

The Texas Education Agency (TEA) proposes new §74.1007, concerning college and career readiness. The proposed new rule would specify applicable guidelines for the annual calculation of the college, career, or military readiness (CCMR) outcomes bonus added by House Bill (HB) 3, 86th Texas Legislature, 2019.

BACKGROUND INFORMATION AND JUSTIFICATION: HB 3, 86th Texas Legislature, 2019, established the CCMR outcomes bonus. The CCMR outcomes bonus allows TEA to annually award school districts funds based on the district's number of annual graduates in excess of the statewide 25th percentile for CCMR, disaggregated by economically disadvantaged status and by enrollment in a special education program under Texas Education Code (TEC), Chapter 29, Subchapter A.

Proposed new §74.1007 would adopt the threshold percentage (25th percentile) of statewide college, career, or military readiness for the cohort of annual graduates during the 2016-2017 school year for annual graduates who are educationally disadvantaged, annual graduates who are not educationally disadvantaged, and annual graduates who are enrolled in a special education program. The proposed new rule would also adopt the time period by which an annual graduate must enroll at a postsecondary educational institution, earn an associate degree, earn an industry-accepted certification, earn a level I or level II certificate, or enlist in the armed forces of the United States in order to demonstrate college, career, or military readiness. TEA issued preliminary CCMR outcomes bonus funds for the 2019-2020 school year.

FISCAL IMPACT: Jeff Cottrill, deputy commissioner for governance and accountability, has determined that for the first five-year period the proposal is in effect there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation by implementing the requirements of HB 3, 86th Texas Legislature, 2019, relating to the CCMR outcomes bonus.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Mr. Cottrill has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be rewarding school districts for their work in furthering the goal set under the state's master plan for higher education developed under TEC, §61.051, for at least 60% of all adults aged 25 to 34 in this state to achieve a postsecondary degree or workforce credential by 2030.

DATA AND REPORTING IMPACT: The proposal would have no data or reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: The public comment period on the proposal begins January 1, 2021, and ends February 1, 2021. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on January 1, 2021. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_\(TAC\)/Proposed_Commissioner_of_Education_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/).

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §48.110(b)(1)-(3), as added by House Bill (HB) 3, 86th Texas Legislature, 2019, which require the commissioner to determine the threshold percentage for college, career, or military readiness for annual graduates who are educationally disadvantaged, annual graduates who are not educationally disadvantaged, and annual graduates who are enrolled in a special education program under TEC, Chapter 29, Subchapter A; TEC, §48.110(c), as added by HB 3, 86th Texas Legislature, 2019, which requires the commissioner to annually determine the minimum number of annual graduates in each cohort as described in TEC, §48.110(b), who would have to demonstrate college, career, or military readiness as described in TEC, §48.110(f), in order for the district to achieve a percentage of college, career, or military readiness for that cohort equal to the threshold percentage established for that cohort under TEC, §48.110(b); TEC, §48.110(f)(1)(B), as added by HB 3, 86th Texas Legislature, 2019, which requires the commissioner to establish by rule the time period by which an annual graduate must enroll at a postsecondary educational institution in order to demonstrate college readiness; TEC, §48.110(f)(2)(B), as added by HB 3, 86th Texas Legislature, 2019, which requires the commissioner to establish by rule the time period by which an annual graduate must earn an industry-accepted certification in order to demonstrate career readiness; TEC, §48.110(f)(3)(B), as added by HB 3, 86th Texas Legislature, 2019, which requires the commissioner to establish by rule the time period by which an annual graduate must enlist in the armed forces of the United States in order to demonstrate military readiness; and TEC, §48.110(g), as added by HB 3, 86th Texas Legislature, 2019, which requires the commissioner to establish threshold percentages under TEC, §48.110(b), using the 25th percentile of statewide college, career, or military readiness as described in TEC, §48.110(f), for the cohort of annual graduates during the 2016-2017 school year.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §48.110(b)(1)-(3); (c); (f)(1)(A) and (B), (2)(A) and (B), and (3)(A) and (B); and (g), as added by HB 3, 86th Texas Legislature, 2019.

<rule>

§74.1007. College, Career, or Military Readiness Outcomes Bonus.

