

1-1 By: Giddings, White (Senate Sponsor - Zaffirini) H.B. No. 2223
1-2 (In the Senate - Received from the House May 8, 2017;
1-3 May 9, 2017, read first time and referred to Committee on Higher
1-4 Education; May 15, 2017, reported favorably by the following vote:
1-5 Yeas 7, Nays 0; May 15, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Seliger	X		
1-9	West	X		
1-10	Bettencourt	X		
1-11	Buckingham	X		
1-12	Menéndez	X		
1-13	Taylor of Galveston	X		
1-14	Watson	X		

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to developmental coursework offered by public
1-18 institutions of higher education under the Texas Success
1-19 Initiative.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 ARTICLE 1. TEXAS SUCCESS INITIATIVE

1-22 SECTION 1.01. Chapter 51, Education Code, is amended by
1-23 adding Subchapter F-1, and a heading is added to that subchapter to
1-24 read as follows:

1-25 SUBCHAPTER F-1. TEXAS SUCCESS INITIATIVE

1-26 SECTION 1.02. Sections 51.3062(a) and (a-1), Education
1-27 Code, are transferred to Subchapter F-1, Chapter 51, Education
1-28 Code, as added by this Act, redesignated as Section 51.331,
1-29 Education Code, and amended to read as follows:

1-30 Sec. 51.331. DEFINITIONS. (a) The definitions provided by
1-31 Section 61.003 apply to this subchapter [section].

1-32 (b) [(a-1)] In this subchapter [section]:

1-33 (1) "Basic academic skills education" means
1-34 non-course competency-based developmental education programs and
1-35 interventions designed for students whose performance falls
1-36 significantly below college readiness standards.

1-37 (2) "Program evaluation" means a systematic method of
1-38 collecting, analyzing, and using information to answer questions
1-39 about developmental education courses, interventions, and
1-40 policies, particularly about their effectiveness and
1-41 cost-efficiency.

1-42 SECTION 1.03. Section 51.3062(r), Education Code, is
1-43 transferred to Subchapter F-1, Chapter 51, Education Code, as added
1-44 by this Act, redesignated as Section 51.332, Education Code, and
1-45 amended to read as follows:

1-46 Sec. 51.332. APPLICABILITY. [(r)] This subchapter
1-47 [section] does not apply to:

1-48 (1) a student who has graduated with an associate or
1-49 baccalaureate degree from an institution of higher education;

1-50 (2) a student who transfers to an institution of
1-51 higher education from a private or independent institution of
1-52 higher education or an accredited out-of-state institution of
1-53 higher education and who has satisfactorily completed
1-54 college-level coursework;

1-55 (3) a student who is enrolled in a certificate program
1-56 of one year or less at a public junior college, a public technical
1-57 institute, or a public state college;

1-58 (4) a student who is serving on active duty as a member
1-59 of:

- 1-60 (A) the armed forces of the United States; or
1-61 (B) the Texas National Guard;

(5) a student who is currently serving as and, for at least the three-year period preceding enrollment, has served as a member of a reserve component of the armed forces of the United States; or

(6) a student who on or after August 1, 1990, was honorably discharged, retired, or released from:

(A) active duty as a member of the armed forces of the United States or the Texas National Guard; or

(B) service as a member of a reserve component of the armed forces of the United States.

SECTION 1.04. Section 51.3062(b), Education Code, is transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.333, Education Code, and amended to read as follows:

Sec. 51.333. COLLEGE READINESS ASSESSMENT REQUIRED. (a) ~~[(b)]~~ An institution of higher education shall, using an assessment instrument designated by the board under Section 51.334, assess the academic skills of each entering undergraduate student to determine the student's readiness to enroll in freshman-level academic coursework.

(b) An institution of higher education may not use the assessment required under this section or the results of the assessment as a condition of admission to the institution.

SECTION 1.05. Sections 51.3062(c), (f), and (f-1), Education Code, are transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.334, Education Code, and amended to read as follows:

Sec. 51.334. ASSESSMENT INSTRUMENTS. (a) ~~[(e)]~~ The board shall designate one or more instruments for use by institutions of higher education in assessing students under this subchapter ~~[this section]~~.

