

Chapter 807

H.B. No. 22

AN ACT

relating to public school accountability.

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

SECTION 1. Section 11.252(a), Education Code, is amended to read as follows:

(a) Each school district shall have a district improvement plan that is developed, evaluated, and revised annually, in accordance with district policy, by the superintendent with the assistance of the district-level committee established under Section 11.251. The purpose of the district improvement plan is to guide district and campus staff in the improvement of student performance for all student groups in order to attain state standards in respect to the achievement indicators adopted under Section 39.053(c) [~~Sections 39.053(c)(1)-(4)~~]. The district improvement plan must include provisions for:

(1) a comprehensive needs assessment addressing district student performance on the achievement indicators, and other appropriate measures of performance, that are disaggregated by all student groups served by the district, including categories of ethnicity, socioeconomic status, sex, and populations served by special programs, including students in special education programs under Subchapter A, Chapter 29;

(2) measurable district performance objectives for all appropriate achievement indicators for all student

1 populations, including students in special education programs
2 under Subchapter A, Chapter 29, and other measures of student
3 performance that may be identified through the comprehensive needs
4 assessment;

5 (3) strategies for improvement of student performance
6 that include:

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

9 (B) methods for addressing the needs of students
10 for special programs, including:

11 (i) suicide prevention programs, in
12 accordance with Subchapter O-1, Chapter 161, Health and Safety
13 Code, which includes a parental or guardian notification procedure;

14 (ii) conflict resolution programs;

15 (iii) violence prevention programs; and

16 (iv) dyslexia treatment programs;

17 (C) dropout reduction;

18 (D) integration of technology in instructional
19 and administrative programs;

20 (E) discipline management;

21 (F) staff development for professional staff of
22 the district;

23 (G) career education to assist students in
24 developing the knowledge, skills, and competencies necessary for a
25 broad range of career opportunities; and

26 (H) accelerated education;

27 (4) strategies for providing to middle school, junior

1 high school, and high school students, those students' teachers and
2 school counselors, and those students' parents information about:

3 (A) higher education admissions and financial
4 aid opportunities;

5 (B) the TEXAS grant program and the Teach for
6 Texas grant program established under Chapter 56;

7 (C) the need for students to make informed
8 curriculum choices to be prepared for success beyond high school;
9 and

10 (D) sources of information on higher education
11 admissions and financial aid;

12 (5) resources needed to implement identified
13 strategies;

14 (6) staff responsible for ensuring the accomplishment
15 of each strategy;

16 (7) timelines for ongoing monitoring of the
17 implementation of each improvement strategy;

18 (8) formative evaluation criteria for determining
19 periodically whether strategies are resulting in intended
20 improvement of student performance; and

21 (9) the policy under Section 38.0041 addressing sexual
22 abuse and other maltreatment of children.

23 SECTION 2. Section 11.253(c), Education Code, is amended to
24 read as follows:

25 (c) Each school year, the principal of each school campus,
26 with the assistance of the campus-level committee, shall develop,
27 review, and revise the campus improvement plan for the purpose of

1 improving student performance for all student populations,
2 including students in special education programs under Subchapter
3 A, Chapter 29, with respect to the achievement indicators adopted
4 under Section 39.053(c) [~~Sections 39.053(c)(1)-(4)~~] and any other
5 appropriate performance measures for special needs populations.

6 SECTION 3. Section 12.1013(c), Education Code, is amended
7 to read as follows:

8 (c) The report must include the performance of each public
9 school in each class described by Subsection (b) as measured by the
10 achievement indicators adopted under Section 39.053(c) [~~Sections~~
11 ~~39.053(c)(1)-(4)~~] and student attrition rates.

12 SECTION 4. Section 29.062(a), Education Code, is amended to
13 read as follows:

14 (a) The legislature recognizes that compliance with this
15 subchapter is an imperative public necessity. Therefore, in
16 accordance with the policy of the state, the agency shall evaluate
17 the effectiveness of programs under this subchapter based on the
18 achievement indicators adopted under Section 39.053(c) [~~Sections~~
19 ~~39.053(c)(1)-(4)~~], including the results of assessment
20 instruments. The agency may combine evaluations under this section
21 with federal accountability measures concerning students of
22 limited English proficiency.

23 SECTION 5. Section 29.202(a), Education Code, is amended to
24 read as follows:

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

1 assigned to attend a public school campus assigned an unacceptable
2 performance rating that is made publicly available under Section
3 39.054 for:

4 (1) the student achievement domain under Section
5 39.053(c)(1) [at which 50 percent or more of the students did not
6 perform satisfactorily on an assessment instrument administered
7 under Section 39.023(a) or (c) in any two of the preceding three
8 years]; and [ex]

9 (2) the school progress domain under Section
10 39.053(c)(2) [that, at any time in the preceding three years,
11 failed to satisfy any standard under Section 39.054(e)].

12 SECTION 6. Chapter 39, Education Code, is amended by adding
13 Subchapter A to read as follows:

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 39.001. RULES. (a) The commissioner shall adopt rules
16 as necessary to administer this chapter.

17 (b) In adopting a rule under this chapter, the commissioner
18 shall solicit input statewide from persons who would likely be
19 affected by the proposed rule, including school district boards of
20 trustees, administrators and teachers employed by school
21 districts, parents of students enrolled in school districts, and
22 other interested stakeholders.

23 Sec. 39.002. ADVISORY COMMITTEE. An advisory committee
24 appointed under this chapter is not subject to Chapter 2110,
25 Government Code.

26 SECTION 7. Section 39.052(b), Education Code, is amended to
27 read as follows:

1 (b) In determining the accreditation status of a school
2 district, the commissioner:

3 (1) shall evaluate and consider:

4 (A) performance on achievement indicators
5 described by Section 39.053 [~~39.053(c)~~]; and

6 (B) performance under the financial
7 accountability rating system developed under Subchapter D; and

8 (2) may evaluate and consider:

9 (A) the district's compliance with statutory
10 requirements and requirements imposed by rule of the commissioner
11 or State Board of Education under specific statutory authority that
12 relate to:

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

16 (ii) the high school graduation
17 requirements under Section 28.025; or

18 (iii) an item listed under Sections
19 7.056(e)(3)(C)-(I) that applies to the district;

20 (B) the effectiveness of the district's programs
21 for special populations; and

22 (C) the effectiveness of the district's career
23 and technology program.

24 SECTION 8. Section 39.053, Education Code, is amended by
25 amending Subsections (a), (a-1), (b), (c), (d-1), (f), (g), (g-1),
26 (g-2), and (i) and adding Subsections (c-3) and (e) to read as
27 follows:

1 (a) The commissioner shall adopt a set of indicators of the
2 quality of learning and achievement, including the indicators under
3 Subsection (c). The commissioner periodically [~~biennially~~] shall
4 review the indicators for the consideration of appropriate
5 revisions.

6 (a-1) The indicators adopted by the commissioner under
7 Subsection (a) [~~, including the indicators identified under~~
8 ~~Subsection (c),~~] must measure and evaluate school districts and
9 campuses with respect to:

10 (1) improving student preparedness for success in:

11 (A) subsequent grade levels; and

12 (B) entering the workforce, the military, or
13 postsecondary education;

14 (2) reducing, with the goal of eliminating, student
15 academic achievement differentials among students from different
16 racial and ethnic groups and socioeconomic backgrounds; and

17 (3) informing parents and the community regarding
18 campus and district performance [~~in the domains described by~~
19 ~~Subsection (c) and, for the domain described by Subsection (c)(5),~~
20 ~~in accordance with local priorities and preferences]~~.

