By: Aycock, Deshotel, J. Davis of Harris, H.B. No. 5 Villarreal, Callegari, et al. Substitute the following for H.B. No. 5:

By: Allen C.S.H.B. No. 5

A BILL TO BE ENTITLED

## AN ACT

relating to public school accountability, including assessment, and curriculum requirements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. (a) Section 7.062(e), Education Code, is amended to read as follows:
(e) The rules must:
(1) limit the amount of assistance provided through a grant to not more than:
(A) for a construction project, $\$ 200$ per square foot of the science laboratory to be constructed; or
(B) for a renovation project, $\$ 100$ per square foot of the science laboratory to be renovated;
(2) require a school district to demonstrate, as a condition of eligibility for a grant, that the existing district science laboratories are insufficient in number to comply with the curriculum requirements imposed for the foundation [amended and advanced] high school program [programs] under Section 28.025 [28.025(b-1)(1)]; and
(3) provide for ranking school districts that apply for grants on the basis of wealth per student and giving priority in the award of grants to districts with low wealth per student.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 2. (a) Section 28.002(f), Education Code, is amended to read as follows:
(f) A school district may offer courses for local credit in addition to those in the required curriculum. The State Board of Education shall be flexible in approving a course for credit for high school graduation under this subsection. A district may also offer courses approved by the board of trustees for local credit without obtaining State Board of Education approval if:
(1) the district develops a program under which the district partners with a public or private institution of higher education and local business and community leaders to develop and provide the courses; and
(2) the courses prepare students to enter:
(A) a career or technology training program in the district's region of the state; or
(B) an institution of higher education without remediation.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 3. (a) Sections 28.014(a), (c), and (f), Education Code, are amended to read as follows:
(a) The commissioner of education and the commissioner of higher education shall develop and recommend to the state Board of Education for adoption under Section 28.002 the essential knowledge and skills of courses in college preparatory mathematics, science, social studies, and English language arts. The courses must be designed:
(1) for students at the 12th grade level who do not meet college readiness standards on an end-of-course assessment instrument required under Section $39.023(c)$ or an end-of-course assessment instrument adopted under Section 39.023(c-2); and
(2) to prepare students for success in entry-level college courses.
(c) The agency, in consultation with the Texas Higher Education Coordinating Board, shall adopt an end-of-course assessment instrument for each course developed under this section to ensure the rigor of the course. A school district shall, in accordance with state Board of Education rules, administer the end-of-course assessment instrument to a student enrolled in a course developed under this section. $\underline{A}$ [Each] school district may [shall] adopt a policy that requires a student's performance on the end-of-course assessment instrument to be considered in determining [account for 15 pexcent of] the student's final grade for the course. [A student's pexformance on an end-of-course assessment instrument administexed under this subsection may be wsed, on a scale of $0=40$, in calculating whethex the student satisfies the graduation requirements established undex section 39.025.]
(f) To the extent applicable, the commissioner shall draw from curricula and instructional materials developed under Section [sections] 28.008 [and 61.0763] in developing a course and related instructional materials under this section. Not later than September 1, 2010, the State Board of Education shall adopt essential knowledge and skills for each course developed under this
section. The State Board of Education shall make each course developed under this section and the related instructional materials available to school districts not later than the 2014-2015 school year. [As required by subsection (c), a school district shall adopt a policy requiring a student's performance on an end-of-course assessment instrument administered under that subsection to account for 15 percent of the student's grade for a course developed under this section not later than the 2014-2015 school year.] This subsection expires September 1, 2015.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 4. (a) Section 28.014(b), Education Code, is amended to read as follows:
(b) A student who successfully completes a course developed under this section may use the credit earned in the course toward satisfying the applicable mathematics or science curriculum requirement for the foundation [ or advanced] high school program under Section 28.025.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 5. (a) Section 28.025, Education Code, is amended by amending Subsections (a), (b), (b-1), (b-2), (b-3), (b-4), $(b-5),(b-7),(b-9),(b-10),(b-11)$, and $(e)$ and adding Subsections $(b-12),(b-13),(b-14),(c-1),(c-2),(c-3),(e-1),(h)$, and $(h-1)$ to read as follows:
(a) The State Board of Education by rule shall determine curriculum requirements for the foundation [minimum, recommended,
and advanced] high school program [programs] that are consistent with the required curriculum under Section 28.002. The [subject to Subsection $(b-1)$, the] State Board of Education shall designate the specific courses in the foundation curriculum under Section 28.002(a)(1) required under [for a student participating in] the foundation [minimum, recommended, or advanced] high school program. Except as provided by this section [subsection (b-1)], the State Board of Education may not designate a specific course or a specific number of credits in the enrichment curriculum as requirements for the [recommended] program.
(b) A school district shall ensure that each student enrolls in the courses necessary to complete the curriculum requirements identified by the State Board of Education under Subsection (a) for the foundation [recommended or advanced] high school program [unless the student, the student's parent or othex person standing in parental relation to the student, and a school counselox ox school administrator agree in writing signed by each party that the student should be permitted to take courses undex the minimum high school program and the student:
[(1) is at least 16 years of age;
[(2) has completed twocredits required for graduation in each subject of the foundation curxiculum under section $28.002(a)(1) ; 0 x$
[(3) has failed to be promoted to the tenth grade one or moxe times as detexmined by the school district].
(b-1) The State Board of Education by rule shall require that [:
[(1) except as provided by Subsection $(b-2)_{1}$ ] the curriculum requirements for the foundation [recommended and advanced] high school program [programs] under Subsection (a) include a requirement that students successfully complete:
(1) $[(A)]$ four credits in English language arts [each subject of the foundation curxiculum] under Section 28.002(a)(1)(A), including one credit in English I, one credit in English II, one credit in English III, and one credit in an advanced English course authorized under Subsection (b-2);
(2) three credits in mathematics under Section 28.002(a)(1)(B), including one credit in Algebra I, one credit in geometry, and one credit in any advanced mathematics course authorizedunder Subsection (b-2) ;
(3) three credits in science under Section 28.002(a)(1)(C), including one credit in biology, one credit in any advanced science course authorized under Subsection (b-2), and one credit in integrated physics and chemistry or in an additional advanced science course authorized under Subsection (b-2) ;
(4) three credits in social studies under Section 28.002(a)(1)(D) [28.002(a)(1)], including one credit in United States history, at least one-half credit in government and at least one-half credit in economics, and one credit in world geography or world history [tomect the social studies requirement];
(5) except as provided under Subsections (b-12) and (b-13) [(B) for the recommended high school program], two credits in the same language in a language other than English under Section $28.002(a)(2)(A)$ [and, for the advanced high school program, three

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eredits in the same language in a language other than English undex
section 28.002(a)(2)(A)]; [and]
    (6) seven [(C) for the recommended high school
program, six] elective credits [and, for the advanced high school
program, fiveelectivecredits];
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    (7) [ (2) one or morecredits offered in the required
    curxiculum for the recommended and advanced high school programs
include a research writing component; and
[ (3) the curriculum requirements for the minimum, recommended, and advanced high school programs under subsection (a) include a requirement that students successfully complete:
[ (A)] one credit in fine arts under Section 28.002(a) (2) (D); and
(8) [(B)] except as provided by Subsection (b-11), one credit in physical education under Section 28.002(a)(2)(C).
(b-2) In adopting rules under Subsection (b-1), the State Board of Education shall provide for [allow a student to comply with the curriculum requirements for an advanced English course under Subsection (b-1)(1) taken after successful completion of English I, English II, and English III, for an advanced [Z] mathematics course under subsection (b-1)(2) [(b-1)(1)] taken after the successful completion of Algebra I and geometry, and for any advanced [either after the successful completion of ox concurrently with Algebra II or a] science course under Subsection (b-1) (3) $[(b-1)(1)$ taken after the successful completion of biology and chemistry and either after the successful completion of ox concurcently with physics] by successfully completing a course in
the appropriate content area that has been approved as an advanced course by board rule or that is offered as an advanced course for local credit without board approval as provided by Section 28.002(f) [eareex and technical course designated by the state Board of Education as containing substantively similar and rigorous zademic content. A student may use the option provided by this subsection for not more than two courses].
( $b-3$ ) In adopting rules for purposes of Subsection (b-2) [ provide students with the option described by subsection $(b-1)(1)(\lambda)]$, the State Board of Education must approve a variety of advanced English, mathematics, and science courses that may be taken [aftex the completion of Algebxa II and physics] to comply with the foundation high school [ program requirements.
(b-4) A school district may offer the curriculum described in Subsections (b-1) (1) through (4) [subsection (b-1)(1)(A)] in an applied manner. Courses delivered in an applied manner must cover the essential knowledge and skills, and the student shall be administered the applicable end-of-course assessment instrument as provided by Sections 39.023(c) and 39.025.
(b-5) A school district may offer a mathematics or science course to be taken by a student after completion of Algebra II and physics [to comply with the recommended program requirements in Subsection $(b-1)(1)(A)]$. A course approved under this subsection must be endorsed by an institution of higher education as a course for which the institution would award course credit or as a prerequisite for a course for which the institution would award

