

The State Board of Education (SBOE) adopts amendments to §74.11 and §74.12, concerning graduation requirements. The amendments are adopted with changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1235) and will be republished. The adopted amendments update high school graduation requirements to align with House Bill (HB) 27, 89th Texas Legislature, Regular Session, 2025, related to personal financial literacy, and Senate Bill (SB) 2314, 89th Texas Legislature, Regular Session, 2025, related to the Texas Higher Education Coordinating Board (THECB) direct admission program.

REASONED JUSTIFICATION: The 89th Texas Legislature, Regular Session, 2025, passed HB 27, requiring students to successfully complete a one-half credit personal financial literacy course instead of the option to complete either a one-half credit economics course or a one-half credit course in economics and personal financial literacy to satisfy the economics requirement under the Foundation High School Program. The bill changed the current one-half credit economics course to a one-credit course and permits students to select the third social studies credit required for graduation from economics, world geography, or world history. The bill also added new Texas Education Code (TEC), §28.025(b-24), requiring the SBOE to allow a student to comply with the personal financial literacy requirement by successfully completing an advanced placement course.

The 89th Texas Legislature, Regular Session, 2025, also passed SB 2314, amending the state graduation requirements in TEC, §28.025(c), to require students to elect whether to allow the THECB to share the student's data and education records, as necessary, with institutions of higher education to allow the student to participate in the direct admission program established by THECB.

The adopted amendments update the high school graduation requirements to align with HB 27 and SB 2314. An additional amendment clarifies that the changes to the social studies graduation requirements adopted under HB 27 apply to students who enter Grade 9 beginning with the 2026-2027 school year, consistent with statute.

The following changes were made since approved for first reading and filing authorization.

Section 74.11(c) was amended by deleting the reference to "Grade 9" to establish that the direct admission program requirement applies to all high school students beginning with the 2026-2027 school year.

Section 74.12(b)(1) was amended to align with new English Language Proficiency Standards (ELPS) adopted in 2024 by replacing the phrase "with limited English proficiency who are at the beginning or intermediate level of" with the phrase "who have not yet demonstrated." The paragraph was further amended by replacing the term "and" with the term "and/or" between English I and English II and between English I for Speakers of Other Languages and English II for Speakers of Other Languages to indicate that the English I requirement may be met with English I for Speakers of Other Languages and the English II requirement can be met with English II for Speakers of Other Languages. The term "respectively" was also added to indicate the relationship between the level I and level II courses.

Section 74.12(b)(1) was amended by replacing an out-of-date reference to 19 TAC §110.33 with a reference to the current rule in 19 TAC §110.38.

Section 74.12(b)(1)(Q) was amended by replacing an out-of-date reference to 19 TAC §110.34 with a reference to the current rule in 19 TAC §110.39.

Section 74.12(b)(4)(A) was amended to include the complete course title for United States History Studies Since 1877 and reference proposed new 19 TAC §113.24.

In §74.12(b)(4)(C) and (D), the one-half credit course options, including Personal Financial Literacy and AP Business with Personal Finance, and the one credit course options, including World History Studies, World Geography Studies, Economics with Emphasis on the Free Enterprise System and Its Benefits, and a comparable AP or IB world history or world geography course that does not count toward another credit required for graduation, were replaced by options that align with HB 27 for students who enter Grade 9 in the 2026-2027 school year or later and options for students who entered Grade 9 prior to the 2026-2027 school year.

Section 74.12(b)(7)(B) was amended to correct a chapter title.

A redundant phrase was removed from a cross reference in §74.12(c).

The SBOE approved the amendments for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its June 26, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the amendments for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2027-2028 school year. The earlier effective date will allow districts of innovation that begin school prior to the statutorily required start date to implement the proposed rulemaking when they begin their school year. The effective date is August 1, 2026.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment. One administrator recommended adding language to clarify whether the proposed amendments apply only to incoming freshmen for the 2026-2027 school year and beyond.

Response. The SBOE agrees and took action to amend the proposal to clearly distinguish between existing graduation requirements that apply to students who entered Grade 9 prior to the 2026-2027 school year and new requirements related to HB 27, 89th Texas Legislature, Regular Session, 2025, that apply to students who enter Grade 9 beginning with the 2026-2027 school year.

Comment. One parent expressed support for an amendment that would allow students to complete two courses selected from economics, world geography, and world history.