21 (b) Performance on the achievement indicators adopted under
22 Subsection (c) [~~Subsections (c)(1)-(4)~~] shall be compared to
23 state-established standards. The indicators must be based on
24 information that is disaggregated by race, ethnicity, and
25 socioeconomic status.

26 (c) School districts and campuses must be evaluated based on
27 three [~~five~~] domains of indicators of achievement adopted under

1 this section that include:

2 (1) in the student achievement [~~first~~] domain,
3 indicators of student achievement that must include [~~the results~~
4 ~~of~~]:

5 (A) for evaluating the performance of districts
6 and campuses generally:

7 (i) an indicator that accounts for the
8 results of assessment instruments required under Sections
9 39.023(a), (c), and (1), as applicable for the district and campus,
10 including the results of assessment instruments required for
11 graduation retaken by a student, aggregated across grade levels by
12 subject area, including:

13 (a) [~~(i)~~] for the performance
14 standard determined by the commissioner under Section 39.0241(a),
15 the percentage of students who performed satisfactorily on the
16 assessment instruments, aggregated across grade levels by subject
17 area; and

18 (b) [~~(ii)~~] for the college readiness
19 performance standard as determined under Section 39.0241, the
20 percentage of students who performed satisfactorily on the
21 assessment instruments, aggregated across grade levels by subject
22 area; and

23 (ii) [~~(B)~~] an indicator that accounts for
24 the results of assessment instruments required under Section
25 39.023(b), as applicable for the district and campus, [~~aggregated~~
26 ~~across grade levels by subject area,~~] including the percentage of
27 students who performed satisfactorily on the assessment

1 instruments, as determined by the performance standard adopted by
2 the agency, aggregated across grade levels by subject area; and

3 (B) for evaluating the performance of high school
4 campuses and districts that include high school campuses,
5 indicators that account for:

6 (i) students who satisfy the Texas Success
7 Initiative (TSI) college readiness benchmarks prescribed by the
8 Texas Higher Education Coordinating Board under Section 51.3062(f)
9 on an assessment instrument in reading or mathematics designated by
10 the Texas Higher Education Coordinating Board under Section
11 51.3062(c);

12 (ii) students who satisfy relevant
13 performance standards on advanced placement tests or similar
14 assessments;

15 (iii) students who earn dual course credits
16 in the dual credit courses;

17 (iv) students who enlist in the armed
18 forces of the United States;

19 (v) students who earn industry
20 certifications;

21 (vi) students admitted into postsecondary
22 industry certification programs that require as a prerequisite for
23 entrance successful performance at the secondary level;

24 (vii) students whose successful completion
25 of a course or courses under Section 28.014 indicates the student's
26 preparation to enroll and succeed, without remediation, in an
27 entry-level general education course for a baccalaureate degree or

1 associate degree;

2 (viii) students who successfully met
3 standards on a composite of indicators that through research
4 indicates the student's preparation to enroll and succeed, without
5 remediation, in an entry-level general education course for a
6 baccalaureate degree or associate degree;

7 (ix) high school graduation rates, computed
8 in accordance with standards and definitions adopted in compliance
9 with the Every Student Succeeds Act (20 U.S.C. Section 6301 et seq.)
10 subject to the exclusions provided by Subsections (g), (g-1),
11 (g-2), and (g-3);

12 (x) students who successfully completed an
13 OnRamps dual enrollment course; and

14 (xi) students who are awarded an
15 associate's degree;

16 (2) in the school progress [~~second~~] domain, indicators
17 for effectiveness in promoting student learning, which must
18 include:

19 (A) for assessment instruments, including
20 assessment instruments under Subdivisions (1)(A)(i) and (ii)
21 [~~under Subdivision (1)(A):~~

22 [~~(i) for the performance standard~~
23 ~~determined by the commissioner under Section 39.0241(a)],~~ the
24 percentage of students who met the standard for [annual]
25 improvement [~~on the assessment instruments~~], as determined by the
26 commissioner [~~by rule or by the method for measuring annual~~
27 ~~improvement under Section 39.034, aggregated across grade levels by~~

1 ~~subject area, and~~

2 ~~[(ii) for the college readiness performance~~
3 ~~standard as determined under Section 39.0241, the percentage of~~
4 ~~students who met the standard for annual improvement on the~~
5 ~~assessment instruments, as determined by the commissioner by rule~~
6 ~~or by the method for measuring annual improvement under Section~~
7 ~~39.034, aggregated across grade levels by subject area]; and~~

8 (B) for evaluating relative performance, the
9 performance of districts and campuses compared to similar districts
10 or campuses [~~for assessment instruments under Subdivision (1)(B),~~
11 ~~the percentage of students who met the standard for annual~~
12 ~~improvement on the assessment instruments, as determined by the~~
13 ~~commissioner by rule or by the method for measuring annual~~
14 ~~improvement under Section 39.034, aggregated across grade levels by~~
15 ~~subject area,~~

16 [~~(3) in the third domain, the student academic~~
17 ~~achievement differentials among students from different racial and~~
18 ~~ethnic groups and socioeconomic backgrounds,~~

19 [~~(4) in the fourth domain:~~

20 [~~(A) for evaluating the performance of high~~
21 ~~school campuses and districts that include high school campuses:~~

22 [~~(i) dropout rates, including dropout rates~~
23 ~~and district completion rates for grade levels 9 through 12,~~
24 ~~computed in accordance with standards and definitions adopted by~~
25 ~~the National Center for Education Statistics of the United States~~
26 ~~Department of Education,~~

27 [~~(ii) high school graduation rates,~~

1 ~~computed in accordance with standards and definitions adopted in~~
2 ~~compliance with the No Child Left Behind Act of 2001 (20 U.S.C.~~
3 ~~Section 6301 et seq.)~~;

4 ~~[(iii) the percentage of students who~~
5 ~~successfully completed the curriculum requirements for the~~
6 ~~distinguished level of achievement under the foundation high school~~
7 ~~program]~~;

8 ~~[(iv) the percentage of students who~~
9 ~~successfully completed the curriculum requirements for an~~
10 ~~endorsement under Section 28.025(c-1)]~~;

11 ~~[(v) the percentage of students who~~
12 ~~completed a coherent sequence of career and technical courses]~~;

13 ~~[(vi) the percentage of students who~~
14 ~~satisfy the Texas Success Initiative (TSI) college readiness~~
15 ~~benchmarks prescribed by the Texas Higher Education Coordinating~~
16 ~~Board under Section 51.3062(f) on an assessment instrument in~~
17 ~~reading, writing, or mathematics designated by the Texas Higher~~
18 ~~Education Coordinating Board under Section 51.3062(c)]~~;

19 ~~[(vii) the percentage of students who earn~~
20 ~~at least 12 hours of postsecondary credit required for the~~
21 ~~foundation high school program under Section 28.025 or to earn an~~
22 ~~endorsement under Section 28.025(c-1)]~~;

23 ~~[(viii) the percentage of students who have~~
24 ~~completed an advanced placement course]~~;

25 ~~[(ix) the percentage of students who enlist~~
26 ~~in the armed forces of the United States]~~; and

