parents of students enrolled at a low performing campus seven days prior to a public hearing regarding the targeted improvement plan.

Districts may contract with RESCs or IHE for services and may be required to retain other expertise or board of managers.

There may be some administrative costs for required postings or notifications, hiring of special experts, or extensions of conservators or management teams. However, such costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Districts would be required to provide audiotapes of IEP meetings if requested by parents.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, SL, JBi, AM, AW

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (relating to public school accountability, including the expansion of or renewal of the charter of an open-enrollment charter school and the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1842, Committee Report 2nd House, Substituted: a negative impact of (\$2,149,031) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$1,036,112)
2017	(\$1,112,919)
2018	(\$1,112,919)
2019	(\$1,116,252)
2020	(\$1,112,919)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$1,036,112)
2017	(\$1,112,919)
2018	(\$1,112,919)
2019	(\$1,116,252)
2020	(\$1,112,919)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	8.0
2017	10.0
2018	10.0
2019	10.0
2020	10.0

Fiscal Analysis

The bill would amend the Education Code related to the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years. The bill would require the commissioner to order a campus identified as unacceptable for two consecutive years to prepare and submit a campus turnaround plan. The bill phases in these interventions. The bill specifies the required elements of campus turnaround plans and allows a district to request assistance from a regional education service center (RESA) or partner with an Institute of Higher Education (IHE) to develop and implement the plan.

The bill would only allow the commissioner to approve a campus turnaround plan if the commissioner determines that the campus will satisfy student performance standards not later than the second year the campus will receive a performance rating following the plan's implementation. If the commissioner does not make this determination, the commissioner has the option to appoint a board of managers to govern the district.

The bill would require the commissioner of education to adopt a transition plan allowing a public school campus with an unacceptable academic performance rating for three or more consecutive school years before the effective date of the bill to continue with interventions and sanctions already applied, to be closed, or for a board of managers to be appointed if the campus receives an academically unacceptable performance rating for the two school years following the effective date of this Act.

The bill would require the Legislative Budget Board to publish an evaluation report of the bill's impact not later than December 1, 2018.

The bill would apply beginning with the 2015-2016 school year.

This bill would take effect immediately if passed with the necessary voting margins, or September 1, 2015.

Methodology

The bill is expected to result in a cost of \$1,036,112 in fiscal year 2016; \$1,112,919 in fiscal year 2017 and 2018; \$1,116,252 in 2019; and \$1,112,919 in fiscal year 2020. According to information provided by the Texas Education Agency (TEA), the turnaround plans required under the bill would be significantly more customized and detailed than the current plans, which are based on a template, and TEA reports they would require a new staff division to approve and monitor campus turnaround plans.

This analysis assumes that one Director full-time equivalent (FTE), six Program Specialist FTEs, and one Administrative Assistant FTE in fiscal year 2016 would be required to approve and

monitor campus turn-around plans, adopt transition plans, conduct on-site investigations, identify deficiencies and possible solutions, and provide technical assistance. Once full implementation begins, it is assumed that two additional Program Specialist FTEs will be needed in FY 2017 and subsequent years.

The estimated cost to expand the network capacity for the leased space is \$12,828 in FY 2016 and \$12,000 per year to maintain.

The TEA would contract with RESCs at an estimated cost of \$200,000 per year to develop and deliver training on school reform planning processes.

The commissioner would also be required to provide each board of managers member with training in effective leadership strategies at a cost of \$5,000 per board. Currently, two districts would require a board of managers creating a total training cost of \$10,000. Every third year, one-third of the board would be replaced generating a cost of \$3,333. In the future, the number of districts requiring a board of managers could vary significantly based on the number of campuses with turnaround plans that the commissioner does not approve. Because of this, costs could also vary significantly.

The Legislative Budget Board reporting provisions in the bill can be accomplished with existing resources.

Local Government Impact

Districts would be required to provide notification to parents of students enrolled at a low performing campus seven days prior to a public hearing regarding the targeted improvement plan.