Response. The SBOE disagrees that it is necessary for students to complete two courses selected from economics, world geography, and world history and took action to adopt the amendment to require students to complete one credit selected from one of these three courses, in accordance with HB 27.

Comment. One community member expressed concern that delays in approving new instructional materials for personal financial literacy could create multi-year gaps in required instruction.

Response. This comment is outside the scope of the proposed rulemaking.

Comment. One counselor stated financial literacy should be a required course for every student graduating from a public high school.

Response. The SBOE agrees and took action to add the one-half credit in personal financial literacy graduation requirement to 19 TAC §74.12(b)(4)(C), as required by HB 27, 89th Texas Legislature, Regular Session, 2025.

Comment. One community member expressed concern that the Advanced Placement (AP) Business with Personal Finance course is primarily a business course, newly developed, costly, and limited in access and lacks validated outcomes or consistent college credit recognition. The commenter suggested the SBOE adopt a rigorous, universally accessible personal financial literacy course focused on real-world decision-making and long-term student success.

Response. This comment regarding the adoption of a personal financial literacy course is outside the scope of the proposed rulemaking.

Comment. Three teachers, two counselors, two administrators, two community members, and one out-of-state individual stated that the AP Business with Personal Finance course provides students with rigorous coursework, college credit opportunities, and workforce-relevant financial skills.

Response. The SBOE provides the following clarification. HB 27, 89th Texas Legislature, Regular Session, 2025, requires the SBOE to allow an AP course with substantially similar and rigorous content to satisfy the personal

financial literacy requirement for students entering Grade 9 during the 2026-2027 school year. As a separate item at its June 2026 meeting, the SBOE approved for first reading and filing authorization proposed new TEKS for the personal financial literacy course under 19 TAC §113.26. To ensure that the AP option has substantially similar and rigorous content, the SBOE took action to remove AP Business with Personal Finance from §74.12(b)(4)(C) and will reconsider an AP option after the proposed new TEKS have been adopted.

Comment. Two teachers, two counselors, and one administrator stated that allowing AP Business with Personal Finance to satisfy the social studies graduation requirement in personal financial literacy provides greater flexibility to districts.

Response. The SBOE provides the following clarification. HB 27, 89th Texas Legislature, Regular Session, 2025, requires the SBOE to allow an AP course with substantially similar and rigorous content to satisfy the personal financial literacy requirement for students entering Grade 9 during the 2026-2027 school year. As a separate item at its June 2026 meeting, the SBOE approved for first reading and filing authorization proposed new TEKS for the personal financial literacy course under 19 TAC §113.26. To ensure that the AP option has substantially similar and rigorous content, the SBOE took action to remove AP Business with Personal Finance from §74.12(b)(4)(C) and will reconsider an AP option after the proposed new TEKS have been adopted.

Comment. Three teachers, two counselors, one administrator, one community member, and an out-of-state individual stated that the AP Business with Personal Finance course aligns with the Texas Essential Knowledge and Skills (TEKS) for 19 TAC §113.49, Personal Financial Literacy.

Response. The SBOE provides the following clarification. HB 27, 89th Texas Legislature, Regular Session, 2025, requires the SBOE to allow an AP course with substantially similar and rigorous content to satisfy the personal financial literacy requirement that applies to students entering Grade 9 during the 2026-2027 school year. As a separate item at its June 2026 meeting, the SBOE approved for first reading and filing authorization proposed new TEKS for the personal financial literacy course under 19 TAC §113.26. To ensure substantially similar and rigorous content, the SBOE took action to remove AP Business with Personal Finance from §74.12(b)(4)(C) and will reconsider an AP option after the proposed new TEKS have been adopted.

STATUTORY AUTHORITY. The amendments are adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school program that are consistent with the required curriculum and requires the SBOE to designate specific courses that are required for the foundation high school program; TEC, §28.025(b-1)(4), which requires the SBOE to require that the curriculum requirements for the foundation high school program include a requirement that students successfully complete at least one-half credit in personal financial literacy; TEC, §28.025(b-24), as added by House Bill 27, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to allow a student to comply with the curriculum requirement for a one-half credit in personal financial literacy by successfully completing an advanced placement course designated by the SBOE as containing substantively similar and rigorous academic content; TEC, §28.025(c)(1), which permits a student to graduate and receive a diploma only if the student successfully completes the curriculum requirements identified by the SBOE under TEC, §28.025(a), and complies with TEC, §§28.0256, 28.0257, and 39.025; and TEC, §28.0257, as added by Senate Bill 2314, 89th Texas Legislature, Regular Session, 2025, which requires a student to elect whether to opt in to allowing the Texas Higher Education Coordinating Board to share the student's data and education records, as necessary, with institutions of higher education to allow the student to participate in the direct admissions program established by THECB.