27 ~~[(x) the percentage of students who earn an~~

1 ~~industry certification,~~

2 ~~[(B) for evaluating the performance of middle and~~
3 ~~junior high school and elementary school campuses and districts~~
4 ~~that include those campuses:~~

5 ~~[(i) student attendance, and~~

6 ~~[(ii) for middle and junior high school~~
7 ~~campuses:~~

8 ~~[(a) dropout rates, computed in the~~
9 ~~manner described by Paragraph (A)(i), and~~

10 ~~[(b) the percentage of students in~~
11 ~~grades seven and eight who receive instruction in preparing for~~
12 ~~high school, college, and a career that includes information~~
13 ~~regarding the creation of a high school personal graduation plan~~
14 ~~under Section 28.02121, the distinguished level of achievement~~
15 ~~described by Section 28.025(b-15), each endorsement described by~~
16 ~~Section 28.025(c-1), college readiness standards, and potential~~
17 ~~career choices and the education needed to enter those careers, and~~

18 ~~[(C) any additional indicators of student~~
19 ~~achievement not associated with performance on standardized~~
20 ~~assessment instruments determined appropriate for consideration by~~
21 ~~the commissioner in consultation with educators, parents, business~~
22 ~~and industry representatives, and employers]; and~~

23 (3) [(5)] in the closing the gaps [fifth] domain, the
24 use of disaggregated data to demonstrate the differentials among
25 students from different racial and ethnic groups, socioeconomic
26 backgrounds, and other factors, including:

27 (A) students formerly receiving special

1 education services;

2 (B) students continuously enrolled; and

3 (C) students who are mobile [~~three programs or~~
4 ~~specific categories of performance related to community and student~~
5 ~~engagement locally selected and evaluated as provided by Section~~
6 ~~39.0546~~].

7 (c-3) Any standard for improvement determined by the
8 commissioner as described by Subsection (c)(2)(A) must allow for
9 appropriately crediting a student for growth if the student
10 performs at the highest achievement standard in the previous and
11 current school year.

12 (d-1) In aggregating results of assessment instruments
13 across grade levels by subject in accordance with Subsection
14 (c)(1)(A)(i) [~~Subsection (e)(1)~~], the performance of a student
15 enrolled below the high school level on an assessment instrument
16 required under Section 39.023(c) is included with results relating
17 to other students enrolled at the same grade level.

18 (e) For purposes of Subsection (c)(3)(A), a student
19 formerly receiving special education services means a student whose
20 enrollment information:

21 (1) for the preceding school year, as reported through
22 the Public Education Information Management System (PEIMS),
23 indicates the student was enrolled at the campus and was
24 participating in a special education program; and

25 (2) for the current school year, as reported through
26 the Public Education Information Management System (PEIMS) and as
27 reported on assessment instruments administered to the student

1 under Section 39.023, indicates the student is enrolled at the
 2 campus and is not participating in a special education program.

3 (f) Annually, the commissioner shall define the state
 4 standard for the current school year for each achievement indicator
 5 adopted under this section. In consultation with educators,
 6 parents, and business and industry representatives, as necessary,
 7 the commissioner shall establish and modify standards to
 8 continuously improve student performance to achieve the goals of
 9 eliminating achievement gaps based on race, ethnicity, and
 10 socioeconomic status and to ensure this state is a national leader
 11 in preparing students for postsecondary success [~~described by~~
 12 ~~Subsections (c)(1)-(4) and shall project the state standards for~~
 13 ~~each indicator for the following two school years. The~~
 14 ~~commissioner shall periodically raise the state standards for the~~
 15 ~~college readiness achievement indicator described by Subsection~~
 16 ~~(c)(1)(A)(ii) for accreditation as necessary to reach the goals of~~
 17 ~~achieving, by not later than the 2019-2020 school year.~~

18 [(1) ~~student performance in this state, disaggregated~~
 19 ~~by race, ethnicity, and socioeconomic status, that ranks nationally~~
 20 ~~in the top 10 states in terms of college readiness, and~~

21 [(2) ~~student performance with no significant~~
 22 ~~achievement gaps by race, ethnicity, and socioeconomic status].~~

23 (g) In computing [~~defining the required state standard for~~
 24 ~~the] dropout and completion rates such as high school graduation
 25 rates under Subsection (c)(1)(B)(ix) [~~rate indicator described by~~
 26 ~~Subsections (c)(4)(A)(i) and (B)(ii)(a)], the commissioner may not
 27 consider as a dropout a student whose failure to attend school~~~~

1 results from:

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

3 (2) as applicable:

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

7 (B) conviction of and sentencing for an offense
8 under the Penal Code.

9 (g-1) In computing dropout and completion rates such as high
10 school graduation rates under Subsection (c)(1)(B)(ix)
11 [~~Subsections (c)(4)(A)(i) and (B)(ii)(a)~~], the commissioner shall
12 exclude:

13 (1) students who are ordered by a court to attend a
14 high school equivalency certificate program but who have not yet
15 earned a high school equivalency certificate;

16 (2) students who were previously reported to the state
17 as dropouts, including a student who is reported as a dropout,
18 reenrolls, and drops out again, regardless of the number of times of
19 reenrollment and dropping out;

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

22 (4) students whose initial enrollment in a school in
23 the United States in grades 7 through 12 was as an unschooled asylee
24 [~~refugees~~] or refugee [asylees] as defined by Section 39.027(a-1);

25 (5) students who are in the district exclusively as a
26 function of having been detained at a county detention facility but
27 are otherwise not students of the district in which the facility is

1 located; and

2 (6) students who are incarcerated in state jails and
3 federal penitentiaries as adults and as persons certified to stand
4 trial as adults.

5 (g-2) In computing completion rates such as high school
6 graduation rates under Subsection (c)(1)(B)(ix) [~~(e)(2)~~], the
7 commissioner shall exclude students who:

8 (1) are at least 18 years of age as of September 1 of
9 the school year as reported for the fall semester Public Education
10 Information Management System (PEIMS) submission and have
11 satisfied the credit requirements for high school graduation;

12 (2) have not completed their individualized education
13 program under 19 T.A.C. Section 89.1070(b)(2) and the Individuals
14 with Disabilities Education Act (20 U.S.C. Section 1400 et seq.);
15 and

16 (3) are enrolled and receiving individualized
17 education program services.

18 (i) Each school district shall submit the data required for
19 the indicators adopted under this section to the [The] commissioner
20 [~~by rule shall adopt accountability measures to be used in~~
21 ~~assessing the progress of students who have failed to perform~~
22 ~~satisfactorily as determined by the commissioner under Section~~
23 ~~39.0241(a) or under the college readiness standard as determined~~
24 ~~under Section 39.0241 in the preceding school year on an assessment~~
25 ~~instrument required under Section 39.023(a), (c), or (1)].~~

26 SECTION 9. Subchapter C, Chapter 39, Education Code, is
27 amended by adding Section 39.0533 to read as follows:

1 Sec. 39.0533. EXTRACURRICULAR AND COCURRICULAR STUDENT
2 ACTIVITY INDICATOR. (a) The commissioner shall study the
3 feasibility of incorporating for evaluating school district and
4 campus performance under this subchapter an indicator that accounts
5 for extracurricular and cocurricular student activity. If the
6 commissioner determines that an extracurricular and cocurricular
7 student activity indicator is appropriate, the commissioner may
8 adopt the indicator.