## course credit.

(b-7) The State Board of Education, in coordination with the Texas Higher Education Coordinating Board, shall adopt rules to ensure that a student may comply with the curriculum requirements under the foundation [minimum, recommended, or advanced] high school program for each subject of the foundation curriculum under Section $28.002(a)(1)$ and for languages other than English under Section $28.002(a)(2)(A)$ by successfully completing appropriate courses in the core curriculum of an institution of higher education under Section 61.822.
(b-9) $\underline{A}$ [The agency shall establish a pilot program allowing a] student may [attending school in a county with a population of moxe than one million and in which moxe than 75 percent of the population resides in a single municipality tol satisfy the fine arts credit required under Subsection (b-1)(7) [(b-1)(3)(A)] by participating in a fine arts program not provided by the school district in which the student is enrolled. The fine arts program may be provided on or off a school campus and outside the regular school day. [Not later than December 1, 2010, the agency shall provide to the legislature a report regarding the pilot program, including the feasibility of expanding the pilot program statewide.]
(b-10) A school district, with the approval of the commissioner, may allow a student to comply with the curriculum requirements for the physical education credit required under Subsection (b-1)(8) [(b-1)(3)(B)] by participating in a private or commercially sponsored physical activity program provided on or off a school campus and outside the regular school day.
(b-11) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student who is unable to participate in physical activity due to disability or illness to substitute one credit in English language arts, mathematics, science, or social studies, one credit in a course that is offered for local credit as provided by Section 28.002(f), or one academic elective credit for the physical education credit required under Subsection (b-1)(8) $[(b-1)(3)(B)] . \quad A \quad c r e d i t ~ a l l o w e d ~ t o ~ b e ~$ substituted under this subsection may not also be used by the student to satisfy a graduation requirement other than completion of the physical education credit. The rules must provide that the determination regarding a student's ability to participate in physical activity will be made by:
(1) if the student receives special education services under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee;
(2) if the student does not receive special education services under Subchapter A, Chapter 29, but is covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the committee established for the student under that Act; or
(3) if each of the committees described by Subdivisions (1) and (2) is inapplicable, a committee established by the school district of persons with appropriate knowledge regarding the student.
(b-12) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply

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with the curriculum requirements for the two credits in a language
other than English required under Subsection (b-1)(5) by
substituting two credits in computer programming languages.
    (b-13) In adopting rules under Subsection (b-1), the State
Board of Education shall adopt criteria to allow a student in a
special education program under Subchapter A, Chapter 29, to comply
with the curriculum requirements for two credits in a language
other than English required under Subsection (b-1)(5) by
substituting credits in English language arts, mathematics,
science, or social studies or career and technology or another
academic elective credit. A credit allowed to be substituted under
this subsection may not also be used by the student to satisfy a
graduation requirement other than completion of the language other
than English requirement.
    (b-14) A student may earn a distinguished level of
achievement under the foundation high school program by
successfully completing:
    (1) four credits in mathematics, which must include
Algebra II and the courses described by Subsection (b-1)(2);
    (2) four credits in science, which must include the
courses described by Subsection (b-1)(3);
    (3) the remaining curriculum requirements under
    Subsection (b-1); and
    (4) the curriculum requirements for at least one
    endorsement under Subsection (c-1).
    (c-1) A student may earn an endorsement on the student's
    diploma and transcript by successfully completing curriculum
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requirements for that endorsement adopted by the state Board of Education by rule. An endorsement under this subsection may be earned in any of the following categories:
(1) science, technology, engineering, and mathematics (STEM), which includes courses directly related to science, including environmental science, technology, including computer science, engineering, and advanced mathematics;
(2) business and industry, which includes courses directly related to database management, information technology, communications, accounting, finance, marketing, graphic design, architecture, construction, welding, logistics, automotive technology, agricultural science, and heating, ventilation, and air conditioning;
(3) public services, which includes courses directly related to health sciences and occupations, education and training, law enforcement, and culinary arts and hospitality;
(4) arts and humanities, which includes courses directly related to political science, world languages, cultural studies, English literature, history, and fine arts; and
(5) multidisciplinary studies, which allows a student to select courses from the curriculum of each endorsement area described by Subdivisions (1) through (4).
(c-2) In adopting rules under Subsection (c-1), the state Board of Education shall develop the curriculum requirements for each endorsement with the direct participation of educators and business and industry representatives.
(c-3) A student may earn a performance acknowledgment on the

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student's diploma and transcript by satisfying the requirements for
that acknowledgment adopted by the state Board of Education by
rule. An acknowledgment under this subsection may be earned:
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    (1) for outstanding performance:
            (A) in a dual credit course;
            (B) on a college advanced placement test or
    international baccalaureate examination; or
(C) on the PSAT, the ACT-Plan, the SAT, or the
ACT; or
(2) for earning a nationally or internationally
recognized business or industry certification or license.
(e) Each school district shall report the academic achievement record of students who have completed the foundation [z minimum, xecommended, or advanced] high school program on transcript forms adopted by the state Board of Education. The transcript forms adopted by the board must be designed to clearly [differentiate between each of the high school programs and] identify whether a student received a diploma or a certificate of coursework completion.
(e-1) A school district shall clearly indicate a distinguished level of achievement under the foundation high school program as described by Subsection (b-14), an endorsement described by Subsection $(c-1)$, and a performance acknowledgment described by Subsection (c-3) on the diploma and transcript of a student who satisfies the applicable requirements. The state Board of Education shall adopt rules as necessary to administer this subsection.
(h) The commissioner by rule shall adopt a transition plan to implement and administer the amendments made by _. B. No. _, 83rd Legislature, Regular Session, 2013, replacing the minimum, recommended, and advanced high school programs with the foundation high school program beginning with the $2014-2015$ school year. Under the transition plan, a student who entered the ninth grade before the 2014-2015 school year must be permitted to complete the curriculum requirements required for high school graduation under:
(1) the foundation high school program, if the student chooses during the 2014-2015 school year to take courses under this program;
(2) the minimum high school program, as that program existed before the adoption of _.B. No. _, 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year;
(3) the recommended high school program, as that program existed before the adoption of_..B. No. , 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year; or
(4) the advanced high school program, as that program existed before the adoption of_.B. No. _, 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year.
(h-1) This subsection and Subsection (h) expire September 1, 2018.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 6. (a) Section 28.0253(e), Education Code, is amended to read as follows:
(e) A student who receives a high school diploma through the pilot program is considered to have completed the foundation [recommended] high school program adopted under Section 28.025 [28.025(a)]. The student is not guaranteed admission to any institution of higher education or to any academic program at an institution of higher education solely on the basis of having received the diploma through the program.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 7. (a) Section 28.027(b), Education Code, is amended to read as follows:
(b) The State Board of Education shall establish a process under which an applied STEM course may be reviewed and approved for purposes of satisfying the mathematics and science curriculum requirements for the foundation [recommended] high school program [imposed] under Section $28.025 \quad[28.025(b-1)(1)(A)]$ through substitution of the applied STEM course for a specific mathematics or science course otherwise authorized [required] under the foundation [recommended] high school program [andeompleted during the student's fourth year of mathematics or science course work]. The State Board of Education may only approve a course to substitute for a mathematics course taken after successful completion of Algebra I and geometry [and after successful completion of or concurxently with Algebra II]. The State Board of Education may only approve a course to substitute for a science course taken after

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successful completion of biology [and chemistry and aftex
successfulcompletion of or concurrently with physics].
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(b) This section applies beginning with the 2014-2015 school year.