CROSS REFERENCE TO STATUTE. The amendments implement Texas Education Code, §§7.102(c)(4); 28.025(a); (b-1)(4); (b-24), as added by House Bill 27, 89th Texas Legislature, Regular Session, 2025; and (c)(1); and 28.0257, as amended by Senate Bill 2314, 89th Texas Legislature, Regular Session, 2025.

<rule>

§74.11. High School Graduation Requirements.

- (a) To receive a high school diploma, a student entering Grade 9 in the 2014-2015 school year and thereafter must complete the following:
 - (1) in accordance with subsection (d) of this section, requirements of the Foundation High School Program specified in §74.12 of this title (relating to Foundation High School Program);
 - (2) testing requirements for graduation as specified in Chapter 101 of this title (relating to Assessment); and
 - (3) demonstrated proficiency, in Grade 8 or higher, as determined by the district in which the student is enrolled, in delivering clear verbal messages; choosing effective nonverbal behaviors; listening for desired results; applying valid critical-thinking and problem-solving processes; and identifying, analyzing, developing, and evaluating communication skills needed for professional and social success in interpersonal situations, group interactions, and personal and professional presentations.
- (b) Beginning with students enrolled in Grade 12 during the 2021-2022 school year, each student in Grade 12 must complete and submit a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA) before graduating from high school.
 - (1) A student may graduate under the Foundation High School Program without completing a financial aid application if:
 - (A) the student's parent or other person standing in parental relation submits a signed form, approved by the Texas Education Agency (TEA), indicating that the parent or other person declines to complete and submit the application or authorizes the student to decline to complete and submit the financial aid application;
 - (B) the student signs and submits the form described by paragraph (1) of this subsection on the student's own behalf if the student is 18 years of age or older or has been emancipated under Texas Family Code, Chapter 31; or
 - (C) a school counselor authorizes the student to decline to complete and submit the financial aid application for good cause, as determined by the school counselor.
 - (2) A school counselor may not indicate that a student has not complied with this subsection if the school district or open-enrollment charter school fails to provide the form described by paragraph (1)(A) of this subsection to the student or the student's parent or guardian.
- (c) Beginning with students enrolled during the 2026-2027 school year, before graduating high school, a student must elect whether or not to allow the Texas Higher Education Coordinating Board (THECB) to share the student's data and education records, as necessary, with institutions of higher education to allow the student to participate in the direct admission program established by the THECB pursuant to TEC, §61.0511(b)(2). A student satisfies this requirement if:
 - (1) the student provides documentation that the student has established a profile on the My Texas Future website and elected to participate in the direct admission program;
 - (2) the student's parent or guardian submits a signed form authorizing the student to decline to complete and submit information necessary to participate in the program;
 - (3) the student is 18 years or older or has had the disabilities of minority removed and signs and submits a form declining to complete and submit information necessary to participate in the program; or
 - (4) a school counselor authorizes the student in writing to decline to complete and submit the information necessary to participate in the program.
- (d) A school district shall clearly indicate the distinguished level of achievement under the Foundation High School Program, an endorsement, and a performance acknowledgment on the transcript or academic achievement record (AAR) of a student who satisfies the applicable requirements.

