

The Texas Education Agency (TEA) proposes amendments to §§102.1307, 102.1309, and 102.1315, concerning innovation districts. The proposed amendments would update the list of prohibited exemptions to reflect changes made by House Bill (HB) 2, HB 6, Senate Bill (SB) 12, and SB 569, 89th Texas Legislature, Regular Session, 2025; update references to statute redesignated by SB 571, 89th Texas Legislature, Regular Session, 2025; and update the title of Texas Education Code (TEC), §22.001, as renamed by HB 2, 89th Texas Legislature, Regular Session, 2025.

BACKGROUND INFORMATION AND JUSTIFICATION: Chapter 102, Subchapter JJ, establishes provisions relating to the applicable processes and procedures for innovation districts.

The proposed amendment to Figure: 19 TAC §102.1307(d) would clarify the instructions for the form and add specific fields for the type of board action being reported to TEA, the date of board action, the name and title of the individual submitting the figure, and the date of submission. The proposed amendment to Figure: 19 TAC §102.1307(d) would also remove TEC, §21.057, which is now prohibited from exemption per HB 2 and SB12, and remove TEC, §37.0012 and §37.002, which are now prohibited from exemption per HB 6. Finally, the proposed amendment to Figure: 19 TAC §102.1307(d) would update the name of TEC, §22.001, as changed by HB 2.

New §102.1309(a)(1)(A) would add TEC, §21.0032 (Employment of Uncertified Classroom Teachers) and §21.057 (Parental Notification), to clarify that these sections are prohibited from exemption per HB 2. The subsequent subparagraphs are relettered accordingly to reflect this addition. The proposed amendment to §102.1309(a)(1)(C), relettered as subparagraph (D), would add TEC, §28.004, as a prohibited exemption to reflect the prohibition in TEC, §12A.004(a)(4), as added by SB 12. The proposed amendment to §102.1309(a)(1)(H), relettered subparagraph (I), would clarify that TEC, Chapter 37, in its entirety is prohibited from exemption per HB 6.

The proposed amendment to §102.1315(a)(3) would update the reference to TEC, §22.085, to §22A.157 and the reference to TEC, §22.092, to §22A.151. Both sections were redesignated by SB 571.

FISCAL IMPACT: Steve Lecholop, deputy commissioner for governance, 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 expand an existing regulation. The proposed amendment to §102.1309 would add, for clarification, specific chapters and sections of the TEC from which a district of innovation may not be exempt.

The proposed amendments 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 create a new regulation; would not 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. Lecholop 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 to update Figure: 19 TAC §102.1307(d) to conform to new legislation regarding prohibited exemptions and provide clarification regarding how to complete the document. The proposed amendment to §102.1309 would also add and update the sections of statute that are prohibited from exemption to mirror recently passed legislation. The amendment to §102.1315 would update statute applicable to termination of a District of Innovation plan to mirror recently passed legislation. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no new data or reporting impact. The existing rule requires school districts to submit the checklist adopted as Figure: 19 TAC §102.1307(d) to TEA any time it adopts, amends, or renews its locally-adopted District of Innovation plan. The proposed amendment would update the figure to align statutory references with recent legislation.

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: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins October 24, 2025, and ends November 24, 2025. 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 October 24, 2025. 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 amendments are proposed under Texas Education Code (TEC), §12A.009, which authorizes the commissioner to adopt rules to implement districts of innovation.

CROSS REFERENCE TO STATUTE. The amendments implement Texas Education Code, §12A.009.

<rule>

§102.1307. Adoption of Local Innovation Plan.

- (a) The board of trustees may not vote on adoption of a proposed local innovation plan unless:
 - (1) the final version of the proposed plan has been available on the district's website for at least 30 days;
 - (2) the board of trustees has notified the commissioner of education of the board's intention to vote on adoption of the proposed plan; and
 - (3) the district-level committee established under Texas Education Code (TEC), §11.251, has held a public meeting to consider the final version of the proposed plan and has approved the plan by a majority vote of the committee members. This public meeting may occur at any time, including up to or on the same date at which the board intends to vote on final adoption of the proposed plan.
- (b) A board of trustees may adopt a proposed local innovation plan by an affirmative vote of two-thirds of the membership of the board.
- (c) On adoption of a local innovation plan, the district:
 - (1) is designated as a district of innovation under this subchapter for the term specified in the plan but no longer than five calendar years, subject to TEC, §12A.006;
 - (2) shall begin operation in accordance with the plan; and

- (3) is exempt from state requirements identified under TEC, §12A.003(b)(2).
- (d) The district shall notify the commissioner of approval of the plan along with a list of approved TEC exemptions by completing the agency form provided in the figure in this subsection.
Figure: 19 TAC §102.1307(d) ~~[Figure: 19 TAC §102.1307(d)]~~
- (e) A district's exemption described by subsection (c)(3) of this section includes any subsequent amendment or redesignation of an identified state requirement, unless the subsequent amendment or redesignation specifically applies to an innovation district.
- (f) The district shall ensure that a copy of the local innovation plan is posted on the district's website in accordance with TEC, §12A.0071, for the term of the designation as an innovation district.
- (g) Not later than the 15th day after the date on which the board of trustees finalizes a local innovation plan either through adoption, amendment, or renewal, the district shall provide a link to the local innovation plan as posted on the district's website to the Texas Education Agency for posting on the agency website.