SECTION 8. (a) Section 29.0821(a), Education Code, is amended to read as follows:
(a) A school district may provide a flexible year program for students who did not or are likely not to perform successfully on an assessment instrument administered under Section 39.023(a), (c), or (1) [39.023] or who would not otherwise be promoted to the next grade level.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 9. (a) Section 29.096(e), Education Code, is amended to read as follows:
(e) The commissioner shall establish minimum standards for a local collaborative agreement, including a requirement that the agreement must be signed by an authorized school district or open-enrollment charter school officer and an authorized representative of each of the other participating entities that is a partner in the collaboration. The program must:
(1) limit participation in the program to students authorized to participate by a parent or other person standing in parental relationship;
(2) have as a primary goal graduation from high school [under at least the recommended high school program];
(3) provide for local businesses or other employers to
offer paid employment or internship opportunities and advanced career and vocational training;
(4) include an outreach component and a lead educational staff member to identify and involve eligible students and public and private entities in participating in the program;
(5) serve a population of students of which at least 50 percent are identified as students at risk of dropping out of school, as described by Section 29.081(d);
(6) allocate not more than 15 percent of grant funds and matching funds, as determined by the commissioner, to administrative expenses;
(7) include matching funds from any of the participating entities; and
(8) include any other requirements as determined by the council.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 10. (a) Section 29.402(b), Education Code, is amended to read as follows:
(b) A person who is under 26 years of age is eligible to enroll in a dropout recovery program under this subchapter if the person:
(1) must complete not more than three course credits to complete the curriculum requirements for the foundation [minimum, recommended, or advanced] high school program[, as appropriate,] for high school graduation; or
(2) has failed to perform satisfactorily on an
end-of-course assessment instrument administered under Section 39.023(c) or an assessment instrument administered under Section 39.023(c) as that section existed before amendment by Chapter 1312 (S.B. 1031), Acts of the 80th Legislature, Regular Session, 2007.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 11. (a) Section 29.904(d), Education Code, is amended to read as follows:
(d) A plan developed under this section:
(1) must establish clear, achievable goals for increasing the percentage of the school district's graduating seniors, particularly the graduating seniors attending a high school described by Subsection (a), who enroll in an institution of higher education for the academic year following graduation;
(2) must establish an accurate method of measuring progress toward the goals established under Subdivision (1) that may include the percentage of district high school students and the percentage of students attending a district high school described by Subsection (a) who:
(A) are enrolled in a course for which a student may earn college credit, such as an advanced placement or international baccalaureate course or a course offered through concurrent enrollment in high school and at an institution of higher education;
(B) are enrolled in courses that meet the curriculum requirements for the distinguished level of achievement under the foundation [rocommended or high school program as determined under Section 28.025;
(C) have submitted a free application for federal student aid (FAFSA);
(D) are exempt under Section 51.3062(p) or (q) from administration of an assessment instrument under Section 51.3062 or have performed successfully on an assessment instrument under Section 51.3062;
(E) graduate from high school;
(F) graduate from an institution of higher education; and
(G) have taken college entrance examinations and the average score of those students on the examinations;
(3) must cover a period of at least five years; and
(4) may be directed at district students at any level of primary or secondary education.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 12. (a) Section 30A.110(b), Education Code, is amended to read as follows:
(b) Each student enrolled under this chapter in an electronic course offered through the state virtual school network must take any assessment instrument under Section 39.023(a), (b), (c), or (1) [39.023] that is administered to students who are provided instruction in the course material in the traditional classroom setting. The administration of the assessment instrument to the student enrolled in the electronic course must be supervised by a proctor.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 13. (a) The heading to Section 33.007, Education Code, is amended to read as follows:

Sec. 33.007. COUNSELING REGARDING POSTSECONDARY [HIGHER] EDUCATION.
(b) This section takes effect beginning with the 2014-2015 school year.

SECTION 14. (a) Sections 33.007(a) and (b), Education Code, are amended to read as follows:
(a) Each school counselor at an elementary, middle, or junior high school, including an open-enrollment charter school offering those grades, shall advise students and their parents or guardians regarding the importance of postsecondary [highex] education, coursework designed to prepare students for postsecondary [highex] education, and financial aid availability and requirements.
(b) During the first school year a student is enrolled in a high school or at the high school level in an open-enrollment charter school, and again during each [ student'sceniox] year of a student's enrollment in high school or at the high school level, a school counselor shall provide information about postsecondary [highex] education to the student and the student's parent or guardian. The information must include information regarding:
(1) the importance of postsecondary [highex] education;
(2) the advantages of earning an endorsement and a
performance acknowledgment and completing the distinguished level of achievement under the foundation [ or high school program [apted under Section 28.025 [28.025(a)];
(3) the disadvantages of taking courses to prepare for a high school equivalency examination relative to the benefits of taking courses leading to a high school diploma;
(4) financial aid eligibility;
(5) instruction on how to apply for federal financial aid;
(6) the center for financial aid information established under Section 61.0776;
(7) the automatic admission of certain students to general academic teaching institutions as provided by Section 51.803;
(8) the eligibility and academic performance requirements for the TEXAS Grant as provided by Subchapter $M$, Chapter 56; and
(9) the availability of programs in the district under which a student may earn college credit, including advanced placement programs, dual credit programs, joint high school and college credit programs, and international baccalaureate programs.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 15. (a) Section 33.0812(a), Education Code, is amended to read as follows:
(a) The State Board of Education by rule shall prohibit participation in a University Interscholastic League area,

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regional, or state competition:
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(1) on Monday through Thursday of the school week in which the primary administration of assessment instruments under Section 39.023(a), (c), (c-2), or (1) occurs; or
(2) if the primary administration of the assessment instruments is completed before Thursday of the school week, beginning on Monday and ending on the last school day on which the assessment instruments are administered.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 16. (a) Sections 39.023(c), (c-2), and (c-3), Education Code, are amended to read as follows:
(c) The agency shall also adopt end-of-course assessment instruments for secondary-level courses in Algebra I, [Algebra II, gometyy] biology, [ehemistry, physics, English $\left.I_{r}\right]$ English II, [English III, woxld geography, world histoxy, and United States history. The Algebra I[, Algebra II, and geometry] end-of-course assessment instrument [instruments] must be administered with the aid of technology. A school district shall comply with State Board of Education rules regarding administration of the assessment instruments listed in this subsection and may [shall] adopt a policy that requires a student's performance on an end-of-course assessment instrument for a course listed in this subsection in which the student is enrolled to be considered in determining [zcount for 15 percent of] the student's final grade for the course. [If a student retakes an end-of-course assessment instrument for a course listed in this subsection, as provided by

Section 39.025, a school district is not required to use the student's pexformance on the subsequent administration ox administrations of the assessment instrument to determine the student'sfinal grade for the course-] If a student is in a special education program under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee shall determine whether any allowable modification is necessary in administering to the student an assessment instrument required under this subsection. The State Board of Education shall administer the assessment instruments. The State Board of Education shall adopt a schedule for the administration of end-of-course assessment instruments specified in this subsection and Subsection (c-2) that complies with the requirements of Subsection (c-3).
(c-2) The agency shall also adopt end-of-course assessment instruments for secondary-level courses in Algebra II and English III, which shall be administered to a student at the student's option. The Algebra II end-of-course assessment instrument must be administered with the aid of technology. A school district shall comply with State Board of Education rules regarding administration of the Algebra II and English III end-of-course assessment instruments. [The agency may adopt end-of-course assessment instruments for courses not listed in Subsection (c).] A student's performance on an end-of-course assessment instrument adopted under this subsection is not subject to the performance requirements established under Subsection (c) or Section 39.025.
(c-3) In adopting a schedule for the administration of assessment instruments under this section, the State Board of

Education [shall require]:
(1) shall require assessment instruments administered under Subsection (a) to be administered on a schedule so that the first assessment instrument is administered at least two weeks later than the date on which the first assessment instrument was administered under Subsection (a) during the 2006-2007 school year; [and]
(2) shall require the spring administration of end-of-course assessment instruments under subsection (c) or the end-of-course assessment instrument in Algebra II under Subsection (c-2) to occur in each school district not earlier than the first full week in May, except that the spring administration of the end-of-course assessment instruments in [English IT] English II[T and English III] must be permitted to occur at an earlier date; and
(3) shall permit the spring administration of the end-of-course assessment instruments in English III under Subsection (c-2) to occur earlier than the first full week in May.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 17. (a) Sections 39.0233(a) and (b), Education Code, are amended to read as follows:
(a) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Sections [section] 39.023(c) and (c-2) to be used for purposes of section 51.3062. The questions adopted under this subsection must be developed in a manner consistent with any college readiness standards adopted under Sections 39.233 [39.113] and 51.3062.
(b) In addition to the questions adopted under Subsection (a), the agency shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Sections [section] 39.023(c) and (c-2) to be used for purposes of identifying students who are likely to succeed in an advanced high school course. A school district shall notify a student who performs at a high level on the questions adopted under this subsection and the student's parent or guardian of the student's performance and potential to succeed in an advanced high school course. A school district may not require a student to perform at a particular level on the questions adopted under this subsection in order to be eligible to enroll in an advanced high school course.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 18. (a) Section 39.024(b), Education Code, is amended to read as follows:
(b) The agency and the Texas Higher Education Coordinating Board shall ensure that the Algebra II and English III end-of-course assessment instruments adopted [quired] under Section 39.023(c-2) [39.023(c)] are developed to be capable of, beginning with the 2011-2012 school year, measuring college readiness.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 19. (a) Section 39.0241(a-2), Education Code, is

## amended to read as follows:

## (a-2) For the purpose of establishing performance across

 grade levels, the commissioner shall establish:(1) the performance standards for the Algebra II and English III end-of-course assessment instruments, as provided under Section 39.024(b) and under Subsection (a);
(2) the performance standards for the Algebra I and English II end-of-course assessment instruments, as determined based on studies under Section 39.0242 that correlate student performance on the Algebra I and English II end-of-course assessment instruments with student performance on the Algebra II and English III assessment instruments;
(3) [the pexformance standards for the English I end-of-course assessment instrument, as detexmined based on studies under section 39.0242 that correlate student performance on the English I end-of-course assessment instrument with student performance on the English II assessment instrument;
[(4)] the performance standards for the grade eight assessment instruments, as determined based on studies under Section 39.0242 that correlate student performance on the grade eight assessment instruments with student performance on the Algebra I and English II [I] end-of-course assessment instruments in the same content area; and
(4) [(5)] the performance standards on the assessment instruments in each of grades three through seven, as determined based on studies under Section 39.0242 that correlate student performance in the same content area on the assessment instrument

## for each grade with student performance on the assessment

 instrument in the succeeding grade.(b) This section applies beginning with the 2013-2014 school year.