(b) ~~[(f)]~~ Each assessment instrument designated by the board for use under this subchapter ~~[section]~~ must be diagnostic in nature and designed to assess a student's readiness to perform freshman-level academic coursework. The board shall prescribe a single standard or set of standards for each assessment instrument to effectively measure student readiness as demonstrated by current research.

(c) ~~[(f-1)]~~ For each assessment instrument designated by the board for use under this subchapter ~~[section]~~, the board shall prescribe a score below which a student is eligible for basic academic skills education.

SECTION 1.06. Sections 51.3062(g) and (h), Education Code, are transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.335, Education Code, and reordered and amended to read as follows:

Sec. 51.335. COLLEGE READINESS ADVISING. (a) ~~[(h)]~~ If a student fails to meet the assessment standards described by Section 51.334(b) ~~[Subsection (f)]~~, the institution of higher education shall work with the student to develop a plan to assist the student in becoming ready to perform freshman-level academic coursework. The plan must be designed on an individual basis to provide the best opportunity for each student to attain that readiness.

(b) ~~[(g)]~~ Each institution of higher education shall establish a program to advise students regarding coursework and other means by which students can develop the academic skills required to successfully complete college-level work.

SECTION 1.07. Sections 51.3062(i), (i-2), and (t), Education Code, are transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.336, Education Code, and amended to read as follows:

Sec. 51.336. DEVELOPMENTAL EDUCATION. (a) ~~[(i)]~~ The institution of higher education may refer a student to developmental coursework, including basic academic skills education, as considered necessary by the institution to address a student's deficiencies in the student's readiness to perform freshman-level academic coursework, except that the institution may not require enrollment in developmental coursework with respect to a student previously determined under Section 51.338(d)

3-1 ~~[Subsection (q-1)]~~ or ~~[determined]~~ by any institution of higher
 3-2 education to have met college-readiness standards.

3-3 (b) An institution of higher education that requires a
 3-4 student to enroll in developmental coursework must offer a range of
 3-5 developmental coursework, including online coursework, or
 3-6 instructional support that includes the integration of technology
 3-7 to efficiently address the particular developmental needs of the
 3-8 student.

3-9 (c) Each institution of higher education shall develop and
 3-10 implement for developmental coursework, other than adult basic
 3-11 education or basic academic skills education, developmental
 3-12 education using a corequisite model under which a student
 3-13 concurrently enrolls in a developmental education course and a
 3-14 freshman-level course in the same subject area for each subject
 3-15 area for which the student is referred to developmental coursework.
 3-16 Each institution shall ensure that at least 75 percent of the
 3-17 institution's students enrolled in developmental coursework other
 3-18 than adult basic education or basic academic skills education are
 3-19 enrolled in developmental coursework described by this subsection.

3-20 (d) If a student fails to satisfactorily complete a
 3-21 freshman-level course described by Subsection (c), the institution
 3-22 of higher education shall:

3-23 (1) review the plan developed for the student under
 3-24 Section 51.335(a) and, if necessary, work with the student to
 3-25 revise the plan; and

3-26 (2) offer to the student a range of competency-based
 3-27 education programs to assist the student in becoming ready to
 3-28 perform freshman-level academic coursework in the applicable
 3-29 subject area.

3-30 (e) ~~[(i-2)]~~ An institution of higher education must base
 3-31 developmental coursework on research-based best practices that
 3-32 include the following components:

3-33 (1) assessment;
 3-34 (2) differentiated placement and instruction;
 3-35 (3) faculty development;
 3-36 (4) support services;
 3-37 (5) program evaluation;
 3-38 (6) integration of technology with an emphasis on
 3-39 instructional support programs;

3-40 (7) non-course-based developmental education
 3-41 interventions; and

3-42 (8) subject to the requirements of Subsection (c),
 3-43 course pairing of developmental education courses with
 3-44 credit-bearing courses.