§102.1309. Prohibited Exemptions.

- (a) An innovation district may not be exempted from the following sections of the Texas Education Code (TEC) and the rules adopted thereunder:
- (1) a state or federal requirement, imposed by statute or rule, applicable to an open-enrollment charter school operating under TEC, Chapter 12, Subchapter D, including, but not limited to, the requirements listed in TEC, §12.104(b), and:
 - (A) TEC, Chapter 21, §21.0032 and §21.057;
 - (B) ~~[(A)]~~ TEC, Chapter 22, Subchapter B;
 - (C) ~~[(B)]~~ TEC, Chapter 25, Subchapter A, §§25.001, 25.002, 25.0021, 25.0031, and 25.004;
 - (D) ~~[(C)]~~ TEC, Chapter 28, §§28.002, 28.0021, 28.0023, 28.004, 28.005, 28.0051, 28.006, 28.016, 28.0211, 28.0213, 28.0217, 28.025, 28.0254, 28.02541, 28.0255, 28.0258, 28.0259, and 28.026;
 - (E) ~~[(D)]~~ TEC, Chapter 29, Subchapter G;
 - (F) ~~[(E)]~~ TEC, Chapter 30, Subchapter A;
 - (G) ~~[(F)]~~ TEC, §30.104;
 - (H) ~~[(G)]~~ TEC, Chapter 34;
 - (I) ~~[(H)]~~ TEC, Chapter 37 [, §§ 37.005, 37.006(i), 37.007(c), 37.011, 37.012, 37.013, and 37.020] ;
 - (J) ~~[(I)]~~ TEC, Chapter 39; and
 - (K) ~~[(J)]~~ TEC, Chapter 39A.
 - (2) TEC, Chapter 11, Subchapters A, C, D, and E, except that a district may be exempt from TEC, §11.1511(b)(5) and (14) and §11.162;
 - (3) TEC, Chapter 12, Subchapter C;
 - (4) TEC, Chapter 12A;
 - (5) TEC, Chapter 13;
 - (6) TEC, Chapter 44, §§44.0011, 44.002, 44.003, 44.004, 44.0041, 44.005, 44.0051, 44.006, 44.007, 44.0071, 44.008, 44.009, 44.011, 44.0312, 44.032, 44.051, 44.052, 44.053, and 44.054;
 - (7) TEC, Chapter 45, §§45.003, 45.0031, 45.005, 45.105, 45.106, 45.202, 45.203;
 - (8) TEC, Chapter 46;
 - (9) TEC, Chapter 48; and

- (10) TEC, Chapter 49.
- (b) In addition to the prohibited exemptions specified in subsection (a) of this section, an innovation district may not be exempted from:
 - (1) a requirement of a grant or other state program in which the district voluntarily participates;
 - (2) duties that the statute applies to the execution of that power if a district chooses to implement an authorized power that is optional under the terms of the statute;
 - (3) a requirement of a grant or other state program authorized in the TEC that would otherwise entitle the district to participation in that program; and
 - (4) requirements imposed by provisions outside the TEC, including requirements under Texas Government Code, Chapter 822.

§102.1315. Termination.

- (a) The commissioner of education may:
 - (1) terminate a district's designation as a district of innovation if, beginning with its ratings in the year of designation, the district is assigned for two consecutive school years:
 - (A) a final unacceptable academic performance rating under the Texas Education Code (TEC), §39.054;
 - (B) a final unacceptable financial accountability rating under the TEC, §39.082; or
 - (C) a final unacceptable academic performance rating under the TEC, §39.054, for one of the school years and a final unacceptable financial accountability rating under the TEC, §39.082, for the other school year;
 - (2) permit the district to amend the district's local innovation plan to address concerns specified by the commissioner in lieu of terminating the designation as described in paragraph (1) of this subsection; or
 - (3) terminate a district's designation as a district of innovation if the district:
 - (A) fails to comply with the duty to discharge or refuse to hire certain employees or applicants for employment under the TEC, §12.1059;
 - (B) fails to comply with the duty to discharge or refuse to hire certain employees or applicants convicted of certain offenses under the TEC, §22A.157 [~~§22.085~~] ; or
 - (C) fails to comply with the duty to discharge or refuse to hire certain employees or applicants not eligible for employment in public schools under the TEC, §22A.151 [~~§22.092~~] .
- (b) The commissioner shall terminate a district's designation as a district of innovation if, beginning with its ratings in the year of designation, the district is assigned for three consecutive school years:
 - (1) a final unacceptable academic performance rating under the TEC, §39.054;
 - (2) a final unacceptable financial accountability rating under the TEC, §39.082; or
 - (3) any combination of one or more unacceptable ratings under paragraph (1) of this subsection and one or more unacceptable ratings under paragraph (2) of this subsection.
- (c) Upon termination of an innovation plan, a district must return to compliance with all specified areas of the TEC by a date to be determined by the commissioner.
- (d) A decision by the commissioner under this section is final and may not be appealed.