SECTION 20. (a) Section 39.0242(b), Education Code, is amended to read as follows:
(b) Before the beginning of the 2011-2012 school year, the agency shall analyze the data collected under Subsection (a) to substantiate:
(1) the correlation between satisfactory student performance for each performance standard under Section 39.0241 on the grade three, four, five, six, or seven assessment instruments with satisfactory performance under the same performance standard on the assessment instruments in the same content area for the next grade level;
(2) the correlation between satisfactory student performance for each performance standard under Section 39.0241 on the grade eight assessment instruments with satisfactory performance under the same performance standard on the Algebra I and English II [I] end-of-course assessment instruments in the same content area;
(3) [the corxelation between satisfactory student performance for each performance standard under section 39.0241 on the English I end-of-course assessment instrument with satisfactory performance under the same performance standard on the English II end-of-course assessment instrument;
[(4)] the correlation between satisfactory student performance for each performance standard under Section 39.0241 on the English II end-of-course assessment instrument with satisfactory performance under the same performance standard on the English III end-of-course assessment instrument; and
(4) [(5)] the correlation between satisfactory student performance for each performance standard under Section 39.0241 on the Algebra I end-of-course assessment instrument with satisfactory performance under the same performance standard on the Algebra II end-of-course assessment instrument.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 21. (a) Section 39.025, Education Code, is amended by amending Subsections (a), (a-1), (b), and (b-2) and adding Subsection (a-4) to read as follows:
(a) The commissioner shall adopt rules requiring a student participating in the recommended or advanced high school program to be administered each end-of-course assessment instrument listed in Section $39.023(c)$ and requiring a student participating in the minimum high school program to be administered an end-of-course assessment instrument listed in Section 39.023(c) only for a course in which the student is enrolled and for which an end-of-course assessment instrument is administered. A student is required to achieve $[$, in each subject in the foundation curyiculum undex Section $28.002(a)(1)$, a cumulative score that is at least equal to the product of the number of end-of-course assessment instruments administered to the student in that subject and a scale score that indicates satisfactory performance, as determined by the
commissioner under Section $39.0241(\mathrm{a})$, on each end-of-course assessment instrument listed under Section 39.023(c) that is administered to the student as provided by this subsection. For each scale score required under this subsection that is not based on a 100-point scale scoring system, the commissioner shall provide for conversion, in accordance with commissioner rule, of the scale score to an equivalent score based on a 100-point scale scoring system. [A student must achieve a minimum score as determined by the commissioner to be within a reasonable range of the scale score under section $39.0241(a)$ on an end-of-course assessment instrument for the score to count towards the student'scumulative score. For purposes of this subsection, a student's cumulative score is detexmined using the student's highest score on each end-of-course assessment instrument administered to the student.] A student may not receive a high school diploma until the student has performed satisfactorily on [the] end-of-course assessment instruments in the manner provided under this subsection. This subsection does not require a student to demonstrate readiness to enroll in an institution of higher education.
(a-1) The commissioner [by rule] shall determine a method by which a student's satisfactory performance on an advanced placement test, $\underline{a n}$ international baccalaureate examination, an SAT subject Test, the SAT, the ACT, or any nationally recognized norm-referenced [anothex] assessment instrument used by institutions of higher education to award course credit based on satisfactory performance on the [determined by the commissioner to be at least as rigoxous as an end-of-course] assessment instrument
[adopted under section $39.023(c)$ ] may be used to satisfy [as a factor in determining whether the student satisfies] the requirements concerning an end-of-course assessment instrument in an equivalent course as prescribed by [өf] Subsection (a)[ד including the cumulative score requirement of that subsection]. The commissioner shall [by rule may] determine a method by which a student's satisfactory performance on the PSAT [a Preliminary Scholastic Ansessment Test (PSAT) assessment] or the ACT-Plan [a preliminary Amexican college Test (ACT) assessment] may be used to satisfy [as a factor in determining whether the student satisfies] the requirements concerning an end-of-course assessment instrument in an equivalent course as prescribed by [毛] Subsection (a). A student who fails to perform satisfactorily on a test or other assessment instrument authorized under this subsection, other than the PSAT or the ACT-Plan, may retake that test or other assessment instrument for purposes of this subsection or may take the appropriate end-of-course assessment instrument. A student who fails to perform satisfactorily on the PSAT or the ACT-Plan must take the appropriate end-of-course assessment instrument. The commissioner shall adopt rules as necessary for the administration of this subsection.
(a-4) The admission, review, and dismissal committee of a student in a special education program under Subchapter A, Chapter 29, shall determine whether, to receive a high school diploma, the student is required to achieve satisfactory performance on end-of-course assessment instruments.
(b) Each time an end-of-course assessment instrument failed to achieve a [minimum] score requirement under Subsection (a) may [shall] retake the assessment instrument. A student who fails to perform satisfactorily on an Algebra II or English III end-of-course assessment instrument under the college readiness performance standard, as provided under Section 39.024(b), may retake the assessment instrument. [Any other student may retake an end-of-course assessment instrument for any reason.] A student is not required to retake a course as a condition of retaking an end-of-course assessment instrument.
(b-2) If a school district determines that a student, on completion of grade 11, is unlikely to achieve the [ score requirement under this section [quirements] for one or more end-of-course assessment instruments [subjects] prescribed under [by] Subsection (a) for receiving a high school diploma, the district shall require the student to enroll in a corresponding content-area college preparatory course for which an end-of-course assessment instrument has been adopted, if available. A student who enrolls in a college preparatory course described by this subsection shall be administered an end-of-course assessment instrument for the course, with the end-of-course assessment instrument scored on a scale as determined by the commissioner [not to exceed 20 pexcent of the cumulative score requirements required to graduate as determined under subsection (a)]. A student may use the student's score on the end-of-course assessment instrument for the college preparatory course towards satisfying the [umulave] score requirement under this section [requirements prescribed by

## Subsection (a)].

(b) This section applies beginning with the 2013-2014 school year.

SECTION 22. (a) Effective September 1, 2014, Section 39.025(a), Education Code, is amended to read as follows:
(a) The commissioner shall adopt rules requiring a student [participating] in the foundation [fecommended or advanced] high school program under Section 28.025 to be administered each end-of-course assessment instrument listed in Section 39.023(c) [and requiring a student participating in the minimum high school program to be administered an end-of-course assessment instrument listed in Section 39.023 (c) only for a course in which the student is enrolled and for which an end-of-course assessment instrument is dministexed]. A student is required to achieve[, in subject in the foundation curriculum under section $28.002(a)(1)$, a eumulative score that is at least equal to the product of the numbex of end-of-course assessment instruments administered to the student in that subject and] a scale score that indicates satisfactory performance, as determined by the commissioner under Section 39.0241(a), on each end-of-course assessment instrument listed under Section $39.023(c)$. For each scale score required under this subsection that is not based on a 100-point scale scoring system, the commissioner shall provide for conversion, in accordance with commissioner rule, of the scale score to an equivalent score based on a 100-point scale scoring system. [A student must achieve a minimum score as determined by the commissionex to be within a reasonable range of the scale score
under section $39.0241(\mathrm{a})$ on an end-of-course assessment instrument
for the score to count towards the student's cumulative score. For
purposes of this subsection, a student's cumulative score is
determined using the student's highest score on each end-of=course
assessment instrument administered to the student.] A student may
not receive a high school diploma until the student has performed
satisfactorily on [the] end-of-course assessment instruments in the manner provided under this subsection. This subsection does not require a student to demonstrate readiness to enroll in an institution of higher education.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 23. (a) Sections 39.034(a) and (c), Education Code, are amended to read as follows:
(a) The commissioner shall determine a method by which the agency may measure annual improvement in student achievement from one school year to the next on an assessment instrument required under this subchapter or on an end-of-course assessment instrument adopted under Section $39.023(c-2)$.
(c) The agency shall use a student's previous years' performance data on an assessment instrument described by Subsection (a) [required undex this subchaptex] to determine the student's expected annual improvement. The agency shall report that expected level of annual improvement and the actual level of annual improvement achieved to the district. The report must state whether the student fell below, met, or exceeded the agency's expectation for improvement.
(b) This section takes effect beginning with the 2013-2014 school year.

