H.B. No. 1842

AN ACT

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.

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

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

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

(1) compliance with federal law and regulations;

(2) financial accountability, including compliance

with grant requirements; and

(3) data integrity for purposes of:

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

(B) accountability under Chapter 39.

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

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

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

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

(1) the term of the student trustee position;

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

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

(d) A student is eligible to serve as a student trustee if the student is enrolled in the student's junior or senior year of

high school and is considered in good standing academically and under the district code of conduct.

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

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

(2) access to information, documents, and records, consistent with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

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

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

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

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

(b-4) Notwithstanding Section 12.114, approval of the commissioner under that section is not required for establishment

of a new open-enrollment charter school campus if the requirements of this subsection[~~, including the absence of commissioner disapproval under Subdivision (3),~~] are satisfied. A charter holder having an accreditation status of accredited and at least 50 percent of its student population in grades assessed under Subchapter B, Chapter 39, or at least 50 percent of the students in the grades assessed having been enrolled in the school for at least three school years may establish one or more new campuses under an existing charter held by the charter holder if:

(1) the charter holder is currently evaluated under the standard accountability procedures for evaluation under Chapter 39 and received a district rating in the highest or second highest performance rating category under Subchapter C, Chapter 39, for three of the last five years with at least 75 percent of the campuses rated under the charter also receiving a rating in the highest or second highest performance rating category and with no campus with a rating in the lowest performance rating category in the most recent ratings;

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

(3) not later than the 60th day after the date the

charter holder provides written notice under Subdivision (2), the commissioner does not provide written notice to the charter holder that the commissioner has determined that the charter holder does not satisfy the requirements of this section [~~of disapproval of a new campus under this section~~].

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

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

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

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

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

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

(a-1) The procedure adopted under Subsection (a) for the denial of renewal of a charter under Section 12.1141(c) or the revocation of a charter or reconstitution of a governing body of a charter holder under Section 12.115(a) must allow representatives of the charter holder to meet with the commissioner

to discuss the commissioner's decision and must allow the charter holder to submit additional information to the commissioner relating to the commissioner's decision. In a final decision issued by the commissioner, the commissioner shall provide a written response to any information the charter holder submits under this subsection.

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

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

CHAPTER 12A. DISTRICTS OF INNOVATION

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

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

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

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

(2) a petition signed by a majority of the members of

the district-level committee established under Section 11.251.

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

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

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

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

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

(b) A local innovation plan must:

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

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

(B) modifications to the school day or year;

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

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

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

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

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

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

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

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

(4) academic and financial accountability and sanctions

under Chapter 39.

(b) The commissioner shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

initial adoption of a local innovation plan under Section 12A.005.

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

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

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

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

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

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

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

(2) an unacceptable financial accountability rating

under Section 39.082; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) the process for the agency to:

(A) assign an accreditation status to the school;

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

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

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

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

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

(a) The commissioner may[~~:~~

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

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

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

(1) annual comprehensive analyses of student performance and equity in relation to the student achievement indicators adopted under Section 39.053;

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

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

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

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

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

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

~~accreditation~~].

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

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

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

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

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

Sec. 39.058. CONDUCT OF SPECIAL ACCREDITATION INVESTIGATIONS. (a) The agency shall adopt written procedures

for conducting special accreditation [~~on-site~~] investigations under this subchapter, including procedures that allow the agency to obtain information from district employees in a manner that prevents a district or campus from screening the information. The agency shall make the procedures available on the agency Internet website [~~to the complainant, the alleged violator, and the public~~]. Agency staff must be trained in the procedures and must follow the procedures in conducting the special accreditation investigation.

(b) After completing a special accreditation [~~an~~] investigation, the agency shall present preliminary findings to any person or entity the agency finds has violated a law, rule, or policy. Before issuing a report with its final findings, the agency must provide a person or entity the agency finds has violated a law, rule, or policy an opportunity for an informal review by the commissioner or a designated hearing examiner.

