

The Texas Education Agency adopts an amendment to §74.1005, concerning college and career funding and reimbursements. The amendment is adopted with changes to the proposed text as published in the January 16, 2026 issue of the *Texas Register* (51 TexReg 268) and will be republished. The adopted amendment updates language concerning college and career related assessment reimbursements as required by House Bill (HB) 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, and makes technical edits for clarification and consistency.

REASONED JUSTIFICATION: Texas Education Code (TEC), §48.106, establishes a weighted annual allotment for approved career and technical education (CTE) courses, and TEC, §48.155 and §48.156, establish college preparation assessments and certification examinations for which school districts may receive reimbursements.

Section 74.1005 describes the eligibility of school districts and charter schools to receive CTE weighted funding under TEC, §48.106. The rule also details school district eligibility for reimbursements for college preparation assessments and certification examinations, as allowed under TEC, §48.155 and §48.156.

HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, updated provisions related to allotments and reimbursements. To implement the legislation, the following changes have been made.

The adopted amendment removes New Tech Network campuses from eligibility for allotment funding, adds a career readiness assessment to the list of assessments for which districts may receive reimbursement, and increases the number of industry-based certification (IBC) examinations eligible for reimbursement per student.

Additional technical edits were made for clarification and consistency throughout the rule.

The following changes were made to the rule at adoption based on public comment. Subsection (c)(1)(C) was revised to align with subsection (c)(5) and clarifies that a district is eligible for reimbursement for a student's first and second industry-based certification examinations, consistent with the statutory limit of up to two reimbursable examinations per student. The term "required" was added before "primary assessments(s)" in subsection (c)(4)(A) to make clear that all required assessments are eligible for reimbursement.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began January 16, 2026, and ended February 16, 2026. Following is a summary of public comments received and agency responses.

Comment: An administrator and The Commit Partnership noted that §74.1005(c)(1)(C) did not accurately reflect the limitation outlined in §74.1005(c)(5), which permitted reimbursement for up to two industry-based certification examinations per student. The commenters recommended that the language be updated to clarify that both the first and second examinations reported would be eligible for reimbursement, ensuring consistency between the provisions and preventing confusion regarding eligibility and reporting.

Response: The agency agrees and has revised §74.1005(c)(1)(C) to align with §74.1005(c)(5) by clarifying that a district is eligible for reimbursement for a student's first and second industry-based certification examinations, consistent with the statutory limit of up to two reimbursable examinations per student.

Comment: ACT, Inc., explained that earning the ACT WorkKeys National Career Readiness Certificate requires three tests--Applied Math, Workplace Documents, and Graphic Literacy--which are not optional and must all be taken. ACT, Inc., asked that these required tests be counted as "primary assessments" for reimbursement, since the current wording about "subject area tests" could cause confusion and lead districts to think these essential assessments are not eligible.

Response: The agency agrees that specifying required assessments will make the rule clearer and has added the term "required" before "primary assessments(s)" in §74.1005(c)(4)(A).

Comment: The Commit Partnership requested clarification regarding the application of the \$150 per student allotment under TEC, §48.106, for students enrolled in Pathways in Technology Early College High School (P-TECH) or Rural Pathway Excellence Partnership (R-PEP) programs, specifically when these pathways are delivered outside the student's home district. The Commit Partnership requested clarification regarding whether the allotment

is generated by and allocated to the student's home district, regardless of the physical location of program delivery, to ensure consistent funding practices.

Response: The agency offers the following clarification. Eligibility for the P-TECH or R-PEP allotment is based on the district where the student is enrolled regardless of the physical location of program delivery. Implementation details relevant to funding and documentation will be addressed through Public Education Information Management System guidance and do not require inclusion in rule.