9 (b) To determine the feasibility of adopting an indicator
10 under this section, the commissioner may require a school district
11 or campus to report requested information relating to
12 extracurricular and cocurricular student activity.

13 (c) The commissioner may establish an advisory committee to
14 assist in determining the feasibility of incorporating an
15 extracurricular and cocurricular student activity indicator for
16 evaluating school district and campus performance.

17 (d) Not later than December 1, 2022, the commissioner shall
18 report to the legislature on the feasibility of incorporating an
19 extracurricular and cocurricular student activity indicator,
20 unless the commissioner adopts an indicator under this section
21 before that date.

22 (e) This section expires September 1, 2023.

23 SECTION 10. Sections 39.054(a), (a-1), (a-2), (a-3), and
24 (e), Education Code, as effective on September 1, 2017, are amended
25 to read as follows:

26 (a) The commissioner shall adopt rules to evaluate school
27 district and campus performance and assign each district and campus

1 an overall performance rating of A, B, C, D, or F. In addition to the
2 overall performance rating, the commissioner shall assign each
3 district and campus a separate domain performance rating of A, B, C,
4 D, or F for each domain under Section 39.053(c) [~~Sections~~
5 ~~39.053(c)(1)-(4)~~]. An overall or domain performance rating of A
6 reflects exemplary performance. An overall or domain performance
7 rating of B reflects recognized performance. An overall or domain
8 performance rating of C reflects acceptable performance. An
9 overall or domain performance rating of D reflects performance that
10 needs improvement. An overall or domain performance rating of [~~or~~]
11 F reflects unacceptable performance. A district may not receive an
12 overall or domain performance rating of A if the district includes
13 any campus with a corresponding overall or domain performance
14 rating of D or F. If a school district has been approved under
15 Section 39.0544 to assign campus performance ratings and the
16 commissioner has not assigned a campus an overall performance
17 rating of D or F, the commissioner shall assign the campus an
18 overall performance rating based on the school district assigned
19 performance rating under Section 39.0544. A reference in law to an
20 acceptable rating or acceptable performance includes an overall or
21 domain performance rating of A, B, [~~or~~] C, or D or performance that
22 is exemplary, recognized, or acceptable performance or performance
23 that needs improvement.

24 (a-1) For purposes of assigning an overall performance
25 rating for a district or campus under Subsection (a), the
26 commissioner shall:

27 (1) consider either the district's or campus's

1 performance rating under the student achievement domain under
2 Section 39.053(c)(1) or the school progress domain under Section
3 39.053(c)(2), whichever performance rating is higher, unless the
4 district or campus received a performance rating of F in either
5 domain, in which case the district or campus may not be assigned a
6 performance rating higher than a B for the composite for the two
7 domains; and

8 (2) attribute not less than 30 percent of the
9 performance rating to the closing the gaps domain under Section
10 39.053(c)(3) [an overall performance rating under Subsection (a),
11 the commissioner shall attribute:

12 [~~(1)~~ 55 percent of the performance evaluation to the
13 achievement indicators for the first, second, and third domains
14 under Sections 39.053(c)(1)-(3),

15 [~~(2)~~ for middle and junior high school and elementary
16 campuses and districts that include only those campuses, 35 percent
17 of the performance evaluation to the applicable achievement
18 indicators for the fourth domain under Section 39.053(c)(4),

19 [~~(3)~~ for high school campuses and districts that
20 include those campuses:

21 [~~(A)~~ 10 percent of the performance evaluation to
22 the high school graduation rate achievement indicator described by
23 Section 39.053(c)(4)(A)(ii), and

24 [~~(B)~~ 25 percent to the remaining applicable
25 achievement indicators for the fourth domain under Section
26 39.053(c)(4), and

27 [~~(4)~~ 10 percent of the performance evaluation to the

1 ~~locally selected and evaluated achievement indicators provided for~~
2 ~~under the fifth domain under Section 39.053(c)(5)].~~

3 (a-2) The commissioner by rule may ~~shall~~ adopt procedures
4 to ensure that a repeated performance rating of D or F or
5 unacceptable in one domain, particularly performance that is not
6 significantly improving, is reflected in the overall performance
7 rating of a district or campus under this section or a campus under
8 Section 39.0544 and is not compensated for by a performance rating
9 of A, B, or C in another domain.

10 (a-3) Not later than August 15 of each year, the performance
11 ratings of each district and campus shall be made publicly
12 available as provided by rules adopted under this section. [~~If a~~
13 ~~district or campus received an overall or domain performance rating~~
14 ~~of D or F for the preceding school year, the commissioner shall~~
15 ~~notify the district of a subsequent such designation on or before~~
16 ~~June 15.~~]

17 (e) Each annual performance review under this section shall
18 include an analysis of the achievement indicators adopted under
19 Section 39.053, including Subsection (c) of that section, [~~Sections~~
20 ~~39.053(c)(1)-(4)] to determine school district and campus
21 performance in relation to standards established for each
22 indicator.~~

23 SECTION 11. Section 39.054, Education Code, is amended by
24 adding Subsections (a-4) and (b) to read as follows:

25 (a-4) For performance ratings issued in August 2018 for the
26 2017-2018 school year for campus performance, the commissioner
27 shall issue only a rating of improvement required or met standard,

1 as applicable, to a campus. This subsection expires January 1,
2 2019.

3 (b) For purposes of assigning school districts and campuses
4 an overall and a domain performance rating under Subsection (a),
5 the commissioner shall ensure that the method used to evaluate
6 performance is implemented in a manner that provides the
7 mathematical possibility that all districts and campuses receive an
8 A rating.

9 SECTION 12. Section 39.054(f), Education Code, as effective
10 September 1, 2017, is transferred to Section 39.053, Education
11 Code, redesignated as Section 39.053(g-3), Education Code, and
12 amended to read as follows:

13 (g-3) [~~f~~] In the computation of dropout and completion
14 rates such as high school graduation rates under Subsection
15 (c)(1)(B)(ix) [~~Sections 39.053(c)(4)(A)(i) and (B)(ii)(a)~~], a
16 student who is released from a juvenile pre-adjudication secure
17 detention facility or juvenile post-adjudication secure
18 correctional facility and fails to enroll in school or a student who
19 leaves a residential treatment center after receiving treatment for
20 fewer than 85 days and fails to enroll in school may not be
21 considered to have dropped out from the school district or campus
22 serving the facility or center unless that district or campus is the
23 one to which the student is regularly assigned. The agency may not
24 limit an appeal relating to dropout computations under this
25 subsection.

26 SECTION 13. Subchapter C, Chapter 39, Education Code, is
27 amended by adding Section 39.0541 to read as follows:

1 Sec. 39.0541. ADOPTION OF INDICATORS AND STANDARDS. The
2 commissioner may adopt indicators and standards under this
3 subchapter at any time during a school year before the evaluation of
4 a school district or campus.

5 SECTION 14. Subchapter C, Chapter 39, Education Code, is
6 amended by adding Sections 39.0542 and 39.0544 to read as follows:

7 Sec. 39.0542. EXPLANATORY MATERIALS FOR ACCOUNTABILITY
8 RATING SYSTEM. (a) Each school year, the commissioner shall
9 provide each school district a document in a simple, accessible
10 format that explains the accountability performance measures,
11 methods, and procedures that will be applied for that school year in
12 assigning each school district and campus a performance rating
13 under Section 39.054.