3-45 (f) ~~[(t)]~~ To allow a student to complete any necessary
 3-46 developmental coursework in the most efficient and cost-effective
 3-47 manner, the board shall encourage institutions of higher education
 3-48 to offer various types of developmental coursework that address
 3-49 various levels of deficiency in readiness to perform college
 3-50 coursework for which course credit may be earned, as determined on
 3-51 the basis of assessments as described by Section 51.334 ~~[Subsection~~
 3-52 ~~(f)]~~ . The types of developmental coursework may include:

3-53 (1) course-based programs;
 3-54 (2) non-course-based programs, such as advising
 3-55 programs;

3-56 (3) module format programs;
 3-57 (4) competency-based education programs;
 3-58 (5) basic academic skills education, if applicable to
 3-59 the student; and

3-60 (6) subject to the requirements of Subsection
 3-61 (c), programs under which the student is pairing or taking
 3-62 concurrently a developmental education course and another course in
 3-63 the same subject area for which course credit may be earned.

3-64 SECTION 1.08. Sections 51.3062(j) and (k), Education Code,
 3-65 are transferred to Subchapter F-1, Chapter 51, Education Code, as
 3-66 added by this Act, redesignated as Section 51.337, Education Code,
 3-67 and amended to read as follows:

3-68 Sec. 51.337. REEVALUATION OF COLLEGE READINESS. (a)
 3-69 ~~[(j)]~~ A student may retake an assessment instrument designated by

the board for use under this subchapter at any time to determine readiness to perform freshman-level academic coursework.

(b) ~~[(k)]~~ An institution of higher education shall determine when a student is ready to perform freshman-level academic coursework. The institution must make its determination using learning outcomes for developmental education courses developed by the board based on established college and career readiness standards and student performance on one or more appropriate assessments.

SECTION 1.09. Sections 51.3062(p), (q), (q-1), (q-2), and (s), Education Code, are transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.338, Education Code, and reordered and amended to read as follows:

Sec. 51.338. EXEMPTIONS. (a) ~~[(s)]~~ An institution of higher education may exempt a non-degree-seeking or non-certificate-seeking student from the requirements of this subchapter ~~[section]~~.

(b) ~~[(p)]~~ A student who has achieved a score set by the board on the SAT ~~[Scholastic Assessment Test (SAT)]~~ or ACT ~~[the American College Test (ACT)]~~ is exempt from the requirements of this subchapter ~~[section]~~. An exemption under this subsection is effective for the five-year period following the date a student takes the test and achieves the standard set by the board.

(c) ~~[(q)]~~ A student who has achieved scores set by the board on the questions developed for end-of-course assessment instruments under Section 39.0233(a) is exempt from the requirements of this subchapter ~~[section]~~. The exemption is effective for the three-year period following the date a student takes the last assessment instrument for purposes of this subchapter ~~[section]~~ and achieves the standard set by the board. This subsection does not apply during any period for which the board designates the questions developed for end-of-course assessment instruments under Section 39.0233(a) as the primary assessment instrument under this subchapter ~~[section]~~, except that the three-year period described by this subsection remains in effect for students who qualify for an exemption under this subsection before that period.

(d) ~~[(q-1)]~~ A student who has demonstrated the performance standard for college readiness as provided by Section 28.008 on the postsecondary readiness assessment instruments adopted under Section 39.0238 for Algebra II and English III is exempt from the requirements of this subchapter ~~[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.

(e) ~~[(q-2)]~~ A student who successfully completes a college preparatory course under Section 28.014 is exempt from the requirements of this subchapter ~~[section]~~ with respect to the content area of the course, provided that the student satisfies the requirements of Subsection (f) of this section. The exemption is effective for the two-year period following the date the student graduates from high school~~[, and the student must enroll in the student's first college-level course in the exempted content area in the student's first year of enrollment in an institution of higher education. If the student earns less than a C in the student's first college-level course in the exempted content area, the institution shall advise the student of non-course-based options for becoming college ready, such as tutoring or accelerated learning]~~. The exemption applies only at the institution of higher education that partners with the school district in which the student is enrolled to provide the course, except that the commissioner of higher education by rule may determine the manner in which the exemption may be applied to institutions of higher education other than the partnering institution.

(f) A student receiving an exemption under Subsection (e) must enroll in a college-level course in the exempted content area during the student's first year of enrollment at an institution of higher education occurring after the student qualifies for the

exemption. If the student earns a grade below a "C" for the course, the institution shall advise the student of non-course-based options for attaining college readiness, such as tutoring or accelerated learning.