Districts may contract with RESCs or IHE for services and may be required to retain other expertise or board of managers.

There may be some administrative costs for required postings or notifications, hiring of special experts, or extensions of conservators or management teams. However, such costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, SL, JBi, AM, AW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 21, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (Relating to public school accountability, including the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1842, As Engrossed: a negative impact of (\$1,618,352) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$803,164)
2017	(\$815,188)
2018	(\$815,188)
2019	(\$815,188)
2020	(\$815,188)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>
	1
2016	(\$803,164)
2017	(\$815,188)
2018	(\$815,188)
2019	(\$815,188)
2020	(\$815,188)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	5.0
2017	6.0
2018	6.0
2019	6.0
2020	6.0

Fiscal Analysis

The bill would amend the Education Code related to the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years. The bill would require the commissioner to order a campus identified as unacceptable for two consecutive years to prepare and submit a campus turnaround plan. The bill phases in these interventions. The bill specifies the required elements of campus turnaround plans and allows a district to request assistance from a regional education service center (RES-C) or partner with an Institute of Higher Education to develop and implement the plan. The bill would require the campus turnaround plan to take effect no later than the school year following the third consecutive school year that the campus had unacceptable academic performance ratings.

The bill would only allow the commissioner to approve a campus turnaround plan if the commissioner determines that the campus will satisfy student performance standards not later than the second year the campus will receive a performance rating following the plan's implementation. If the commissioner does not make this determination, the commissioner would be required to order appointment of a board of managers to govern the district.

The bill would require the Legislative Budget Board to publish an evaluation report of the bill's impact not later than December 1, 2018.

The bill would require the commissioner of education to adopt a transition plan allowing a public school campus with an unacceptable academic performance rating for three or more consecutive school years before the effective date of the bill to continue with interventions and sanctions already applied, to be closed, or for a board of managers to be appointed if the campus receives an academically unacceptable performance rating for the two school years following the effective date of this Act.

The bill would apply beginning with the 2016-2017 school year.

This bill would take effect immediately if passed with the necessary voting margins, or September 1, 2015.

Methodology

The bill is expected to result in a cost of \$803,164 in fiscal year 2016 and \$815,188 each subsequent year. According to information provided by the Texas Education Agency (TEA), the turnaround plans required under the bill would be significantly more customized and detailed than the current plans, which are based on a template, and TEA reports they would require a new staff division to approve and monitor campus turnaround plans.

This analysis assumes that one Director full-time equivalent (FTE), three Program Specialist FTEs,

and one Administrative Assistant FTE in fiscal year 2016 would be required to approve and monitor campus turn-around plans, adopt transition plans, conduct on-site investigations, identify deficiencies and possible solutions, and provide technical assistance. Once full implementation begins, it is assumed that an additional Program Specialist FTE will be needed in FY 2017 and subsequent years.

The estimated cost to expand the network capacity for the leased space is \$12,828 in FY 2016 and \$12,000 per year to maintain.

The TEA would contract with RESCs at an estimated cost of \$200,000 per year to develop and deliver training on school reform planning processes.

The Legislative Budget Board reporting provisions in the bill can be accomplished with existing resources.

Local Government Impact

Districts would be required to provide notification to parents of students enrolled at a low performing campus seven days prior to a public hearing regarding the targeted improvement plan.

Districts may contract with RESCs for services and may be required to retain other expertise or board of managers.