14 (b) The document provided under Subsection (a) must be
15 provided in a format that a school district is able to easily
16 distribute to parents of students enrolled in the district and
17 other interested members of the public.

18 (c) The commissioner, in collaboration with interested
19 stakeholders, shall develop standardized language for each domain
20 that does not exceed 250 words and that clearly describes the annual
21 status of a district and campus relating to district and campus
22 performance on the indicators used for that domain to determine the
23 letter performance rating assigned to a district and campus.

24 Sec. 39.0544. LOCAL ACCOUNTABILITY SYSTEM. (a) The
25 commissioner shall adopt rules regarding the assignment of campus
26 performance ratings by school districts and open-enrollment
27 charter schools. The rules:

1 (1) must require a district or school, in assigning an
2 overall performance rating for a campus, to incorporate:

3 (A) domain performance ratings assigned by the
4 commissioner under Section 39.054; and

5 (B) performance ratings based on locally
6 developed domains or sets of accountability measures;

7 (2) may permit a district or school to assign weights
8 to each domain or set of accountability measures described in
9 Subdivision (1), as determined by the district or school, provided
10 that the domains specified in Subdivision (1)(A) must in the
11 aggregate account for at least 50 percent of the overall
12 performance rating;

13 (3) must require that each locally developed domain or
14 set of accountability measures:

15 (A) contains levels of performance that allow for
16 differentiation, with assigned standards for achieving the
17 differentiated levels;

18 (B) provides for the assignment of a letter grade
19 of A, B, C, D, or F; and

20 (C) meets standards for reliability and
21 validity;

22 (4) must require that calculations for overall
23 performance ratings and each locally developed domain or set of
24 accountability measures be capable of being audited by a third
25 party;

26 (5) must require that a district or school produce a
27 campus score card that may be displayed on the agency's website; and

1 (6) must require that a district or school develop and
2 make available to the public an explanation of the methodology used
3 to assign performance ratings under this section.

4 (b) The commissioner shall develop a process to approve a
5 request by a school district or open-enrollment charter school to
6 assign campus performance ratings in accordance with this section.
7 Under that process, a district or school must obtain approval of a
8 local accountability plan submitted by the district or school to
9 the agency. A plan may be approved only if:

10 (1) after review, the agency determines the plan meets
11 the minimum requirements under this section and agency rule;

12 (2) at the commissioner's discretion, an audit
13 conducted by the agency verifies the calculations included in the
14 plan; and

15 (3) subject to Subsection (d), a review panel
16 appointed under Subsection (c) approves the plan.

17 (c) The commissioner shall appoint a review panel for
18 purposes of Subsection (b)(3) that includes a majority of members
19 who are superintendents or members of the board of trustees or
20 governing body of school districts or open-enrollment charter
21 schools with approved local accountability plans.

22 (d) The requirement under Subsection (b)(3) applies only
23 after performance ratings are issued in August 2019 and only if at
24 least 10 school districts or open-enrollment charter schools have
25 obtained approval of locally developed accountability plans.

26 (e) A school district or open-enrollment charter school
27 authorized under this section to assign campus performance ratings

1 shall evaluate the performance of each campus as provided by this
2 section and assign each campus a performance rating of A, B, C, D,
3 or F for overall performance and for each locally developed domain
4 or set of accountability measures. Not later than a date
5 established by the commissioner, the district or school shall:

- 6 (1) report the performance ratings to the agency; and
7 (2) make the performance ratings available to the
8 public as provided by commissioner rule.

9 SECTION 15. Sections 39.0548(b), (c), and (d), Education
10 Code, are amended to read as follows:

11 (b) Notwithstanding Section 39.053(c)(1)(B)(ix)
12 [~~39.053(c)(4)(A)(i)~~], the commissioner shall use the alternative
13 completion rate under this subsection to determine the graduation
14 [~~dropout~~] rate indicator under Section 39.053(c)(1)(B)(ix)
15 [~~39.053(c)(4)(A)(i)~~] for a dropout recovery school. The
16 alternative completion rate shall be the ratio of the total number
17 of students who graduate, continue attending school into the next
18 academic year, or receive a high school equivalency certificate to
19 the total number of students in the longitudinal cohort of
20 students.

21 (c) Notwithstanding Section 39.053(c)(1)(B)(ix)
22 [~~39.053(c)(4)(A)(i)~~], in determining the performance rating under
23 Section 39.054 of a dropout recovery school, the commissioner shall
24 include any student described by Section 39.053(g-1) who graduates
25 or receives a high school equivalency certificate.

26 (d) Notwithstanding Section 39.053(c), for purposes of
27 evaluating a dropout recovery school under the accountability

1 procedures adopted by the commissioner to determine the performance
2 rating of the school under Section 39.054, [+

3 [~~1~~] only the best result from the primary
4 administration or any retake of an assessment instrument
5 administered to a student in the school year evaluated may be
6 considered [~~and~~

7 [~~2~~] ~~only a student enrolled continuously for at least~~
8 ~~90 days during the school year evaluated may be considered~~].

9 SECTION 16. Section 39.055, Education Code, is amended to
10 read as follows:

11 Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT OR STUDENT
12 IN RESIDENTIAL FACILITY NOT CONSIDERED FOR ACCOUNTABILITY
13 PURPOSES. Notwithstanding any other provision of this code except
14 to the extent otherwise provided under Section 39.053(g-3)
15 [~~39.054(f)~~], for purposes of determining the performance of a
16 school district, campus, or open-enrollment charter school under
17 this chapter, a student ordered by a juvenile court into a
18 residential program or facility operated by or under contract with
19 the Texas Juvenile Justice Department, a juvenile board, or any
20 other governmental entity or any student who is receiving treatment
21 in a residential facility is not considered to be a student of the
22 school district in which the program or facility is physically
23 located or of an open-enrollment charter school, as
24 applicable. The performance of such a student on an assessment
25 instrument or other achievement indicator adopted under Section
26 39.053 or reporting indicator adopted under Section 39.301 shall be
27 determined, reported, and considered separately from the

1 performance of students attending a school of the district in which
2 the program or facility is physically located or an open-enrollment
3 charter school, as applicable.

4 SECTION 17. Subchapter E, Chapter 39, Education Code, is
5 amended by adding Section 39.101 to read as follows:

6 Sec. 39.101. NEEDS IMPROVEMENT RATING. (a)

7 Notwithstanding any other law, if a school district or campus is
8 assigned an overall or domain performance rating of D:

9 (1) the commissioner shall order the district or
10 campus to develop and implement a targeted improvement plan
11 approved by the board of trustees of the district; and

12 (2) the interventions and sanctions provided by this
13 subchapter based on failure to satisfy performance standards under
14 Section 39.054(e) apply to the district or campus only as provided
15 by this section.

16 (b) The interventions and sanctions provided by this
17 subchapter based on failure to satisfy performance standards under
18 Section 39.054(e) apply to a district or campus ordered to develop
19 and implement a targeted improvement plan under Subsection (a) only
20 if the district or campus is assigned:

21 (1) an overall or domain performance rating of F; or

22 (2) an overall performance rating of D as provided by
23 Subsection (c).