SECTION 24. (a) Section 39.035(a), Education Code, is amended to read as follows:
(a) Subject to Subsection (b), the agency may conduct field testing of questions for any assessment instrument administered under Section 39.023(a), (b), (c), (c-2), (d), or (l) that is separate from the administration of the assessment instrument not more frequently than every other school year.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 25. (a) Section 39.053(c), Education Code, is amended to read as follows:
(c) Indicators of student achievement adopted under this section must include:
(1) the results of assessment instruments required under Sections 39.023(a), (c), and (l), including the results of assessment instruments required for graduation retaken by a student, aggregated across grade levels by subject area, including:
(A) for the performance standard determined by the commissioner under Section 39.0241(a):
(i) the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and
(ii) for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by the agency under Section
39.034, on the assessment instruments, aggregated across grade
levels by subject area; and
(B) for the college readiness performance standard as determined under Section 39.0241:
(i) the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and
(ii) for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by the agency under Section 39.034, on the assessment instruments, aggregated across grade levels by subject area;
(2) dropout rates, including dropout rates and district completion rates for grade levels 9 through 12, computed in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education; [ad]
(3) high school graduation rates, computed in accordance with standards and definitions adopted in compliance with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et seq.) ; and
(4) at least three additional indicators of student achievement to evaluate district and campus performance.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 26. (a) Section 39.053(f), Education Code, is amended to read as follows:
(f) Annually, the commissioner shall define the state standard for the current school year for each student achievement indicator described by Subsection (c) and shall project the state standards for each indicator for the following two school years. The commissioner shall periodically raise the state standards for the student achievement indicator described by Subsection (c)(1)(B)(i) for accreditation as necessary to reach the goals of achieving, by not later than the 2019-2020 school year:
(1) student performance in this state, disaggregated by race, ethnicity, and socioeconomic status, that ranks nationally in the top 10 states in terms of college readiness; and
(2) student performance, [including the percentage of students graduating under the recommended ox advanced high school progxam,] with no significant achievement gaps by race, ethnicity, and socioeconomic status.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 27. (a) Sections 39.054(a) and (b), Education Code, are amended to read as follows:
(a) The commissioner shall adopt rules to evaluate school district and campus performance and $[$, not later than August 8 of year,] assign each district and campus a performance rating of A, B, C, or F. In adopting rules under this subsection, the commissioner shall determine the criteria for each designated letter performance rating and designate $A, B$, and $C$ letter performance ratings as reflecting [that reflects] acceptable performance and the $F$ letter performance rating as reflecting [ $\theta$ ] ]
unacceptable performance. Not later than August 8 of each year, the performance rating of each district and campus shall be made publicly available as provided by rules adopted under this subsection. If a district or campus received a performance rating of unacceptable performance for the preceding school year, the commissioner shall notify the district of a subsequent such designation on or before June 15.
(b) In evaluating performance, the commissioner shall evaluate against state standards and consider the performance of each campus in a school district and each open-enrollment charter school on the basis of the campus's or school's performance on the student achievement indicators adopted under Section 39.053, other than, to the greatest extent possible, the student achievement indicator adopted under Section 39.053 (c) (1) [39.053(c)].
(b) This section applies beginning with the 2013-2014 school year.

SECTION 28. (a) Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0545 to read as follows:

Sec. 39.0545. SCHOOL DISTRICT EVALUATION OF PERFORMANCE IN COMMUNITY AND STUDENT ENGAGEMENT; COMPLIANCE. ( a ) Each school district shall evaluate the district's performance and the performance of each campus in the district in community and student engagement and in compliance as provided by this section and assign the district and each campus an acceptable performance rating of $A$, $B$, or $C$, or an unacceptable performance rating of $F$. Not later than August 8 of each year, the district shall report each performance rating to the agency and make the performance ratings publicly

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available as provided by commissioner rule.
    (b) For purposes of assigning the performance ratings under
Subsection (a), a school district must evaluate:
    (1) the following programs or specific categories of
performance at each campus:
    (A) fine arts;
            (B) wellness and physical education;
            (C) community and parental involvement;
            (D) the 21st Century Workforce Development
program; and
            (E) the second language acquisition program; and
            (2) the record of the district and each campus
regarding compliance with statutory reporting and policy
requirements.
    (c) A school district shall use criteria developed by the
commissioner as described by Subsection (d)(1) in conjunction with
criteria developed by a local committee established as provided by
Subsection (d)(2) to evaluate the performance of a campus under
Subsection (b)(1).
(d) The commissioner shall:
(1) in accordance with commissioner rule, establish a separate committee that includes members as described by Sections 39.204(c) and (d) to develop criteria for each program or category of performance under Subsection (b)(1) in the manner provided for developing criteria for a distinction designation under Section 39.204(e); and
(2) by commissioner rule, prescribe requirements for
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school districts to use to establish a local committee to develop district criteria.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 29. (a) Section 39.057(a), Education Code, is amended to read as follows:
(a) The commissioner shall authorize special accreditation investigations to be conducted:
(1) when excessive numbers of absences of students eligible to be tested on state assessment instruments are determined;
(2) when excessive numbers of allowable exemptions from the required state assessment instruments are determined;
(3) in response to complaints submitted to the agency with respect to alleged violations of civil rights or other requirements imposed on the state by federal law or court order;
(4) in response to established compliance reviews of the district's financial accounting practices and state and federal program requirements;
(5) when extraordinary numbers of student placements in disciplinary alternative education programs, other than placements under Sections 37.006 and 37.007, are determined;
(6) in response to an allegation involving a conflict between members of the board of trustees or between the board and the district administration if it appears that the conflict involves a violation of a role or duty of the board members or the administration clearly defined by this code;
(7) when excessive numbers of students in special education programs under Subchapter A, Chapter 29, are assessed through assessment instruments developed or adopted under Section 39.023(b);
(8) in response to an allegation regarding or an analysis using a statistical method result indicating a possible violation of an assessment instrument security procedure established under Section 39.0301, including for the purpose of investigating or auditing a school district under that section;
(9) when a significant pattern of decreased academic performance has developed as a result of the promotion in the preceding two school years of students who did not perform satisfactorily as determined by the commissioner under Section 39.0241(a) on assessment instruments administered under Section 39.023(a), (c), or (1);
(10) [when excessive numbexs of students graduate under the minimum high school programi
[(11)] when excessive numbers of students eligible to enroll fail to complete an advanced mathematics [Algebxa II] course or any other advanced course determined by the commissioner [zs distinguishing betwen students participating in the recommended high school program from students participating in the minimum high school program];
(11) [(12)] when resource allocation practices as evaluated under Section 39.0821 indicate a potential for significant improvement in resource allocation; or
(12) [(13)] as the commissioner otherwise determines

## necessary.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 30. (a) Section 39.082, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (d), (e), (f), (g), (h), (h-1), and (i) to read as follows:
(a) The commissioner shall, in consultation with the comptroller, develop and implement separate financial accountability rating systems for school districts and open-enrollment charter schools in this state that:
(1) distinguish among school districts and distinguish among open-enrollment charter schools, as applicable, based on levels of financial performance; [ad]
(2) include procedures to:
(A) provide additional transparency to public education finance; and
(B) enable the commissioner and school district and open-enrollment charter school administrators to provide meaningful financial oversight and improvement; and
(3) include processes for anticipating the future financial solvency of each school district and open-enrollment charter school, including analysis of district and school revenues and expenditures for preceding school years.
(b) The system must include uniform indicators adopted by [the] commissioner rule by which to measure the financial management performance and future financial solvency of a district or open-enrollment charter school. In adopting indicators under

