Amend CSHB 22 (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 12.115(c), Education Code, is amended to read as follows:

- (c) The commissioner shall revoke the charter of an open-enrollment charter school if:
- (1) the charter holder has been assigned an unacceptable performance rating <u>for the school progress domain</u> <u>under Section 39.053(c)(2)</u> [<u>under Subchapter C, Chapter 39,</u>] for the three preceding school years;
- (2) the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance lower than satisfactory for the three preceding school years; or
- (3) the charter holder has been assigned any combination of the ratings described by Subdivision (1) or (2) for the three preceding school years.

SECTION _____. Sections 12A.008(a) and (c), Education Code, are amended to read as follows:

- (a) The commissioner may terminate a district's designation as a district of innovation if the district receives for two consecutive school years:
- (1) an unacceptable [academic] performance rating <u>for</u>
 the school progress domain under Section 39.053(c)(2) [under
 Section 39.054];
- (2) an unacceptable financial accountability rating under Section 39.082; or
- (3) an unacceptable [academic] performance rating $\underline{\text{for}}$ the school progress domain under Section 39.053(c)(2) [under Section 39.054] for one of the school years and an unacceptable financial accountability rating under Section 39.082 for the other school year.
- (c) The commissioner shall terminate a district's designation as a district of innovation if the district receives for three consecutive school years:
 - (1) an unacceptable [academic] performance rating for

the school progress domain under Section 39.053(c)(2) [under Section 39.054];

- (2) an unacceptable financial accountability rating under Section 39.082; or
- (3) any combination of one or more unacceptable ratings under Subdivision (1) and one or more unacceptable ratings under Subdivision (2).

SECTION _____. The heading to Section 13.054, Education Code, is amended to read as follows:

Sec. 13.054. [ACADEMICALLY UNACCEPTABLE] SCHOOL DISTRICTS RATED UNACCEPTABLE.

SECTION _____. Sections 13.054(a), (b), and (d), Education Code, are amended to read as follows:

- (a) The commissioner by order may annex to one or more adjoining districts a school district that has been rated as [academically] unacceptable for the school progress domain under Section 39.053(c)(2) for a period of two years.
- (b) The governing board of a district to which territory of an [academically] unacceptable district is annexed <u>under Subsection (a)</u> is the governing board for the new district.
- (d) Title to the real property of the [academically] unacceptable district subject to Subsection (a) vests in the district to which the property is annexed. Each district to which territory is annexed assumes and is liable for any portion of the [academically] unacceptable district's indebtedness that is allocated to the receiving district under Section 13.004.