(g) The board [~~Texas Higher Education Coordinating Board~~] shall:

(1) collect and analyze data regarding the effectiveness of college preparatory courses provided under Section 28.014 in assisting students to become ready to perform freshman-level academic coursework, as measured by the rate at which students receiving an exemption under Subsection (e) successfully complete the course described by Subsection (f); and

(2) in November of each even-numbered year, submit a [~~students' successful completion of the first college-level course in the exempted content area. The board shall~~] report of the board's [~~its~~] findings to [~~all partnering institutions of higher education and independent school districts of each college preparatory course evaluated, as well as~~] the governor, the lieutenant governor, the speaker of the house of representatives, the standing legislative committees with primary jurisdiction over higher education, and each institution of higher education and school district that offers a college preparatory course under Section 28.014 [~~and the members of the House and Senate Committees on Higher Education~~].

SECTION 1.10. Section 51.3062(i-4), Education Code, is transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.339, Education Code, and amended to read as follows:

Sec. 51.339. PROFESSIONAL DEVELOPMENT FOR DEVELOPMENTAL EDUCATION. [~~(i-4)~~] The board, in consultation with institutions of higher education, shall develop and provide professional development programs, including instruction in differentiated instruction methods designed to address students' diverse learning needs, to faculty and staff who provide developmental coursework, including basic academic skills education, to students.

SECTION 1.11. Sections 51.3062(l) and (m), Education Code, are transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.340, Education Code, and amended to read as follows:

Sec. 51.340. FUNDING. (a) [~~(1)~~] The legislature shall appropriate money for approved non-degree-credit developmental courses, including basic academic skills education, except that legislative appropriations may not be used for developmental coursework taken by a student in excess of:

(1) for a general academic teaching institution:
 (A) 9 semester credit hours; or
 (B) 18 semester credit hours, if the developmental coursework is English for speakers of other languages [~~for a general academic teaching institution~~]; and

(2) for a public junior college, public technical institute, or public state college:

(A) 18 semester credit hours; or
 (B) 27 semester credit hours, if the developmental coursework is English for speakers of other languages [~~for a public junior college, public technical institute, or public state college~~].

(b) [~~(m)~~] The board may develop formulas to supplement the funding of developmental academic programs by institutions of higher education, including formulas for supplementing the funding of non-course-based programs. The board may develop a performance funding formula by which institutions of higher education may receive additional funding for each student who completes the success initiative [~~Success Initiative~~] established under this subchapter [~~section~~] and then successfully completes college coursework. The legislature may appropriate the money required to provide the additional funding under those formulas.

SECTION 1.12. Section 51.3062(n), Education Code, is transferred to Subchapter F-1, Chapter 51, Education Code, as added by this Act, redesignated as Section 51.341, Education Code, and

6-1 amended to read as follows:

6-2 Sec. 51.341. REPORT TO BOARD. ~~[(n)]~~ Each institution of
6-3 higher education, other than a medical and dental unit, shall
6-4 report annually to the board on the success of its students and the
6-5 effectiveness of its success initiative ~~[Success Initiative]~~.

6-6 SECTION 1.13. Section 51.3062(u), Education Code, is
6-7 transferred to Subchapter F-1, Chapter 51, Education Code, as added
6-8 by this Act, redesignated as Section 51.342, Education Code, and
6-9 amended to read as follows:

6-10 Sec. 51.342. REPORT TO SCHOOL DISTRICTS. ~~[(u)]~~ An
6-11 institution of higher education that administers an assessment
6-12 instrument to students under this subchapter ~~[this section]~~ shall
6-13 report to each school district from which assessed students
6-14 graduated high school all available information regarding student
6-15 scores and performance on the assessment instrument and student
6-16 demographics. ~~[The board shall adopt rules as necessary to
6-17 implement this subsection, including rules for implementing this
6-18 subsection in a manner that complies with federal law regarding
6-19 confidentiality of student medical or educational information,
6-20 including the Health Insurance Portability and Accountability Act
6-21 of 1996 (42 U.S.C. Section 1320d et seq.) and the Family Educational
6-22 Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any
6-23 state law relating to the privacy of student information.]~~

6-24 SECTION 1.14. Section 51.3062(o), Education Code, is
6-25 transferred to Subchapter F-1, Chapter 51, Education Code, as added
6-26 by this Act, redesignated as Section 51.343, Education Code, and
6-27 amended to read as follows:

6-28 Sec. 51.343. EVALUATION OF SUCCESS INITIATIVE. ~~[(o)]~~ The
6-29 board shall evaluate the effectiveness of the success initiative
6-30 ~~[Success Initiative]~~ on a statewide basis and with respect to each
6-31 institution of higher education.