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this subsection, the commissioner shall assign a point value to
each indicator to be used in a scoring matrix developed by the
commissioner.
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    (d) The commissioner shall evaluate indicators adopted
    under Subsection (b) at least once every three years.
(e) Under the financial accountability rating system
developed under this section, each school district or
open-enrollment charter school, as applicable, shall be assigned a
financial accountability rating of A, B, C, or F. In adopting rules
under this section, the commissioner, in consultation with the
comptroller, shall determine the criteria for each designated
letter performance rating and designate $A, B$, and $C$ letter
performance ratings as passing ratings and the $F$ letter performance
rating as a failingrating.
(f) A district or open-enrollment charter school shall
receive a failing rating under the system if the district or school
fails to achieve a satisfactory rating on:
(1) an indicator adopted under Subsection (b) relating
to financial management or solvency that the commissioner
determines to be critical; or
(2) a category of indicators that suggest trends
leading to financial distress as determined by the commissioner.
(g) Before assigning a final rating under the system, the
commissioner shall assign each district or open-enrollment charter
school a preliminary rating. A district or school may submit
additional information to the commissioner relating to any
indicator on which performance was considered unsatisfactory. The
commissioner shall consider any additional information submitted by a district or school before assigning a final rating. If the commissioner determines that the additional information negates the concern raised by the indicator on which performance was considered unsatisfactory, the commissioner may not penalize the district or school on the basis of the indicator.
(h) The commissioner shall adopt rules for the implementation of this section.
(h-1) The commissioner shall adopt initial rules necessary to implement the changes to this section made by the 83rd Legislature, Regular Session, 2013, not later than March 1, 2015. This subsection expires April 1, 2015.
(i) Not later than August 8 of each year, the financial accountability rating of each school district and open-enrollment charter school under the financial accountability rating system developed under this section shall be made publicly available as provided by rules adopted under this section.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 31. (a) Section 39.0823, Education Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:
(a) If the commissioner, based on the indicators adopted under Section 39.082 or other relevant information, projects a [review process under Section 39.0822 indicates a projected] deficit for a school district or open-enrollment charter school general fund within the following three school years, the agency
[district] shall provide the district or school [agency] interim financial reports, including projected revenues and expenditures [supplemented by staff and student count data, as needed], to evaluate the [district's] current budget status of the district or school.
(d) The agency may require a district or open-enrollment charter school to submit additional information needed to produce a financial report under Subsection (a). If a district or school fails to provide information requested under this subsection or if the commissioner determines that the information submitted by a district or school is unreliable, the commissioner may order the district or school to acquire professional services as provided by Section 39.109.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 32. (a) Subchapter D, Chapter 39, Education Code, is amended by adding Section 39.0824 to read as follows:

Sec. 39.0824. CORRECTIVE ACTION PLAN. (a) A school district or open-enrollment charter school assigned a failing rating under Section 39.082 shall submit to the commissioner a corrective action plan to address the financial weaknesses of the district or school. A corrective action plan must identify problems and include strategies for improvement.
(b) The commissioner may impose appropriate sanctions under Subchapter E against a district or school failing to submit or implement a corrective action plan required under Subsection (a).
(b) This section applies beginning with the 2013-2014

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school year.
    SECTION 33. (a) Section 39.083(b), Education Code, is
amended to read as follows:
(b) The annual financial management report must include:
(1) a description of the district's financial management performance based on a comparison, provided by the agency, of the district's performance on the indicators adopted under Section 39.082(b) to:
(A) state-established standards; and
(B) the district's previous performance on the indicators; and
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(2) [a description of the data submited using the electronic-based program developed undex Section 39.0822; and
[(3)] any descriptive information required by the commissioner.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 34. (a) Section 39.201(a), Education Code, is amended to read as follows:
(a) Not later than August 8 of each year, the commissioner shall award distinction designations for outstanding performance as provided by [undex] this subchapter. A distinction designation awarded to a district or campus under this subchapter shall be referenced directly in connection with the performance rating assigned to the district or campus and made publicly available together with the performance ratings as provided by rules adopted under Section 39.054(a).
(b) This section applies beginning with the 2013-2014 school year.

SECTION 35. (a) Section 39.202, Education Code, is amended to read as follows:

Sec. 39.202. ACADEMIC [EXCEILENCE] DISTINCTION DESIGNATION FOR DISTRICTS AND CAMPUSES. The commissioner by rule shall establish [arecognized and exemplary rating for awarding districts and campuses] an academic distinction designation for districts and campuses for outstanding performance in attainment of postsecondary readiness [mex this subchaptex]. The [In establishing the recognized and exemplaxy xatings, the] commissioner shall adopt criteria for the designation under this section [xatings], including:
(1) percentages of students who:
(A) performed satisfactorily, as determined under the college readiness performance standard under Section 39.0241, on assessment instruments required under Section 39.023(a), (b), (c), or (1) or on end-of-course assessment instruments adopted under Section 39.023(c-2), aggregated across grade levels by subject area; or
(B) met the standard for annual improvement, as determined by the agency under Section 39.034, on assessment instruments required under Section $39.023(a)$, (b), (c), or (l) or on end-of-course assessment instruments adopted under Section 39.023(c-2), aggregated across grade levels by subject area, for students who did not perform satisfactorily as described by Paragraph (A); and
(2) other factors for determining sufficient student attainment of postsecondary readiness.
(b) This section applies beginning with the 2013-2014 school year.

SECTION 36. (a) Section 39.203, Education Code, is amended to read as follows:

Sec. 39.203. CAMPUS DISTINCTION DESIGNATIONS. (a) The commissioner shall award a campus a distinction designation for outstanding performance in improvement in student achievement if the campus is ranked in the top 25 percent of campuses in the state in annual improvement in student achievement as determined under Section 39.034.
(b) In addition to the distinction designation described by Subsection (a), the commissioner shall award a campus a distinction designation for outstanding performance in closing student achievement differentials if the campus demonstrates an ability to significantly diminish or eliminate performance differentials between student subpopulations and is ranked in the top 25 percent of campuses in this state under the performance criteria described by this subsection. The commissioner shall adopt rules related to the distinction designation under this subsection to ensure that a campus does not artificially diminish or eliminate performance differentials through inhibiting the achievement of the highest achieving student subpopulation.
(c) In addition to the distinction designations described by Subsections (a) and (b), a campus that satisfies the criteria developed under Section 39.204 shall be awarded a distinction

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designation by the commissioner for outstanding performance in [for
the following programs or the following specific categories of
pexformance:
    [(1)] academic achievement in English language arts,
mathematics, science, or social studies[;
    [(2) fine arts;
    [(3) physical education;
    [(4) 21st Century Workforce Development program; and
    [(5) second language acquisition program].
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    (d) In addition to the distinction designations otherwise
    described by this section, the commissioner may award a distinction
designation for outstanding performance in advanced middle or
junior high school student achievement to a campus with a
significant number of students below grade nine who perform
satisfactorily on an end-of-course assessment instrument
administered under Section 39.023(c).
(b) This section applies beginning with the 2013-2014 school year.

SECTION 37. (a) Section 39.301(c), Education Code, is amended to read as follows:
(c) Indicators for reporting purposes must include:
(1) the percentage of graduating students who meet the course requirements established by State Board of Education rule for:
(A) the foundation [minimum] high school program;
(B) [ $]$ the distinguished level of achievement
under the foundation [xecommended] high school program; $\boldsymbol{T}_{\boldsymbol{T}}$ ] and
(C) each endorsement described by Section 28.025
(c-1) [the advanced high school program];
(2) the results of the SAT, ACT, articulated postsecondary degree programs described by Section 61.852, and certified workforce training programs described by Chapter 311, Labor Code;
(3) for students who have failed to perform satisfactorily, under each performance standard under Section 39.0241, on an assessment instrument required under section 39.023(a) or (c), the performance of those students on subsequent assessment instruments required under those sections, aggregated by grade level and subject area;
(4) [fox each compus, the number of students, disaggregated by major student subpopulations, that agree undex Section $28.025(\mathrm{~b})$ to take courses under the minimum high school program;
[(5)] the percentage of students, aggregated by grade level, provided accelerated instruction under Section 28.0211(c), the results of assessment instruments administered under that section, the percentage of students promoted through the grade placement committee process under Section 28.0211 , the subject of the assessment instrument on which each student failed to perform satisfactorily under each performance standard under Section 39.0241, and the performance of those students in the school year following that promotion on the assessment instruments required under Section 39.023;
(5) [(6)] the percentage of students of limited English proficiency exempted from the administration of an assessment instrument under Sections 39.027(a)(1) and (2);
(6) [(7)] the percentage of students in a special education program under Subchapter A, Chapter 29, assessed through assessment instruments developed or adopted under Section 39.023(b);
(7) [(8)] the percentage of students who satisfy the college readiness measure;
(8) [(9)] the measure of progress toward dual language proficiency under Section $39.034(b)$, for students of limited English proficiency, as defined by Section 29.052;
(9) [(10)] the percentage of students who are not educationally disadvantaged;
(10) [(11)] the percentage of students who enroll and begin instruction at an institution of higher education in the school year following high school graduation; and
(11) [(12)] the percentage of students who successfully complete the first year of instruction at an institution of higher education without needing a developmental education course.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 38. (a) Section 39.305(b), Education Code, is amended to read as follows:
(b) The report card shall include the following information:
(1) where applicable, the student achievement indicators described by Section 39.053(c) and the reporting indicators described by Sections 39.301(c)(1) through (4) [(5)];
(2) average class size by grade level and subject;
(3) the administrative and instructional costs per student, computed in a manner consistent with Section 44.0071; and
(4) the district's instructional expenditures ratio and instructional employees ratio computed under Section 44.0071, and the statewide average of those ratios, as determined by the commissioner.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 39. (a) Subchapter L, Chapter 39, Education Code, is amended by adding Section 39.363 to read as follows:

Sec. 39.363. NOTICE ON AGENCY WEBSITE. Not later than August 31 of each year, the agency shall make the following information available to the public on the agency's Internet website:
(1) the letter performance rating assigned to each school district and campus under Section 39.054 and each distinction designation awarded to a school district or campus under Subchapter G, Chapter 39;
(2) the letter performance rating assigned to a school district and each campus in the district by the district under Section 39.0545; and
(3) the letter financial accountability rating assigned to each school district and open-enrollment charter school
under Section 39.082 .
(b) This section applies beginning with the 2013-2014 school year.