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

(a) If a school district does not satisfy the accreditation criteria under Section 39.052, the academic performance standards under Section 39.053 or 39.054, or any financial accountability standard as determined by commissioner rule, or if considered appropriate by the commissioner on the basis of a special accreditation investigation under Section 39.057, the commissioner

shall take any of the following actions to the extent the commissioner determines necessary:

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

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

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

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

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

(6) appoint an agency monitor to participate in and report to the agency on the activities of the board of trustees or

the superintendent;

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

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

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

(10) if for two consecutive school years, including the current school year, a district has received an accreditation status of accredited-warned or accredited-probation, has failed to satisfy any standard under Section 39.054(e), or has failed to satisfy financial accountability standards as determined by commissioner rule, revoke the district's accreditation and:

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

(B) in the case of a home-rule school district or

open-enrollment charter school, order closure of all programs operated under the district's or school's charter; or

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

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

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

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

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

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

(a) If a campus performance is below any standard under Section 39.054(e), the commissioner shall assign a campus intervention team. A campus intervention team shall:

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

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

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

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

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

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

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

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

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

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

Sec. 39.107. CAMPUS TURNAROUND PLAN, BOARD OF MANAGERS [~~RECONSTITUTION, REPURPOSING~~], ALTERNATIVE MANAGEMENT, AND CLOSURE.

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

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

campus must submit the campus turnaround plan.

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

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

(2) submitting the updated targeted improvement plan to the board of trustees of the school district for approval and presenting the plan in a public hearing as provided by Section 39.106(e-1);

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

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

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

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

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

(b) The school district, in consultation with the campus

intervention team, shall prepare the campus turnaround plan and allow parents, the community, and stakeholders an opportunity to review the plan before it is submitted for approval to the board of trustees of the school district. The plan must include details on the method for restructuring, reforming, or reconstituting the campus. If the district determines that granting a district charter under Section 12.0522 is appropriate for the campus, the campus turnaround plan must provide information on the implementation of the district charter. The plan must assist the campus in implementing procedures to satisfy all performance standards required under Section 39.054(e) [~~decide which educators may be retained at that campus. A principal who has been employed by the campus in that capacity during the full period described by Subsection (a) may not be retained at that campus unless the campus intervention team determines that retention of the principal would be more beneficial to the student achievement and campus stability than removal~~].

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

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

(2) the term of the charter, if a district charter is

to be granted for the campus under Section 12.0522;

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

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

(b-2) A school district may:

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

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

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

~~improvement;~~

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

[~~(A) the board of trustees of the school district; and~~

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

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

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

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

(b-5) Following approval of a campus turnaround plan by the commissioner, the school district, in consultation with the campus intervention team, may take any actions needed to prepare for the implementation of the plan.

(b-6) If a campus for which a campus turnaround plan has been ordered under Subsection (a) receives an academically acceptable performance rating for the school year following the

order, the board of trustees may:

(1) implement the campus turnaround plan;

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

(3) withdraw the campus turnaround plan.

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

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

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

enrollment charter school shall perform the duties of a board of trustees of a school district under this section.

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

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

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

(3) closure of the campus.

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

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

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

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

(e-1) If the commissioner orders the closure of a campus under this section, that campus may be repurposed to serve students at that campus location only if the commissioner finds that the repurposed campus offers a distinctly different academic program and serves a majority of grade levels at the repurposed campus not served at the original campus and approves a new campus identification number for the campus. The majority of students assigned to a campus that has been closed and repurposed may not have attended that campus in the previous school year. Any student assigned to a campus that has been closed must be allowed to transfer to any other campus in the district that serves that student's grade level and on request must be provided transportation to the other campus. The commissioner may grant an exemption allowing students assigned to a closed campus to attend the repurposed campus if there is no other campus in the district at which the students may enroll [~~The commissioner may waive the requirement to enter an order under Subsection (e) for not more~~

~~than one school year if the commissioner determines that, on the basis of significant improvement in student performance over the preceding two school years, the campus is likely to be assigned an acceptable performance rating for the following school year~~].

(e-2) For purposes of this subsection, "parent" has the meaning assigned by Section 12.051. If the commissioner is presented, in the time and manner specified by commissioner rule, a written petition signed by the parents of a majority of the students enrolled at a campus to which Subsection (e) applies, specifying the action described by Subsection (e)(1) or [~~,~~] (2)[~~, or (3)~~] that the parents request the commissioner to order, the commissioner shall, except as otherwise authorized by this subsection, order the specific action requested. If the board of trustees of the school district in which the campus is located presents to the commissioner, in the time and manner specified by commissioner rule, a written request that the commissioner order specific action authorized under Subsection (e) other than the specific action requested in the parents' petition and a written explanation of the basis for the board's request, the commissioner may order the action requested by the board of trustees.

