

The Texas Education Agency (TEA) proposes an amendment to §74.1005, concerning college and career funding and reimbursements. The proposed amendment would update 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 make technical edits for clarification and consistency.

BACKGROUND INFORMATION AND 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 would be made.

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

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

FISCAL IMPACT: Monica Martinez, associate commissioner for standards and programs, 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 by adding career readiness assessments to the options for which districts may be reimbursed and increase the number of IBC exams that are reimbursable per student. The proposed rulemaking would also limit an existing regulation by eliminating New Tech Network campuses from eligibility for the \$150 per student allotment.

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 create a new regulation; would not 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: Ms. Martinez 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 clarify

expanded college and career assessment reimbursements and additional college and career related funding. 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 data and 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: 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 January 16, 2026, and ends February 16, 2026. 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 16, 2026. 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 amendment is proposed 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), and 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) [~~§48.106(a)(1)~~], 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 .

~~[(4) A district is eligible to receive funding under TEC, §48.106(a)(2)(C), for a campus that has an active agreement with the New Tech Network as defined by the New Tech Network for the current school year.]~~

(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 examination 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 ~~[the amount of]~~ 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 ~~[basic]~~ SAT® and ACT® test. Additional ~~[Other additional]~~ costs ~~[or fees]~~ 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 ~~[through]~~ 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 ~~[the amount of]~~ 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 ~~[and fees]~~ 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 ~~[through]~~ 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 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) ~~[(4)]~~ A district may only be reimbursed under this subsection for up to two ~~[one]~~ IBC examinations ~~[examination]~~ per student and one college preparation assessment or one career readiness assessment per student.
 - (6) ~~[(5)]~~ 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.