SECTION 40. (a) Section 51.3062(q-1), Education Code, is amended to read as follows:
(q-1) A student who has completed the foundation [z recommended or advanced] high school program as determined under Section 28.025 and demonstrated the performance standard for college readiness as provided by Section 39.024 on the Algebra II and English III end-of-course assessment instruments is exempt from the requirements of this section with respect to those content areas. The commissioner of higher education by rule shall establish the period for which an exemption under this subsection is valid.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 41. (a) Section 51.803, Education Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (m) to read as follows:
(a) Subject to Subsection (a-1), each general academic teaching institution shall admit an applicant for admission to the institution as an undergraduate student if the applicant graduated with a grade point average in the top 10 percent of the student's high school graduating class in one of the two school years preceding the academic year for which the applicant is applying for admission and:
(1) the applicant graduated from a public or private
high school in this state accredited by a generally recognized accrediting organization or from a high school operated by the United States Department of Defense;
(2) the applicant:
(A) successfully completed:
(i) at a public high school, the curriculum requirements established under Section 28.025 for the distinguished level of achievement under the foundation [recommended or advanced] high school program; or
(ii) at a high school to which Section 28.025 does not apply, a curriculum that is equivalent in content and rigor to the distinguished level of achievement under the foundation [recommended or advanced] high school program; or
(B) satisfied ACT's College Readiness Benchmarks on the ACT assessment applicable to the applicant or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent; and
(3) if the applicant graduated from a high school operated by the United States Department of Defense, the applicant is a Texas resident under Section 54.052 or is entitled to pay tuition fees at the rate provided for Texas residents under Section 54.241(d) [54.058(d)] for the term or semester to which admitted.
(b) An applicant who does not satisfy the curriculum requirements prescribed by Subsection (a) (2) (A) (i) or (ii) is considered to have satisfied those requirements if the student completed the portion of the distinguished level of achievement under the foundation high school program [recommended or advanced]
curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student but was unable to complete the remainder of the curriculum solely because courses necessary to complete the remainder were unavailable to the student at the appropriate times in the student's high school career as a result of course scheduling, lack of enrollment capacity, or another cause not within the student's control.
(d) For purposes of Subsection (c)(2), a student's official transcript or diploma must, not later than the end of the student's junior year, indicate:
(1) whether the student has satisfied or is on schedule to satisfy the requirements of Subsection (a)(2)(A)(i) or (ii), as applicable; or
(2) if Subsection (b) applies to the student, whether the student has completed the portion of the distinguished level of achievement under the foundation high school program [xemend or advanced curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student.
(m) The Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to establish eligibility requirements for admission under this section as to curriculum requirements for high school graduation under Subsection (a)(2)(A) for students participating under the transition plan described by Section $28.025(\mathrm{~h})$ regarding high school curriculum completion. This subsection expires September 1, 2020.
(b) This section applies beginning with the 2014-2015

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school year.
    SECTION 42. (a) Section 51.805, Education Code, is amended
    by amending Subsection (a) and adding Subsection (g) to read as
    follows:
(a) A graduating student who does not qualify for admission under Section 51.803 or 51.804 may apply to any general academic teaching institution if the student:
(1) successfully completed [ the requirements-of]:
(A) at a public high school, the curriculum requirements established under Section 28.025 for the foundation high school program; or
(B) at a high school to which Section 28.025 does not apply, a curriculum that is equivalent in content and rigor to the foundation high school program [(1) section 51.803(a)(2)(A) ox \(51.803(b)\), as applicable to the student, or section \(51.803(\mathrm{a})(2)(\mathrm{B})]\); or [and]
(2) satisfied ACT's College Readiness Benchmarks on the ACT assessment applicable to the applicant or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent [sections 51.803(c)(2) and 51.803(d)].
(g) The Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to establish eligibility requirements for admission under this section as to curriculum requirements for high school graduation under Subsection (a) for students participating under the transition plan described by Section \(28.025(\mathrm{~h})\) regarding high school curriculum
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## completion. This subsection expires September 1, 2020.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 43. (a) Section 51.807(b), Education Code, is amended to read as follows:
(b) The Texas Higher Education Coordinating Board, after consulting with the Texas Education Agency, by rule shall establish standards for determining for purposes of this subchapter:
(1) whether a private high school is accredited by a generally recognized accrediting organization; and
(2) whether a person completed a high school curriculum that is equivalent in content and rigor to the curriculum requirements established under Section 28.025 for the foundation [formend high school program or the distinguished level of achievement under the foundation high school program.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 44. (a) Subchapter A, Chapter 56, Education Code, is amended by adding Section 56.009 to read as follows:

Sec. 56.009. ELIGIBILITY BASED ON GRADUATION UNDER CERTAIN HIGH SCHOOL PROGRAMS. To the extent that a person's eligibility to participate in any program under this chapter, including Subchapters $K, Q$, and $R$, is contingent on the person graduating under the recommended or advanced high school program, as those programs existed before the adoption of _..B. No. , 83rd Legislature, Regular Session, 2013, the Texas Higher Education

## Coordinating Board and the commissioner of education shall jointly

 adopt rules to modify, clarify, or otherwise establish for affected programs appropriate eligibility requirements regarding high school curriculum completion.(b) This section applies beginning with the 2014-2015 school year.

SECTION 45. (a) Section 56.3041, Education Code, is amended to read as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013, AND ENROLLING IN A GENERAL ACADEMIC TEACHING INSTITUTION. (a) Notwithstanding Section 56.304(a), to be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution must:
(1) be a resident of this state as determined by coordinating board rules;
(2) meet the academic requirements prescribed by Paragraph (A), (B), or (C) as follows:
(A) be a graduate of $a$ public or accredited private high school in this state who completed the foundation [recommed high school program established under Section 28.025 or its equivalent and have accomplished any two or more of the following:
(i) [graduation under the advanced high school programestablished undex Section 28.025 ox its equivalent, $]$ successful completion of the course requirements of the international baccalaureate diploma program[ヶ] or earning of the
equivalent of at least 12 semester credit hours of college credit in high school through courses described in Sections 28.009(a)(1), (2), and (3);
(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the coordinating board under Section 51.3062(f) on any assessment instrument designated by the coordinating board under Section 51.3062(c) [or (e)] or qualification for an exemption as described by Section 51. 3062 (p), (q), or (q-1);
(iii) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or
(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course[, as permitted by Section $28.025(b-3)$ r] or at least one advanced career and technical course [, as permitted by Section $28.025(b-2)$ ];
(B) have received an associate degree from a public or private institution of higher education; or
(C) if sufficient money is available, meet the eligibility criteria described by Section 56.304(a)(2)(A);
(3) meet financial need requirements established by the coordinating board;
(4) be enrolled in an undergraduate degree or certificate program at the general academic teaching institution;
(5) except as provided under rules adopted under

Section 56.304(h), be enrolled as:
(A) an entering undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 16 th month after the calendar month in which the person graduated from high school;
(B) an entering undergraduate student who entered military service not later than the first anniversary of the date the person graduated from high school and who enrolled for at least three-fourths of a full course load, as determined by the coordinating board, at the general academic teaching institution not later than 12 months after being honorably discharged from military service; or
(C) a continuing undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 12 th month after the calendar month in which the person received an associate degree from a public or private institution of higher education;
(6) have applied for any available financial aid or assistance; and
(7) comply with any additional nonacademic requirements adopted by the coordinating board under this subchapter.
(b) The Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to establish eligibility requirements for a grant under this section as to curriculum requirements for high school graduation under Subsection (a) (2) (A) for students participating under the
transition plan described by Section 28.025(h) regarding high school curriculum completion. This subsection expires September 1, 2020.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 46. (a) Section 61.0517(a), Education Code, is amended to read as follows:
(a) In this section, "applied STEM course" means an applied science, technology, engineering, or mathematics course offered as part of a school district's career and technology education curriculum and approved, as provided by section 28.027 , by the State Board of Education for purposes of satisfying the mathematics and science curriculum requirements for the foundation [recommended high school program [imposea] under Section 28.025 [28.025(b-1)(1)(A)].
(b) This section applies beginning with the 2014-2015 school year.