- (a) The standards and thresholds established by the commissioner of education under Texas Education Code (TEC), §48.110(b)(1)-(3); (c); (f)(1)(A) and (B), (2)(A) and (B), and (3)(A) and (B); and (g), shall be used to calculate annual college, career, or military readiness outcomes bonuses for school districts and open-enrollment charter schools.
- (b) The threshold percentages of annual graduates who demonstrate college, career, or military readiness as provided in subsection (c) of this section for each of the following cohorts are as follows:
 - (1) 11% of annual graduates who are educationally disadvantaged;
 - (2) 24% of annual graduates who are not educationally disadvantaged; and
 - (3) 0% of annual graduates who are enrolled in a special education program under TEC, Chapter 29, Subchapter A, regardless of whether the annual graduates are educationally disadvantaged.
- (c) An annual graduate demonstrates:
 - (1) college readiness if the annual graduate:

- (A) achieves college readiness standards used for accountability purposes under TEC, Chapter 39, on the ACT, the SAT, or an assessment instrument designated by the Texas Higher Education Coordinating Board (THECB) under TEC, §51.334; and
 - (B) meets one of the following requirements:
 - (i) earns an associate degree by August 31 immediately following high school graduation; or
 - (ii) enrolls at a postsecondary educational institution by the tenth instructional day of the fall semester immediately following high school graduation;
 - (2) career readiness if the annual graduate:
 - (A) achieves college readiness standards used for accountability purposes under TEC, Chapter 39, on the ACT, the SAT, or an assessment instrument designated by THECB under TEC, §51.334; and
 - (B) earns an industry-based certification or a level I or level II certificate by August 31 immediately following high school graduation; and
 - (3) military readiness if the annual graduate enlists in the armed forces of the United States by December 31 immediately following high school graduation.
- (d) Each year, the commissioner shall determine for each school district and open-enrollment charter school the minimum number of annual graduates in each cohort described by subsection (b) of this section who would have to demonstrate college, career, or military readiness as described by subsection (c) of this section in order for the district or charter school to achieve a percentage of college, career, or military readiness for that cohort equal to the threshold percentage established for that cohort under subsection (b) of this section. Each year, the number of annual graduates in excess of the threshold percentage for each cohort provided in subsection (b)(1)-(3) of this section will be used to calculate college, career, or military readiness outcomes bonus funding for the applicable fiscal year.
- (e) Each June, beginning in June 2021, the Texas Education Agency (TEA) shall supply school districts and open-enrollment charter schools with a preliminary College, Career, or Military Readiness Outcomes Bonus Student Listing that provides the data used by TEA to calculate preliminary funding for the upcoming school year.
- (1) Upon release of the preliminary listing, school districts and open-enrollment charter schools have 30 days to file an appeal of student-level data. School districts and open-enrollment charter schools must file an appeal and submit all supporting documentation within 30 days of the release of the preliminary listing.
 - (2) An appeal must be filed by following the instructions provided with the release of the student listing. The basis for appeals should be a data or calculation error attributable to TEA or a testing contractor.
 - (3) The appeals process is not a permissible method to correct data that were inaccurately reported to TEA by the school district or open-enrollment charter school. A school district or open-enrollment charter school that submits inaccurate data must follow the procedures and timelines for resubmitting data as specified in the Texas Education Data Standards. Appeals from school districts and open-enrollment charter schools that missed data resubmission window opportunities will be denied.
 - (4) Decisions regarding appeals are final and not subject to further appeal.
 - (5) Due to the delay in data availability for enrollment in institutions of higher education (IHEs), preliminary College, Career, or Military Readiness Outcomes Bonus Student Listings will not include IHE enrollment. For 2019 annual graduates, TEA will use a two-year IHE enrollment average for each school district. Beginning with 2020 annual graduates, TEA will use a three-year IHE enrollment average for each school district.

- (6) Each year, upon receipt of IHE enrollment data, TEA will reconcile College, Career, or Military Readiness Outcomes Bonus Student Listings with actual enrollment data for the applicable graduating class. Upon reconciliation, the college, career, or military readiness outcomes bonus funding will be updated for the applicable fiscal year.
- (f) Due to discrepancies between annual enlistment counts for Texas military enlistees aged 17-19 released by the United States Department of Defense and Texas Student Data System Public Education Information Management System military enlistment data for 2017 and 2018 annual graduates, TEA will exclude military enlistment data from College, Career, or Military Readiness Outcomes Bonus Student Listings as provided in subsection (e) of this section until such data can be obtained directly from the United States Armed Forces. Upon receipt of such data, previously released final College, Career, or Military Readiness Outcomes Bonus Student Listings will be updated to include military enlistment data. When the final College, Career, or Military Readiness Outcomes Bonus Student Listings are updated, as provided in this subsection, the number of annual graduates in excess of the threshold percentage for each cohort provided in subsection (b)(1)-(3) of this section will be updated and used to recalculate college, career, or military readiness outcomes bonus funding for the 2019-2020 fiscal year and applicable future fiscal years.