24 (c) If a school district or campus is assigned an overall
25 performance rating of D for a school year after the district or
26 campus is ordered to develop and implement a targeted improvement
27 plan under Subsection (a), the commissioner shall implement

1 interventions and sanctions that apply to an unacceptable campus
2 and those interventions and sanctions shall continue for each
3 consecutive school year thereafter in which the campus is assigned
4 an overall performance rating of D.

5 (d) The commissioner shall adopt rules as necessary to
6 implement this section.

7 SECTION 18. Section 39.301(b), Education Code, is amended
8 to read as follows:

9 (b) Performance on the indicators adopted under this
10 section shall be evaluated in the same manner provided for
11 evaluation of the achievement indicators under Section 39.053(c)
12 [~~Sections 39.053(c)(1)-(4)~~].

13 SECTION 19. The following provisions of the Education Code
14 are repealed:

15 (1) Section 39.054(c), as effective September 1, 2017;
16 and

17 (2) Sections 39.0545 and 39.0546.

18 SECTION 20. If H.B. 1500, 85th Legislature, Regular
19 Session, 2017, becomes law, that law has no effect.

20 SECTION 21. Not later than January 1, 2019, the
21 commissioner of education shall submit a report to the standing
22 committees of the legislature having primary jurisdiction over
23 primary and secondary education that provides for a preliminary
24 evaluation of campuses under Section 39.054, Education Code, as
25 amended by this Act. The report must include:

26 (1) the overall and domain performance rating each
27 campus would have received under Section 39.054, Education Code, as

1 amended by this Act, for the 2017-2018 school year if the indicators
2 adopted by the commissioner of education under Section 39.053,
3 Education Code, as amended by this Act, existed during the
4 2017-2018 school year; and

5 (2) the correlation between each designated letter
6 performance rating the campus would have received and the
7 percentage of students at each campus:

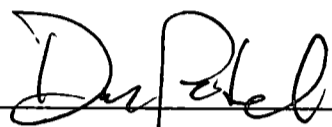
8 (A) qualifying for the free or reduced-price
9 breakfast under the national school breakfast programs provided for
10 by the Child Nutrition Act of 1966 (42 U.S.C. Section 1773);

11 (B) that are students of limited English
12 proficiency as defined by Section 29.052, Education Code; and


13 (C) disaggregated by race, ethnicity, and
14 socioeconomic status used to assign ratings in the system.

15 SECTION 22. This Act applies beginning with the 2017-2018
16 school year.

17 SECTION 23. This Act takes effect immediately if it
18 receives a vote of two-thirds of all the members elected to each
19 house, as provided by Section 39, Article III, Texas Constitution.
20 If this Act does not receive the vote necessary for immediate
21 effect, this Act takes effect September 1, 2017.



President of the Senate



Speaker of the House

I certify that H.B. No. 22 was passed by the House on May 4, 2017, by the following vote: Yeas 146, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 22 on May 26, 2017, 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. 22 on May 28, 2017, by the following vote: Yeas 140, Nays 0, 1 present, not voting, and that the House adopted H.C.R. No. 165 authorizing certain corrections in H.B. No. 22 on May 29, 2017, by the following vote: Yeas 147, Nays 0, 1 present, not voting.




Chief Clerk of the House

H.B. No. 22


I certify that H.B. No. 22 was passed by the Senate, with amendments, on May 24, 2017, by the following vote: Yeas 28, Nays 3; 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. 22 on May 28, 2017, by the following vote: Yeas 31, Nays 0, and that the Senate adopted H.C.R. No. 165 authorizing certain corrections in H.B. No. 22 on May 29, 2017, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

APPROVED: 6-12-2017
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3 PM O'CLOCK

JUN 15 2017

Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

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: HB22 by Huberty (Relating to public school accountability.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, Conference Committee Report: a negative impact of (\$1,736,750) through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$872,375)
2019	(\$864,375)
2020	(\$114,375)
2021	(\$114,375)
2022	(\$114,375)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$872,375)	1.0
2019	(\$864,375)	1.0
2020	(\$114,375)	1.0
2021	(\$114,375)	1.0
2022	(\$114,375)	1.0

Fiscal Analysis

The bill would amend the public school accountability system and certain district and campus improvement requirements codified in the Education Code. The bill would reduce the accountability system from five domains to three domains to include Student Achievement, School Performance, and Closing the Gaps, and would specify which indicators to use within the domains to evaluate the performance of school districts, open-enrollment charter schools, and

campuses.

The bill would require the Commissioner to evaluate overall performance and individual domain performance using the A-F ratings; establish the percentage assigned to each rating; specify certain requirements for evaluating performance; ensure the method used to evaluate performance for purposes of assigning school districts and campuses an overall and a domain performance rating allows for the mathematical possibility that all districts and campuses receive an A rating; and develop standardized language for each domain according to certain provisions in collaboration with interested stakeholders.

The bill would require the Texas Education Agency (TEA) to evaluate the effectiveness of certain programs based on specify indicators; specify student eligibility for the Public Education Grant; and require the Commissioner to apply and include certain performance indicators when determining accreditation status. The bill would require the Commissioner to conduct a study through an advisory committee to determine the feasibility of incorporating extracurricular and cocurricular student activity indicators to evaluate school district and campus performance resulting in a required report to the Legislature by December 1, 2022.

The bill would require the Commissioner to adopt rules for a local accountability system regarding the assignment of campus performance ratings by school districts and open-enrollment charter schools; specify certain requirements for the rules and the system; and require the Commissioner to develop a process to approve a request to assign performance ratings.

Methodology

Modifying the performance indicators and standards under the state accountability system would result in a cost of \$872,375 in fiscal year 2018 and \$864,375 in fiscal year 2019 due to initial development and personnel costs, and \$114,375 in subsequent years.

The bill would require TEA to develop new performance indicators under three domains (Student Achievement, School Performance, and Closing the Gaps) and would require school districts and charters to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

The bill would require school districts and charter schools to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

This analysis assumes the TEA can use existing resources related to other administrative activities required based on the provisions of the bill.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill and would allow approved districts and charters to submit campus ratings under approved local accountability plans. According to the TEA, districts would need to submit the data in formats that

allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019 for initial development.

Local Government Impact

The bill would require school districts and charters to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

Source Agencies:

LBB Staff: UP, THo, AM, AW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 25, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB22 by Huberty (Relating to evaluating public school performance.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, As Passed 2nd House: a negative impact of (\$986,750) through the biennium ending August 31, 2019.

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
2018	(\$497,375)
2019	(\$489,375)
2020	(\$114,375)
2021	(\$114,375)
2022	(\$114,375)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$497,375)	1.0
2019	(\$489,375)	1.0
2020	(\$114,375)	1.0
2021	(\$114,375)	1.0
2022	(\$114,375)	1.0

Fiscal Analysis

The bill would amend the public school accountability system and certain district and campus improvement requirements codified in the Education Code. The bill would reduce the accountability system from five domains to four domains to include Student Achievement, School Performance, Closing the Gaps, and School Climate and would specify which indicators to use

within the domains to evaluate the performance of school districts, open-enrollment charter schools, and campuses.

The bill would require the Commissioner to evaluate overall performance and individual domain performance using the A-F ratings; establish the percentage assigned to each rating; specify certain requirements for evaluating performance; ensure the method used to evaluate performance for purposes of assigning school districts and campuses an overall and a domain performance rating allows for the mathematical possibility that all districts and campuses receive an A rating; and develop standardized language for each domain according to certain provisions in collaboration with interested stakeholders.