6-32 SECTION 1.15. Sections 51.3062(i-1), (i-3), and (t-1),
6-33 Education Code, are transferred to Subchapter F-1, Chapter 51,
6-34 Education Code, as added by this Act, redesignated as Section
6-35 51.344, Education Code, and reordered and amended to read as
6-36 follows:

6-37 Sec. 51.344. RULES. (a) ~~[(t-1)]~~ The board may adopt rules
6-38 as necessary to implement this subchapter ~~[section]~~.

6-39 (b) ~~[(i-1)]~~ The board's rules ~~[commissioner of higher
6-40 education]~~ may ~~[by rule]~~ require an institution of higher education
6-41 to adopt uniform standards for the placement of a student under this
6-42 subchapter ~~[section]~~.

6-43 (c) The board shall adopt rules to ensure that this
6-44 subchapter is administered in a manner that complies with federal
6-45 law regarding confidentiality of student medical or educational
6-46 information, including the Health Insurance Portability and
6-47 Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.), the
6-48 Family Educational Rights and Privacy Act of 1974 (20 U.S.C.
6-49 Section 1232g), and any state law relating to the privacy of student
6-50 information.

6-51 (d) ~~[(i-3)]~~ The board shall adopt rules for the
6-52 implementation of Section 51.336(e) ~~[Subsection (i-2)]~~.

6-53 SECTION 1.16. The heading to Section 51.3062, Education
6-54 Code, is repealed.

6-55 SECTION 1.17. Each public institution of higher education
6-56 shall ensure that the institution's developmental coursework
6-57 complies with the requirements of Section 51.336(c), Education
6-58 Code, as added by this Act, according to the following schedule:

6-59 (1) for the 2018-2019 academic year, at least 25
6-60 percent of the institution's students enrolled in developmental
6-61 coursework other than adult basic education or basic academic
6-62 skills education must be enrolled in developmental coursework that
6-63 complies with those requirements;

6-64 (2) for the 2019-2020 academic year, at least 50
6-65 percent of the institution's students enrolled in developmental
6-66 coursework other than adult basic education or basic academic
6-67 skills education must be enrolled in developmental coursework that
6-68 complies with those requirements; and

6-69 (3) for the 2020-2021 academic year and each

subsequent academic year, at least 75 percent of the institution's students enrolled in developmental coursework other than adult basic education or basic academic skills education must be enrolled in developmental coursework that complies with those requirements.

SECTION 1.18. Section 51.340(a), Education Code, as transferred, redesignated, and amended from Section 51.3062(1), Education Code, by this Act, applies beginning with the 2018-2019 academic year.

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Section 28.014(a), Education Code, is amended to read as follows:

(a) Each school district shall partner with at least one institution of higher education to develop and provide courses in college preparatory mathematics and English language arts. The courses must be designed:

(1) for students at the 12th grade level whose performance on:

(A) an end-of-course assessment instrument required under Section 39.023(c) does not meet college readiness standards; or

(B) coursework, a college entrance examination, or an assessment instrument designated under Section 51.334 [51.3062(c)] indicates that the student is not ready to perform entry-level college coursework; and

(2) to prepare students for success in entry-level college courses.

SECTION 2.02. 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 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 51.338 [51.3062(p) or (q)] from administration of an assessment instrument under Subchapter F-1, Chapter 51, [Section 51.3062] or have performed successfully on an assessment instrument under that subchapter [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.

SECTION 2.03. Section 39.0233(a), Education Code, is 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 Section 39.023(c) to be used for purposes of Subchapter F-1,

Chapter 51 [~~Section 51.3062~~]. The questions adopted under this subsection must be developed in a manner consistent with any college readiness standards adopted under Section [~~Sections~~] 39.233 and Subchapter F-1, Chapter 51 [~~51.3062~~].