- (e) A student entering Grade 9 in the 2014-2015 school year and thereafter shall enroll in the courses necessary to complete the curriculum requirements for the Foundation High School Program specified in §74.12 of this title and the curriculum requirements for at least one endorsement specified in §74.13 of this title (relating to Endorsements).
- (f) A student may graduate under the Foundation High School Program without earning an endorsement if, after the student's sophomore year:
 - (1) the student and the student's parent or person standing in parental relation to the student are advised by a school counselor of the specific benefits of graduating from high school with one or more endorsements; and
 - (2) the student's parent or person standing in parental relation to the student files with a school counselor written permission, on a form adopted by TEA, allowing the student to graduate under the Foundation High School Program without earning an endorsement.
- (g) A student may earn a distinguished level of achievement by successfully completing the curriculum requirements for the Foundation High School Program and the curriculum requirements for at least one endorsement required by the Texas Education Code (TEC), §28.025(b-15), including four credits in science and four credits in mathematics to include Algebra II.
- (h) An out-of-state or out-of-country transfer student (including foreign exchange students) or a transfer student from a Texas nonpublic school is eligible to receive a Texas diploma but must complete all requirements of this section to satisfy state graduation requirements. Any course credit required in this section that is not completed by the student before he or she enrolls in a Texas school district may be satisfied through the provisions of §74.23 of this title (relating to Correspondence Courses and Distance Learning) and §74.24 of this title (relating to Credit by Examination) or by completing the course or courses according to the provisions of §74.26 of this title (relating to Award of Credit).
- (i) Elective credits may be selected from the following:
 - (1) high school courses not required for graduation that are listed in the following chapters of this title:
 - (A) Chapter 110 of this title (relating to Texas Essential Knowledge and Skills for English Language Arts and Reading);
 - (B) Chapter 111 of this title (relating to Texas Essential Knowledge and Skills for Mathematics);
 - (C) Chapter 112 of this title (relating to Texas Essential Knowledge and Skills for Science);
 - (D) Chapter 113 of this title (relating to Texas Essential Knowledge and Skills for Social Studies);
 - (E) Chapter 114 of this title (relating to Texas Essential Knowledge and Skills for Languages Other Than English);
 - (F) Chapter 115 of this title (relating to Texas Essential Knowledge and Skills for Health Education);
 - (G) Chapter 116 of this title (relating to Texas Essential Knowledge and Skills for Physical Education);
 - (H) Chapter 117 of this title (relating to Texas Essential Knowledge and Skills for Fine Arts); and
 - (I) Chapter 127 of this title (relating to Texas Essential Knowledge and Skills for Career Development and Career and Technical Education);
 - (2) state-approved innovative courses as specified in §74.27 of this title (relating to Innovative Courses and Programs);
 - (3) Junior Reserve Officer Training Corps (JROTC)--one to four credits;

- (4) Driver Education--one-half credit; and
- (5) College preparatory English language arts or mathematics courses developed and offered pursuant to the TEC, §28.014.
- (j) Courses offered for dual credit at or in conjunction with an institution of higher education that provide advanced academic instruction beyond, or in greater depth than, the essential knowledge and skills for the equivalent high school course required for graduation may satisfy graduation requirements, including requirements for required courses, advanced courses, and courses for elective credit as well as requirements for endorsements.
- (k) A student may not be enrolled in a course that has a required prerequisite unless:
 - (1) the student has successfully completed the prerequisite course(s);
 - (2) the student has demonstrated equivalent knowledge as determined by the school district; or
 - (3) the student was already enrolled in the course in an out-of-state, an out-of-country, or a Texas nonpublic school and transferred to a Texas public school prior to successfully completing the course.
- (l) A district may exempt a student from a specific career and technical education (CTE) course prerequisite for a CTE course that satisfies a mathematics or science credit if the district determines the student is not using the course to complete a CTE program of study.
- (m) A district may award credit for a course a student completed without meeting the prerequisites if the student completed the course in an out-of-state, an out-of-country, or a Texas nonpublic school where there was not a prerequisite.
- (n) A district shall allow a student who successfully completes AP Computer Science A or IB Computer Science Higher Level to satisfy both one advanced mathematics requirement and one languages other than English requirement for graduation.
- (o) Each school district shall annually report to TEA the names of the locally developed courses, programs, institutions of higher education, and internships in which the district's students have enrolled as authorized by the TEC, §28.002(g-1). TEA shall make available information provided under this subsection to other districts. If a district chooses, it may submit any locally developed course for approval under §74.27 of this title as an innovative course.
- (p) Each school district shall annually report to TEA the names of cybersecurity courses approved by the board of trustees for credit and the institutions of higher education in which the district's students have enrolled as authorized by the TEC, §28.002(g-3). TEA shall make available information provided under this subsection to other districts. If a district chooses, it may submit any locally developed course for approval under §74.27 of this title as an innovative course.
- (q) A school district shall permit a student to comply with the curriculum requirements under the Foundation High School Program by successfully completing appropriate courses in the core curriculum of an institution of higher education (IHE). A student who has completed the core curriculum of an IHE in accordance with TEC, §61.822, as certified by the IHE in accordance with §4.28 of this title (relating to Core Curriculum):
 - (1) is considered to have earned an endorsement by successfully completing the appropriate courses for that endorsement;
 - (2) is considered to have earned a distinguished level of achievement under the Foundation High School Program; and
 - (3) is entitled to receive a high school diploma.

§74.12. Foundation High School Program.