The bill would require the Texas Education Agency (TEA) to evaluate the effectiveness of certain programs based on specify indicators; specify student eligibility for the Public Education Grant; and require the Commissioner to apply and include certain performance indicators when determining accreditation status. The bill would require the Commissioner to conduct a study through an advisory committee to determine the feasibility of incorporating extracurricular and cocurricular student activity indicators to evaluate school district and campus performance resulting in a required report to the Legislature by December 1, 2022.

The bill would create the Texas Commission on Public School Finance which would have the responsibility to develop and make recommendations for improvements to the current public school finance system or for new methods of financing public schools. The bill would require staff members of the Texas Education Agency (TEA) to provide administrative support for the commission and would abolish the commission on January 8, 2019.

The bill would establish a framework to dispose of property held by a charter school that has ceased to operate. This includes allowing a charter that has purchased real property with local funds to retain a proportional ownership share, procedures for the state to sell or transfer real property, and the ability for a former charter to retain the property by buying out the state interest.

The bill would restrict the use of charter funds from being pledged or used to secure loans or bonds for another organization, including a non-charter operation or out-of-state operation conducted by the charter holder or a related party. The bill also allows an audit of a charter school to examine real property transactions between the charter holder and a related party and allows the commissioner to take action to protect the school's interest. The bill specifies the allowable uses of the charter liquidation fund, including agency personnel costs associated with managing and closing charter schools. The bill's provisions direct the Commissioner of Education to transfer excess funds in the charter liquidation fund to a high quality education grant or to supplement the bond guarantee reserve fund.

The bill would repeal Section 29.904 Education Code that requires certain school districts to collaborate with local institutions of higher education to increase the percentage of students who enroll in institutions of higher education upon graduation from high school.

The bill would specify that the enactment of the bill is equivalent to the enactment of Senate Bill 1658, Eighty-fifth Legislature, Regular Session, for purposes of any legislation contingent on SB 1658. The bill would take effect immediately if passed with necessary voting margins, or September 1, 2017, and would apply beginning school year 2017-18.

Methodology

Modifying the performance indicators and standards under the state accountability system would

result in a cost of \$497,375 in fiscal year 2018 and \$489,375 in fiscal year 2019 due to initial development and personnel costs, and \$114,375 in subsequent years.

The bill would require TEA to develop new performance indicators under three domains (Student Achievement, School Performance, and School Climate) and would require school districts and charters to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

The bill would require school districts and charter schools to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

This analysis assumes the TEA can use existing resources related to other administrative activities required based on the provisions of the bill.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

Local Government Impact

The bill would require school districts and charters to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

TEA estimates the provisions of the bill related to the removal of the requirement to develop and implement a plan to increase the percentage of graduating seniors who enroll in an institution of higher education upon graduation would result in a cost savings for some local school districts.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AW, THo, AM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 21, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB22** by Huberty (Relating to evaluating public school performance.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, Committee Report 2nd House, Substituted: a negative impact of (\$986,750) through the biennium ending August 31, 2019.

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
2018	(\$497,375)
2019	(\$489,375)
2020	(\$114,375)
2021	(\$114,375)
2022	(\$114,375)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$497,375)	1.0
2019	(\$489,375)	1.0
2020	(\$114,375)	1.0
2021	(\$114,375)	1.0
2022	(\$114,375)	1.0

Fiscal Analysis

The bill would amend the public school accountability system and certain district and campus improvement requirements codified in the Education Code. The bill would reduce the accountability system from five domains to three domains to include Student Achievement,

School Performance, and School Climate and would specify which indicators to use within the domains to evaluate the performance of school districts, open-enrollment charter schools, and campuses.

The bill would require the Commissioner to evaluate overall performance and individual domain performance using the A-F ratings; establish the percentage assigned to each rating; and specify certain requirements for evaluating performance.

The bill would require the Texas Education Agency (TEA) to evaluate the effectiveness of certain programs based on specify indicators; specify student eligibility for the Public Education Grant; and require the Commissioner to apply and include certain performance indicators when determining accreditation status. The bill would require the Commissioner to conduct a study through an advisory committee to determine the feasibility of incorporating extracurricular and cocurricular student activity indicators to evaluate school district and campus performance resulting in a required report to the Legislature by December 1, 2022.

The bill would take effect immediately if passed with necessary voting margins, or September 1, 2017, and would apply beginning school year 2017-18.

Methodology

Modifying the performance indicators and standards under the state accountability system would result in a cost of \$497,375 in fiscal year 2018 and \$489,375 in fiscal year 2019 due to initial development and personnel costs, and \$114,375 in subsequent years.

The bill would require TEA to develop new performance indicators under three domains (Student Achievement, School Performance, and School Climate) and would require school districts and charters to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

The bill would require school districts and charter schools to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

The bill would require the Commissioner to conduct a study through an advisory committee to determine the feasibility of incorporating certain extracurricular and cocurricular student activity indicators to evaluate school district and campus performance and to produce a legislative report by December 1, 2022. Based on information provided by TEA, this analysis assumes the agency can use existing resources to study the required study and legislative report.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in

each fiscal year.

Local Government Impact

The bill would require school districts and charters to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AW, THo, AM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 18, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB22 by Huberty (Relating to public school accountability.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, As Engrossed: a negative impact of (\$6,125,104) through the biennium ending August 31, 2019.

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
2018	(\$3,424,552)
2019	(\$2,700,552)
2020	(\$1,950,552)
2021	(\$1,950,552)
2022	(\$1,950,552)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2017
2018	(\$3,424,552)	3.0
2019	(\$2,700,552)	3.0
2020	(\$1,950,552)	3.0
2021	(\$1,950,552)	3.0
2022	(\$1,950,552)	3.0

Fiscal Analysis

The bill would amend Education Code, Section 29.202 to require changes to student eligibility for Public Education Grant (PEG) funding.

The bill would amend Education Code, Chapter 39 to require the Commissioner of Education to periodically review performance indicators and allow for disaggregation by race, ethnicity, and

socioeconomic status to the extent feasible. The bill would amend the accountability system to require school districts and campuses be evaluated based on three domains, including student achievement, school progress, and school climate. The bill would specify the indicators of student achievement for each of the three domains and require school districts to report the data annually to the Texas Education Agency (TEA) for purposes of accountability. The bill would require the development and administration of a school climate and teacher engagement survey and would specify requirements relating to development and contracting for the surveys.

The bill would require the Commissioner to annually define the state standard for the current school year for each domain by September 30. The bill would require the Commissioner to consult with educators, parents, business and industry when establishing and modifying those standards. The bill would establish new timelines and requirements for agency evaluation of campus turnaround plans.

The bill would amend the A-F rating system to reflect domain ratings only and to allow the Commissioner to adjust the performance rating for a domain based on certain factors.

The bill would take effect September 1, 2017.

Methodology

Modifying the performance indicators and standards under the state accountability system under the provisions of the bill would result in a cost of \$3.4 million in fiscal year 2018 and \$2.7 million in fiscal year 2019 due to initial development costs, and \$2.0 million in subsequent years.

This analysis assumes TEA would develop new performance indicators under three domains (student achievement, school progress, and school climate) and that school districts and charter schools would be required to report new performance data elements to TEA for purposes of accountability. This analysis estimates that two full-time equivalent positions (FTEs) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTEs, including salary, benefits, and other operating expenses, would be \$244,750 in fiscal year 2018 and \$228,750 in subsequent years.