SECTION 47. (a) Section 61.792(b), Education Code, is amended to read as follows:
(b) To qualify for a scholarship under this section, a student must:
(1) have graduated with a grade point average in the top 20 percent of the student's high school graduating class;
(2) have graduated from high school with a grade point average of at least 3.5 on a four-point scale or the equivalent in mathematics and science courses offered under the foundation [recommended or advanced] high school program under Section 28.025
[28.025(a)]; and
(3) maintain an overall grade point average of at least 3.0 on a four-point scale at the general academic teaching institution or the private or independent institution of higher education in which the student is enrolled.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 48. (a) Section 61.852(a), Education Code, is amended to read as follows:
(a) A tech-prep program is a program of study that:
(1) combines at least two years of secondary education with at least two years of postsecondary education in a nonduplicative, sequential course of study based on the foundation [fomed high school program adopted by the State Board of Education under Section 28.025 [28.025(a)];
(2) integrates academic instruction and vocational and technical instruction;
(3) uses work-based and worksite learning where available and appropriate;
(4) provides technical preparation in a career field such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, health occupations, business, or applied economics;
(5) builds student competence in mathematics, science, reading, writing, communications, economics, and workplace skills through applied, contextual academics and integrated instruction in a coherent sequence of courses;
(6) leads to an associate degree, two-year postsecondary certificate, or postsecondary two-year apprenticeship with provisions, to the extent applicable, for students to continue toward completion of a baccalaureate degree; and
(7) leads to placement in appropriate employment or to further education.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 49. (a) Section 61.855(d), Education Code, is amended to read as follows:
(d) A tech-prep program must:
(1) be implemented under an articulation agreement between the participants in the consortium;
(2) consist of two to four years of secondary school preceding graduation and:
(A) two or more years of higher education; or
(B) two or more years of apprenticeship following secondary instruction;
(3) have a common core of required proficiency based on the foundation [ high school program adopted by the State Board of Education under Section 28.025 [28.025(a)], with proficiencies in mathematics, science, reading, writing, communications, and technologies designed to lead to an associate's degree or postsecondary certificate in a specific career field;
(4) include the development of tech-prep program curricula for both secondary and postsecondary participants in the

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consortium that:
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(A) meets academic standards developed by the
state;
(B) links secondary schools and two-year postsecondary institutions, and, if practicable, four-year institutions of higher education through nonduplicative sequences of courses in career fields, including the investigation of opportunities for tech-prep students to enroll concurrently in secondary and postsecondary course work;
(C) uses, if appropriate and available, work-based or worksite learning in conjunction with business and all aspects of an industry; and
(D) uses educational technology and distance learning, as appropriate, to involve each consortium participant more fully in the development and operation of programs;
(5) include in-service training for teachers that:
(A) is designed to train vocational and technical teachers to effectively implement tech-prep programs;
(B) provides for joint training for teachers in the tech-prep consortium;
(C) is designed to ensure that teachers and administrators stay current with the needs, expectations, and methods of business and of all aspects of an industry;
(D) focuses on training postsecondary education faculty in the use of contextual and applied curricula and instruction; and
(E) provides training in the use and application

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of technology;
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(6) include training programs for counselors designed to enable counselors to more effectively:
(A) provide information to students regarding tech-prep programs;
(B) support student progress in completing tech-prep programs;
(C) provide information on related employment opportunities;
(D) ensure that tech-prep students are placed in appropriate employment; and
(E) stay current with the needs, expectations, and methods of business and of all aspects of an industry;
(7) provide equal access to the full range of tech-prep programs for individuals who are members of special populations, including by the development of tech-prep program services appropriate to the needs of special populations; and
(8) provide for preparatory services that assist participants in tech-prep programs.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 50. (a) Section 61.861(c), Education Code, is amended to read as follows:
(c) A course developed for purposes of this section must:
(1) provide content that enables a student to develop the relevant and critical skills needed to be prepared for employment or additional training in a high-demand occupation;
(2) incorporate college and career readiness skills as part of the curriculum;
(3) be offered for dual credit; and
(4) satisfy a mathematics or science requirement under the foundation [ or high school program as determined under Section 28.025 .
(b) This section applies beginning with the 2014-2015 school year.

SECTION 51. (a) Section 61.864, Education Code, is amended to read as follows:

Sec. 61.864. REVIEW OF COURSES. Courses for which a grant is awarded under this subchapter shall be reviewed by the commissioner of higher education and the commissioner of education, in consultation with the comptroller and the Texas Workforce Commission, once every four years to determine whether the course:
(1) is being used by public educational institutions in this state;
(2) prepares high school students with the skills necessary for employment in the high-demand occupation and further postsecondary study; and
(3) satisfies a mathematics or science requirement for the foundation [fommended high school program as determined under Section 28.025 .
(b) This section applies beginning with the 2014-2015 school year.

SECTION 52. (a) Section 78.10(b), Education Code, is amended to read as follows:
(b) The Texas Academy of Mathematics and Science is a division of The University of Texas at Brownsville and is under the management and control of the board. The academy serves the following purposes:
(1) to provide academically gifted and highly motivated junior and senior high school students with a challenging university-level curriculum that:
(A) allows students to complete high school graduation requirements[, including requirements adopted undex section 28.025] for the foundation [ high school program and the distinguished level of achievement under the foundation high school program and earn appropriate endorsements as provided by Section 28.025, while attending for academic credit a public institution of higher education;
(B) fosters students' knowledge of real-world mathematics and science issues and applications and teaches students to apply critical thinking and problem-solving skills to those issues and problems;
(C) includes the study of English, foreign languages, social studies, mathematics, science, and technology; and
(D) offers students learning opportunities related to mathematics and science through in-depth research and field-based studies;
(2) to provide students with an awareness of mathematics and science careers and professional development opportunities through seminars, workshops, collaboration with
postsecondary and university students including opportunities for summer studies, internships in foreign countries, and similar methods; and
(3) to provide students with social development activities that enrich the academic curriculum and student life, including, as determined appropriate by the academy, University Interscholastic League activities and other extracurricular activities.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 53. (a) Section 87.505(b), Education Code, is amended to read as follows:
(b) The Texas Academy of International Studies is a division of Texas A\&M International University and is under the management and control of the board. The academy serves the following purposes:
(1) to provide academically gifted and highly motivated junior and senior high school students with a challenging university-level curriculum that:
(A) allows students to complete high school graduation requirements [, including requirements adopted undex section 28.025] for the foundation [advanced] high school program and the distinguished level of achievement under the foundation high school program and earn appropriate endorsements as provided by Section 28.025 , while attending for academic credit a public institution of higher education;
(B) fosters students' knowledge of real-world
international issues and problems and teaches students to apply critical thinking and problem-solving skills to those issues and problems;
(C) includes the study of English, foreign languages, social studies, anthropology, and sociology;
(D) is presented through an interdisciplinary approach that introduces and develops issues, especially issues related to international concerns, throughout the curriculum; and
(E) offers students learning opportunities related to international issues through in-depth research and field-based studies;
(2) to provide students with an awareness of international career and professional development opportunities through seminars, workshops, collaboration with postsecondary students from other countries, summer academic international studies internships in foreign countries, and similar methods; and
(3) to provide students with social development activities that enrich the academic curriculum and student life, including, as determined appropriate by the academy, University Interscholastic League activities and other extracurricular activities generally offered by public high schools.
(b) This section applies beginning with the 2014-2015 school year.

SECTION 54. (a) Effective September 1, 2013, the following provisions of the Education Code are repealed:
(1) Sections 39.025(a-2) and (a-3);
(2) Section 39.0822; and
(3) Sections 39.0823(b) and (c).
(b) Effective September 1, 2014, the following provisions of the Education Code are repealed:
(1) Section 28.002(q); and
(2) Sections 28.025(b-6), (b-8), and (g).

SECTION 55. (a) Except as provided by Subsection (b) of this section, Section 39.025 , Education Code, as amended by Sections 21 and 22 of this Act, as related to reducing end-of-course testing requirements, applies only to students who have entered or will enter the ninth grade during the $2011-2012$ school year or a later school year.
(b) Students who have entered the ninth grade during or after the 2011-2012 school year and before the 2014-2015 school year and who choose to complete the curriculum requirements under the minimum high school program may be administered only those end-of-course assessment instruments that would have been administered to those students under Section 39.025, Education Code, as amended by Section 21 of this Act, and Section 39.025, Education Code, as amended by Section 21 of this Act, is continued in effect for purposes of satisfying those end-of-course testing requirements.

SECTION 56. Except as otherwise provided by this Act, 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, 2013.