- (a) Credits. A student must earn at least 22 credits to complete the Foundation High School Program.
- (b) Core courses. A student must demonstrate proficiency in the following.

- (1) English language arts--four credits. Two of the credits must consist of English I and II. (Students who have not yet demonstrated English language proficiency may satisfy the English I and/or English II graduation requirements by successfully completing English I for Speakers of Other Languages and/or English II for Speakers of Other Languages, respectively.) A third credit must consist of English III, a comparable Advanced Placement (AP) English language arts course that does not count toward another credit required for graduation, or a comparable International Baccalaureate (IB) English language arts course that meets all the requirements in §110.38 of this title (relating to English Language Arts and Reading, English III (One Credit), Adopted 2017). A fourth credit may be selected from one full credit or a combination of two half credits from two different courses, subject to prerequisite requirements, from the following courses:
- (A) English IV;
 - (B) Independent Study in English;
 - (C) Literary Genres;
 - (D) Creative Writing;
 - (E) Research and Technical Writing;
 - (F) Humanities;
 - (G) Public Speaking III;
 - (H) Communication Applications, which must be combined with another half credit from the other courses listed in subparagraphs (A)-(G) and (I)-(S) of this paragraph;
 - (I) Oral Interpretation III;
 - (J) Debate III;
 - (K) Independent Study in Speech;
 - (L) Independent Study in Journalism;
 - (M) Advanced Broadcast Journalism III;
 - (N) Advanced Journalism: Newspaper III;
 - (O) Advanced Journalism: Yearbook III;
 - (P) a comparable Advanced Placement (AP) English language arts course that does not count toward another credit required for graduation;
 - (Q) a comparable International Baccalaureate (IB) English language arts course that meets all the requirements in §110.39 of this title (relating to English Language Arts and Reading, English IV (One Credit), Adopted 2017);
 - (R) after the successful completion of English I, II, and III, a locally developed English language arts course or other activity, including an apprenticeship or training hours needed to obtain an industry-recognized credential or certificate that is developed pursuant to the Texas Education Code (TEC), §28.002(g-1);
 - (S) Business English; and
 - (T) a college preparatory English language arts course that is developed pursuant to the TEC, §28.014.
- (2) Mathematics--three credits. Two of the credits must consist of Algebra I and Geometry.
- (A) The additional credit may be selected from one full credit or a combination of two half credits from two different courses, subject to prerequisite requirements, from the following courses or a credit selected from the courses listed in subparagraph (B) of this paragraph:
 - (i) Mathematical Models with Applications;

- (ii) Mathematical Applications in Agriculture, Food, and Natural Resources;
 - (iii) Digital Electronics;
 - (iv) Financial Mathematics;
 - (v) Applied Mathematics for Technical Professionals;
 - (vi) Accounting II;
 - (vii) Manufacturing Engineering Technology II; and
 - (viii) Robotics II.
 - (B) The additional credit may be selected from one full credit or a combination of two half credits from two different courses, subject to prerequisite requirements, from the following courses:
 - (i) Algebra II;
 - (ii) Precalculus;
 - (iii) Advanced Quantitative Reasoning;
 - (iv) Independent Study in Mathematics;
 - (v) Discrete Mathematics for Problem Solving;
 - (vi) Algebraic Reasoning;
 - (vii) Statistics;
 - (viii) a comparable AP mathematics course that does not count toward another credit required for graduation;
 - (ix) AP Computer Science A;
 - (x) IB Computer Science Higher Level;
 - (xi) Engineering Mathematics;
 - (xii) Statistics and Business Decision Making;
 - (xiii) Mathematics for Medical Professionals;
 - (xiv) Discrete Mathematics for Computer Science;
 - (xv) pursuant to the TEC, §28.025(b-5), after the successful completion of Algebra II, a mathematics course endorsed by an institution of higher education as a course for which the institution would award course credit or as a prerequisite for a course for which the institution would award course credit. The Texas Education Agency (TEA) shall maintain a current list of courses offered under this clause; and
 - (xvi) after the successful completion of Algebra I and Geometry, a locally developed mathematics course or other activity, including an apprenticeship or training hours needed to obtain an industry-recognized credential or certificate that is developed pursuant to the TEC, §28.002(g-1).
 - (C) One credit of a two-credit IB mathematics course selected from Chapter 111 of this title (relating to Texas Essential Knowledge and Skills for Mathematics) may satisfy the additional mathematics credit.
- (3) Science--three credits. One credit must consist of Biology or a comparable AP or IB biology course.
- (A) One credit must be selected from the following laboratory-based courses:
 - (i) Integrated Physics and Chemistry;

- (ii) Chemistry;
- (iii) Physics;
- (iv) Physics for Engineering; and
- (v) a comparable AP or IB chemistry or physics course that does not count toward another credit required for graduation.