SECTION 2.04. Section 39.025(a-1), Education Code, is amended to read as follows:

(a-1) A student enrolled in a college preparatory mathematics or English language arts course under Section 28.014 who satisfies the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.334 [~~51.3062(f)~~] on an assessment instrument designated by the coordinating board [~~Texas Higher Education Coordinating Board~~] under that section [~~Section 51.3062(c)~~] administered at the end of the college preparatory mathematics or English language arts course satisfies the requirements concerning and is exempt from the administration of the Algebra I or the English I and English II end-of-course assessment instruments, as applicable, as prescribed by Section 39.023(c), even if the student did not perform satisfactorily on a previous administration of the applicable end-of-course assessment instrument. A student who fails to perform satisfactorily on the assessment instrument designated by the coordinating board [~~Texas Higher Education Coordinating Board~~] under Section 51.334 [~~51.3062(c)~~] administered as provided by this subsection may retake that assessment instrument for purposes of this subsection or may take the appropriate end-of-course assessment instrument.

SECTION 2.05. Sections 39.053(c) and (c-2), Education Code, are amended to read as follows:

(c) School districts and campuses must be evaluated based on five domains of indicators of achievement adopted under this section that include:

(1) in the first domain, the results of:

(A) assessment instruments required under Sections 39.023(a), (c), and (1), including the results of assessment instruments required for graduation retaken by a student, aggregated across grade levels by subject area, including:

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

(ii) for the college readiness performance standard as determined under Section 39.0241, the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and

(B) assessment instruments required under Section 39.023(b), aggregated across grade levels by subject area, including the percentage of students who performed satisfactorily on the assessment instruments, as determined by the performance standard adopted by the agency, aggregated across grade levels by subject area;

(2) in the second domain:

(A) for assessment instruments under Subdivision

(1)(A):

(i) for the performance standard determined by the commissioner under Section 39.0241(a), the percentage of students who met the standard for annual improvement on the assessment instruments, as determined by the commissioner by rule or by the method for measuring annual improvement under Section 39.034, aggregated across grade levels by subject area; and

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

(B) for assessment instruments under Subdivision (1)(B), the percentage of students who met the standard for annual improvement on the assessment instruments, as determined by the commissioner by rule or by the method for measuring annual

improvement under Section 39.034, aggregated across grade levels by subject area;

(3) in the third domain, the student academic achievement differentials among students from different racial and ethnic groups and socioeconomic backgrounds;

(4) in the fourth domain:

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

(i) 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;

(ii) 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.);

(iii) the percentage of students who successfully completed the curriculum requirements for the distinguished level of achievement under the foundation high school program;

(iv) the percentage of students who successfully completed the curriculum requirements for an endorsement under Section 28.025(c-1);

(v) the percentage of students who completed a coherent sequence of career and technical courses;

(vi) the percentage of students who satisfy the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.334 [~~51.3062(f)~~] on an assessment instrument in reading, writing, or mathematics designated by the coordinating board [~~Texas Higher Education Coordinating Board~~] under that section [~~Section 51.3062(e)~~];

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

(viii) the percentage of students who have completed an advanced placement course;

(ix) the percentage of students who enlist in the armed forces of the United States; and

(x) the percentage of students who earn an industry certification;

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

(i) student attendance; and

(ii) for middle and junior high school campuses:

(a) dropout rates, computed in the manner described by Paragraph (A)(i); and

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

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

(5) in the fifth domain, three programs or specific categories of performance related to community and student engagement locally selected and evaluated as provided by Section 39.0546.

(c-2) The commissioner by rule shall determine a method by

which a student's performance may be included in determining the performance rating of a school district or campus under Section 39.054 if, before the student graduates, the student:

(1) satisfies the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.334 [~~51.3062(f)~~] on an assessment instrument designated by the coordinating board [~~Texas Higher Education Coordinating Board~~] under that section [~~Section 51.3062(e)~~]; or

(2) performs satisfactorily on an assessment instrument under Section 39.023(c), notwithstanding Subsection (d) of this section.