The bill would require that the student achievement domain include the results of locally selected assessments under rules adopted by the Commissioner. According to TEA, Commissioner rules may allow these locally selected assessments to serve as replacements for existing state-developed assessment instruments. Based on information provided by TEA, the cost associated with test comparability, longitudinal analyses, and incorporation in the accountability system would be \$300,000 per identified assessment instrument. TEA estimates the agency would identify at least 5 locally selected assessment instruments per year to serve as alternative assessments resulting in costs of \$1,500,000 (5 assessments x \$300,000 per assessment) in each fiscal year. This analysis assumes the agency would need one FTE related to this work. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$129,802 in fiscal year 2018 and \$121,802 in subsequent years.

The bill would allow the Commissioner to incorporate student surveys as an indicator under the school climate domain. The bill would require the administration of a school climate survey to administrators, students and parents, and would allow for the commissioner to adopt rules related to the development and administration of the survey. This analysis estimates it would cost \$300,000 in fiscal year 2018 to contract with a third-party to develop and implement a consistent survey for school districts. This analysis assumes the costs related to administering and

maintaining the survey could be accomplished within existing agency resources.

As a component of the school climate survey, the bill would require the development of a teachers' engagement survey by a legislative joint committee through a contract with a private third-party. The bill would require the joint committee to analyze the information obtained through the teachers' engagement survey and publish the results for public or private entities. The bill would require the Commissioner to consider teacher participation in the survey in determining campus achievement and performance ratings. This analysis estimates it would cost \$400,000 in fiscal year 2018 for the legislative joint committee to contract with a third-party to design the teachers' engagement survey according to the provisions of the bill and \$100,000 annually for administration of the survey by the third party.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in both fiscal years 2018 and 2019 for initial development.

Local Government Impact

The bill would require school districts and charter schools to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

TEA estimates school districts and charters may incur costs related to alternative assessments included under the student achievement domain. The agency estimates the costs of these assessments would be a responsibility of the district and would range from \$8 to \$60 per student.

TEA indicates local costs may range from \$100 million to \$200 million statewide, but individual district impact would vary significantly based on student enrollment and existing district resources.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AW, THo, AM, RC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 7, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB22 by Huberty (Relating to public school accountability.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, Committee Report 1st House, Substituted: a negative impact of (\$4,538,354) through the biennium ending August 31, 2019.

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
2018	(\$2,427,177)
2019	(\$2,111,177)
2020	(\$1,736,177)
2021	(\$1,736,177)
2022	(\$1,736,177)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$2,427,177)	2.0
2019	(\$2,111,177)	2.0
2020	(\$1,736,177)	2.0
2021	(\$1,736,177)	2.0
2022	(\$1,736,177)	2.0

Fiscal Analysis

The bill would amend Education Code, Section 29.202 to require changes to student eligibility for Public Education Grant (PEG) funding.

The bill would amend Education Code, Chapter 39 to require the Commissioner of Education to periodically review performance indicators and allow for disaggregation by race, ethnicity, and socioeconomic status to the extent feasible. The bill would amend the accountability system to require school districts and campuses be evaluated based on three domains, including student achievement, school progress, and school climate. The bill would specify the indicators of student achievement for each of the three domains and require school districts to report the data annually to the Texas Education Agency (TEA) for purposes of accountability.

The bill would require the Commissioner to annually define the state standard for the current school year for each domain by September 30. The bill would require the Commissioner to consult with educators, parents, business and industry when establishing and modifying those standards.

The bill would amend the A-F rating system to reflect domain ratings only and to allow the Commissioner to adjust the performance rating for a domain based on certain factors.

The bill would take effect September 1, 2017.

Methodology

Modifying the performance indicators and standards under the state accountability system under the provisions of the bill would result in a cost of \$2.4 million in fiscal year 2018 and \$2.1 million in fiscal year 2019 due to initial development costs, and \$1.7 million in subsequent years.

This analysis assumes TEA would develop new performance indicators under three domains (student achievement, school progress, and school climate) and that school districts and charter schools would be required to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

The bill would require that the student achievement domain include the results of locally selected assessments under rules adopted by the Commissioner. According to TEA, Commissioner rules may allow these locally selected assessments to serve as replacements for existing state-developed assessment instruments. Based on information provided by TEA, the cost associated with test comparability, longitudinal analyses, and incorporation in the accountability system would be \$300,000 per identified assessment instrument. TEA estimates the agency would identify at least 5 locally selected assessment instruments per year to serve as alternative assessments resulting in costs of \$1,500,000 (5 assessments x \$300,000 per assessment) in each fiscal year. This analysis assumes the agency would need one FTE related to this work. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$129,802 in fiscal year 2018 and \$121,802 in subsequent years.

The bill would allow the Commissioner to incorporate student surveys as an indicator under the school climate domain. This analysis estimates it would cost \$300,000 in fiscal year 2018 to contract with a third-party to develop and implement a consistent survey for school districts. This analysis assumes the costs related to administering and maintaining the survey could be accomplished within existing agency resources.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

Local Government Impact

The bill would require school districts and charter schools to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

TEA estimates school districts and charters may incur costs related to alternative assessments included under the student achievement domain. The agency estimates the costs of these assessments would be a responsibility of the district and would range from \$8 to \$60 per student.

TEA indicates local costs may range from \$100 million to \$200 million statewide, but individual district impact would vary significantly based on student enrollment and existing district resources.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AW, RC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 20, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB22 by Huberty (Relating to public school accountability.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB22, As Introduced: a negative impact of (\$4,538,354) through the biennium ending August 31, 2019.

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
2018	(\$2,427,177)
2019	(\$2,111,177)
2020	(\$1,736,177)
2021	(\$1,736,177)
2022	(\$1,736,177)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$2,427,177)	2.0
2019	(\$2,111,177)	2.0
2020	(\$1,736,177)	2.0
2021	(\$1,736,177)	2.0
2022	(\$1,736,177)	2.0

Fiscal Analysis

The bill would amend Education Code, Section 29.202 to require changes to student eligibility for Public Education Grant (PEG) funding.

The bill would amend Education Code, Chapter 39 to require the Commissioner to periodically review performance indicators and allow for disaggregation by race, ethnicity, and socioeconomic

status to the extent feasible. The bill would amend the accountability system to require school districts and campuses be evaluated based on three domains, including student achievement, school progress, and school climate. The bill would specify the indicators of student achievement for each of the three domains and require school districts to report the data annually to the Texas Education Agency (TEA) for purposes of accountability.

The bill would require the Commissioner to annually define the state standard for the current school year for each domain by September 30. The bill would require the Commissioner to consult with educators, parents, business and industry when establishing and modifying those standards.

The bill would amend the A-F rating system to reflect domain ratings only and to allow the Commissioner to adjust the performance rating for a domain based on certain factors.

The bill would take effect September 1, 2017.

Methodology

Modifying the performance indicators and standards under the state accountability system under the provision of the bill would result in a cost of \$2.4 million in fiscal year 2018 and \$2.1 million in fiscal year 2019 due to initial development costs, and \$1.7 million in subsequent years.

This analysis assumes TEA would develop new performance indicators under three domains (student achievement, school progress, and school climate) and that school districts and charters would be required to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

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Local Government Impact

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Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AW