There may be some administrative costs for required postings or notifications, hiring of special experts or RESCs, or extensions of conservators or management teams. However, such costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, SL, AW

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (relating to the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1842, Committee Report 1st House, Substituted: a negative impact of (\$1,695,204) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$880,016)
2017	(\$815,188)
2018	(\$815,188)
2019	(\$815,188)
2020	(\$815,188)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$880,016)
2017	(\$815,188)
2018	(\$815,188)
2019	(\$815,188)
2020	(\$815,188)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	6.0
2017	6.0
2018	6.0
2019	6.0
2020	6.0

Fiscal Analysis

The bill would amend the Education Code related to the intervention in and sanction of a public school that has received an academically unsuccessful performance rating for at least two consecutive school years. The bill would require the commissioner to order a campus identified as unacceptable for two consecutive years to prepare and submit a campus turnaround plan. The bill specifies the required elements of campus turnaround plans and allows a district to request assistance from a regional education service center (RESA) to develop and implement the plan. The bill would require the campus turnaround plan to take effect no later than the school year following the third consecutive school year that the campus had unacceptable academic performance ratings.

The bill would only allow the commissioner to approve a campus turnaround plan if the commissioner determines that the campus will satisfy student performance standards not later than the second year the campus will receive a performance rating following the plan's implementation. If the commissioner does not make this determination, the commissioner would be required to order appointment of a board of managers to govern the district.

The bill would require the Legislative Budget Board to publish an evaluation report of the bill's impact not later than December 1, 2018.

The bill would require the commissioner of education to adopt a transition plan allowing a public school campus with an unacceptable academic performance rating for three or more consecutive school years before the effective date of the bill to continue with interventions and sanctions already applied, to be closed, or for a board of managers to be appointed if the campus receives an academically unacceptable performance rating for the two school years following the effective date of this Act.

The bill would apply beginning with the 2016-2017 school year.

This bill would take effect immediately if passed with the necessary voting margins, or September 1, 2015.

Methodology

The bill is expected to result in a cost of \$880,016 in fiscal year 2016 and \$815,188 each subsequent year. According to information provided by the Texas Education Agency (TEA), the turnaround plans required under the bill would be significantly more customized and detailed than the current plans, which are based on a template, and TEA reports they would require a new staff division to approve and monitor campus turnaround plans. This estimate assumes one Director full-time equivalent (FTE), four Program Specialist FTEs, and one Administrative Assistant FTE would be required to approve and monitor campus turn-around plans, adopt

transition plans, conduct on-site investigations, identify deficiencies and possible solutions, and provide technical assistance.

The estimated cost to expand the network capacity for the leased space is \$12,828 in FY 2016 and \$12,000 per year to maintain.

The TEA would contract with RESCs at an estimated cost of \$200,000 per year to develop and deliver training on school reform planning processes.

The Legislative Budget Board reporting provisions in the bill can be accomplished with existing resources.

Local Government Impact

Districts would be required to provide notification to parents of students enrolled at a low performing campus seven days prior to a public hearing regarding the targeted improvement plan.

Districts may contract with RESCs for services and may be required to retain other expertise or board of managers.

There may be some administrative costs for required postings or notifications, hiring of special experts or RESCs, or extensions of conservators or management teams. However, such costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, SL, AW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 17, 2015

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1842 by Aycock (Relating to the assessment of intervention in and sanction of a public school that does not satisfy accreditation criteria.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Education Code related to the assessment of intervention in and sanction of a public school that does not satisfy accreditation criteria. The bill would require the majority of members of a board of trustees to attend a hearing order by the commissioner regarding a campus or campuses not meeting performance standards.

The bill allows campus intervention teams to advise the commissioner in the implementation of a targeted improvement plan at a low performing campus. Campus intervention teams could reassign educators as part of reconstitution of a campus and provide interventions for administrator or teacher teams. Campus intervention teams would also be required to incorporate demographic analysis of LEP students into its guidelines and procedures when conducting comprehensive on-site need assessments.

The bill requires districts to provide notification to parents of students enrolled at a low performing campus seven days prior to a public hearing regarding the targeted improvement plan.

Based on the analysis of the Texas Education Agency, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

There may be some administrative costs for any required postings or notifications, hiring of special experts, or extensions of conservators or management teams. These costs would only apply to districts with low performing campuses and would vary depending on the individual circumstances.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, SL, AW