SECTION 2.06. Section 51.406(c), Education Code, is amended to read as follows:

(c) A rule or policy of a state agency, including the Texas Higher Education Coordinating Board, in effect on June 1, 2011, that requires reporting by a university system or an institution of higher education has no effect on or after September 1, 2013, unless the rule or policy is affirmatively and formally readopted before that date by formal administrative rule published in the Texas Register and adopted in compliance with Chapter 2001, Government Code. This subsection does not apply to:

(1) a rule or policy for which the authorizing statute is listed in Subsection (b);

(2) a rule or policy for which the authorizing statute is repealed on or before September 1, 2013, by legislation enacted by the legislature that becomes law; or

(3) a report required under any of the following provisions:

(A) Article 59.06(g)(1), Code of Criminal Procedure;

(B) Section 51.005;

(C) Section 51.0051;

(D) Subchapter F-1 of this chapter [~~Section 51.3062~~];

(E) Section 51.402;

(F) Section 56.039;

(G) [~~Section 61.051(k)~~];

[~~(H)~~] Section 61.059;

[~~(I)~~] Section 62.095(b);

[~~(J)~~] Section 62.098;

[~~(K)~~] Section 411.187(b), Government Code;

[~~(L)~~] Subchapter C, Chapter 606, Government Code;

[~~(M)~~] Subchapter E, Chapter 815, Government Code; or

[~~(N)~~] Chapter 1551, Insurance Code.

SECTION 2.07. Section 54.2001(b), Education Code, is amended to read as follows:

(b) In determining whether a person has completed a number of semester credit hours that is considered to be excessive for purposes of Subsection (a)(2), semester credit hours completed include transfer credit hours that count toward the person's undergraduate degree or certificate program course requirements but exclude:

(1) hours earned exclusively by examination;

(2) hours earned for a course for which the person received credit toward the person's high school academic requirements; and

(3) hours earned for developmental coursework that an institution of higher education required the person to take under Subchapter F-1, Chapter 51, [Section 51.3062] or under the [former] provisions of former Section 51.306 or former Section 51.3062.

SECTION 2.08. Section 56.3041(a), Education Code, is amended to read as follows:

(a) To be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling in an eligible 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), (C), or (D) as follows:

(A) be a graduate of a public or accredited private high school in this state who completed the foundation high school program established under Section 28.025 or its equivalent and have accomplished any two or more of the following:

(i) successful completion of the course requirements of the international baccalaureate diploma program 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 51.334 [~~51.3062(f)~~] on any assessment instrument designated by the coordinating board under that section [~~Section 51.3062(e)~~] or qualification for an exemption as described by Section 51.338(b), (c), or (d) [~~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 or at least one advanced career and technical or technology applications course;

(B) have received an associate degree from a public or private institution of higher education;

(C) be an undergraduate student who has:

(i) previously attended another institution of higher education;

(ii) received an initial Texas Educational Opportunity Grant under Subchapter P for the 2014 fall semester or a subsequent academic term;

(iii) completed at least 24 semester credit hours at any institution or institutions of higher education; and

(iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; or

(D) 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 an eligible 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 16th 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 eligible institution not later than 12 months after being honorably discharged from military service;

(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 12th month after the calendar month in which the person received an associate degree from a public or private institution of higher education; or

(D) an undergraduate student described by Subdivision (2)(C) who has never previously received a TEXAS grant;

(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.

SECTION 2.09. Section 61.07611(a), Education Code, is amended to read as follows:

(a) To serve students who require developmental education in an effective and cost-effective manner, the board shall develop a statewide plan for developmental education to be provided under Subchapter F-1, Chapter 51, [Section 51.3062] that:

(1) assigns primary responsibility for developmental education to public junior colleges, public state colleges, and public technical institutes; and

(2) provides for using technology, to the greatest extent practicable consistent with best practices, to provide developmental education to students.

SECTION 2.10. Section 315.004, Labor Code, is amended to read as follows:

Sec. 315.004. ADULT EDUCATION ASSESSMENT. The commission shall, in consultation with the Texas Higher Education Coordinating Board and the Texas Education Agency, review the standardized assessment mechanism required under Section 315.002(a)(7) and recommend any changes necessary to align the assessment with the assessments designated under Section 51.334 [51.3062], Education Code, to allow for the proper placement of a student in an adult basic education course or to provide the student with the proper developmental or English as a second language coursework, as appropriate.

ARTICLE 3. EFFECTIVE DATE

SECTION 3.01. 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, 2017.

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