STATUTORY AUTHORITY. The amendment is adopted under TEC, §29.190(a-1), as amended by HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, which establishes that a student may not receive more than two subsidies if the student passes a certification examination to qualify for a license or certificate that is an industry certification for purposes of TEC, §39.053(c)(1)(B)(v), administered while the student is enrolled in a school district; TEC, §39.0261(a)(3), as amended by HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, which permits high school students in the spring of the 11th grade or during the 12th grade to select and take once, at state cost, one of the valid, reliable, and nationally norm-referenced assessment instruments used by colleges and universities as part of their undergraduate admissions processes; the assessment instrument designated by the Texas Higher Education Coordinating Board; or a nationally recognized career readiness assessment instrument that measures foundational workforce skills approved by commissioner rule; TEC, §48.106, as amended by HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, which specifies certain students for whom a district is entitled to \$150 in addition to the amount under TEC, §48.106(a); and TEC, §48.156, as amended by HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025, which entitles a school district to reimbursement for the amount of a subsidy paid by the district for not more than two certification examinations per student.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §§29.190(a-1), 39.0261(a)(3), 48.106, and 48.156, as amended by HB 2 and HB 120, 89th Texas Legislature, Regular Session, 2025.

<rule>

§74.1005. College and Career Funding and Reimbursements.

- (a) Applicability. The provisions of this section apply to school districts and open-enrollment charter schools.
- (b) Eligibility for funding.
 - (1) A district is eligible to receive funding under Texas Education Code (TEC), §48.106(a), for students in Grades 7-12 who take an approved career and technical education (CTE) course designated with an "H" in the CTE Course column of the Texas Education Data Standards, Section 4, Service-ID (CO22) code table.
 - (2) A district is eligible to receive funding under TEC, §48.106(a)(2)(A), for an advanced CTE course identified as Level 3 or Level 4 in a statewide CTE program of study.
 - (3) A district is eligible to receive funding under TEC, §48.106(a)(2)(B), for a campus that has been designated by the Texas Education Agency (TEA) as a Pathways in Technology Early College High School (P-TECH) for the current school year or a student who completes a course of study in a P-TECH program or a Rural Pathway Excellence Partnership program.
- (c) Eligibility for reimbursement.
 - (1) A district is eligible to receive a certification examination reimbursement for a certification identified on the TEA list of industry-based certifications (IBCs) for public school accountability, pursuant to §74.1003 of this title (relating to Industry-Based Certifications for Public School Accountability).
 - (A) A district is eligible to receive the certification examination reimbursement for students in Grades 9-12 who pass an examination beginning in the 2019-2020 school year.

- (B) Examinations must be taken between September 1 and August 31 of any school year.
 - (C) A district is eligible for reimbursement for a student's first and second examinations reported in the Texas Student Data System Public Education Information Management System with an associated dollar amount.
- (2) A district is eligible to receive a reimbursement for a college preparation assessment administered under TEC, §39.0261(a)(3)(A), for fees paid by the district for the state negotiated rate for the SAT® or ACT® for students in spring of their junior year or during their senior year.
- (A) Assessment reimbursement only includes the standard SAT® and ACT® test. Additional costs such as writing tests, subject area tests, or late fees are not eligible for reimbursement.
 - (B) A student must take the assessment between January of Grade 11 and August 31 of the year the student graduates.
- (3) A district is eligible to receive a reimbursement for a college preparation assessment administered under TEC, §39.0261(a)(3)(B), for fees paid by the district for the Texas Success Initiative Assessment for students in spring of their junior year or during their senior year.
- (A) Assessment reimbursement includes both the reading and mathematics portions of the examination. Neither portion is eligible for reimbursement on its own, and additional costs such as writing tests and late fees are not eligible for reimbursement.
 - (B) A student must take the assessment between January of Grade 11 and August 31 of the year the student graduates.
- (4) A district is eligible to receive reimbursement for a nationally recognized career readiness assessment administered under TEC, §39.0261(a)(3)(C), for fees paid by the district for the assessment for students in spring of their junior year or during their senior year.
- (A) Assessment reimbursement only includes the required primary assessments(s) associated with the TEA-identified nationally recognized career readiness assessment. Additional costs such as subject area tests or late fees are not eligible for reimbursement.
 - (B) A student must take the assessment between January of Grade 11 and August 31 of the year the student graduates.
- (5) A district may only be reimbursed under this subsection for up to two IBC examinations per student and one college preparation assessment or one career readiness assessment per student.
- (6) A district must submit reimbursement requests and data in accordance with instructions provided by TEA within the published timeline.
- (d) Final decisions. Reimbursement decisions are final and may not be appealed.