(e-4) A board of managers appointed by the commissioner under this section is required to take appropriate actions to resolve the conditions that caused a campus to be subject to an

order under Subsection (a), including amending the district's budget, reassigning staff, or relocating academic programs.

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

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

(f) Notwithstanding Section 39.112(e), the commissioner may remove a board of managers appointed to govern a district under this section only if the campus that was the basis for the appointment of the board of managers receives an academically acceptable performance rating for two consecutive school years. If a campus that was the basis for the appointment of a board of managers receives an academically unacceptable performance rating for two additional consecutive years following the appointment of the board of managers, the commissioner may remove the board of managers and, in consultation with the local community, may appoint a new board of managers to govern the district. [~~If the commissioner orders repurposing of a campus, the school district shall develop a comprehensive plan for repurposing the campus and submit the plan to the board of trustees for approval, using the procedures described by Section 39.106(e-1), and to the commissioner for approval. The plan must include a description of a rigorous and relevant academic program for the campus. The plan~~

~~may include various instructional models. The commissioner may not approve the repurposing of a campus unless:~~

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

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

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

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

[~~(B) a teacher who provides instruction in a subject for which an assessment instrument is administered under Section 39.023(a) or (c) if the district demonstrates that the~~

~~students of the teacher demonstrated satisfactory performance or improved academic growth on that assessment instrument.~~]

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

(g-1) If the commissioner orders alternative management of a campus under Subsection (d)(2), the school district shall execute a contract with a managing entity for a term not to exceed five years. The commissioner may require a district to extend the term of the contract if the commissioner determines that extending the contract on expiration of the initial term is in the best interest of the students attending the campus. The terms of the contract must be approved by the commissioner. If a campus receives an academically unacceptable performance rating for two consecutive school years after the managing entity assumes management of the campus, the commissioner shall cancel the contract with the managing entity.

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

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

Sec. 39.1071. TRANSITIONAL INTERVENTIONS AND SANCTIONS. (a) For a campus that received an academically unacceptable performance rating for the 2013-2014, 2014-2015, and 2015-2016 school years, the commissioner may apply the interventions and sanctions authorized by this chapter as this chapter existed on January 1, 2015, to the campus.

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

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

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

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

(f) This section expires September 1, 2020.

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

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

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

(e) A board of managers shall, during the period of the appointment, order the election of members of the board of trustees of the district in accordance with applicable provisions of law. Except as provided by this subsection, the members of the board of trustees do not assume any powers or duties after the election

until the appointment of the board of managers expires. Not [~~At the direction of the commissioner but not~~] later than the second anniversary of the date the board of managers of a district was appointed, the commissioner shall notify the board of managers and the board of trustees of the date on which the appointment of the board of managers will expire [~~shall order an election of members of the district board of trustees. The election must be held on a uniform election date on which an election of district trustees may be held under Section 41.001, Election Code, that is at least 180 days after the date the election was ordered~~]. Following each of the last three years of the period of the appointment, one-third of the members of the board of managers shall be replaced by the number of members of the school district board of trustees who were elected at an election ordered under this subsection that constitutes, as closely as possible, one-third of the membership of the board of trustees. On the expiration of the appointment of the board of managers [~~qualification of members for office~~], the board of trustees assumes all of the powers and duties assigned to a board of trustees by law, rule, or regulation.

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

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

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

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

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

(d) Any person appointed by the commissioner to serve on the board of managers for an open-enrollment charter school or a campus of an open-enrollment charter school or as superintendent acts on

behalf of the commissioner and is entitled to:

(1) sovereign immunity; and

(2) representation by the attorney general for any act or omission taken while acting in the person's official capacity.

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

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

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

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

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

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

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

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

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

SECTION 18. Not later than December 1, 2018, the Legislative Budget Board shall publish a report evaluating the implementation of Section 39.107, Education Code, as amended by this Act, including an analysis of whether the changes in law made by this Act result in improvements to school performance and student performance. The Legislative Budget Board may contract with another entity for the purpose of producing the evaluation required

by this section.

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

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

President of the Senate

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

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: _____

Date

_____

Governor