(B) The additional credit may be selected from one full credit or a combination of two half credits from two different courses, subject to prerequisite requirements, from the following laboratory-based courses:

- (i) Chemistry;
- (ii) Physics;
- (iii) Aquatic Science;
- (iv) Astronomy;
- (v) Earth Systems Science;
- (vi) Environmental Systems;
- (vii) Specialized Topics in Science;
- (viii) a comparable AP science course that does not count toward another credit required for graduation;
- (ix) Advanced Animal Science;
- (x) Advanced Plant and Soil Science;
- (xi) Anatomy and Physiology;
- (xii) Medical Microbiology;
- (xiii) Pathophysiology;
- (xiv) Food Science;
- (xv) Forensic Science;
- (xvi) Biotechnology I;
- (xvii) Biotechnology II;
- (xviii) Physics for Engineering;
- (xix) Scientific Research and Design;
- (xx) Engineering Design and Problem Solving;
- (xxi) Engineering Science;
- (xxii) pursuant to the TEC, §28.025(b-5), after the successful completion of physics, a science course endorsed by an institution of higher education as a course for which the institution would award course credit or as a prerequisite for a course for which the institution would award course credit. The TEA shall maintain a current list of courses offered under this clause;
- (xxiii) a locally developed science course or other activity, including an apprenticeship or training hours needed to obtain an industry-recognized credential or certificate that is developed pursuant to the TEC, §28.002(g-1); and
- (xxiv) one credit of a two-credit IB science course selected from Chapter 112 of this title (relating to Texas Essential Knowledge and Skills for Science).

- (C) Credit may not be earned for both physics and Physics for Engineering to satisfy science credit requirements.
- (4) Social studies--three credits.
 - (A) One credit must consist of §113.41 of this title (relating to United States History Studies Since 1877 (One Credit), Adopted 2022) until superseded by §113.24 of this title (relating to United States History Studies (One Credit), Adopted 2026).
 - (B) One-half credit must consist of United States Government.
 - (C) Beginning with students who enter Grade 9 in the 2026-2027 school year or later:
 - (i) one-half credit must be selected from the following:
 - (I) §113.49 of this title (relating to Personal Financial Literacy (One-Half Credit), Adopted 2016) until superseded by §113.26 of this title (relating to Applied Personal Financial Literacy (One-Half Credit), Adopted 2026); or
 - (II) §113.76 of this title (relating to Personal Financial Literacy and Economics) until §113.26 of this title is implemented; and
 - (ii) one credit must be selected from the following:
 - (I) World History Studies;
 - (II) World Geography Studies; or
 - (III) Foundations of Economics.
 - (D) For students who entered Grade 9 prior to the 2026-2027 school year:
 - (i) one-half credit must be selected from the following:
 - (I) Economics with Emphasis on the Free Enterprise System and Its Benefits; or
 - (II) Personal Financial Literacy/Economics; and
 - (ii) one credit must be selected from the following:
 - (I) World History Studies; or
 - (II) World Geography Studies.
 - (E) A comparable AP or IB social studies course selected from Chapter 113 of this title (relating to Texas Essential Knowledge and Skills for Social Studies) or an advanced level course offered as dual credit as referenced in §74.11(i) of this title (relating to High School Graduation Requirements) that does not count toward another credit required for graduation may satisfy a credit identified in subparagraphs (A), (B), (C), or (D) of this paragraph.
- (5) Languages other than English (LOTE)--two credits.
 - (A) The credits may be selected from the following:
 - (i) any two levels in the same language, including comparable AP or IB language courses that do not count toward another credit required for graduation; or
 - (ii) two credits in computer programming languages, including computer coding, to be selected from Computer Science I, II, and III, AP Computer Science Principles, AP Computer Science A, IB Computer Science Standard Level, and IB Computer Science Higher Level.
 - (B) A single two-credit IB LOTE course may only satisfy one LOTE requirement.

- (C) If a student, in completing the first credit of LOTE, demonstrates that the student is unlikely to be able to complete the second credit, the student may substitute another appropriate course as follows:
- (i) Special Topics in Language and Culture;
 - (ii) World History Studies or World Geography Studies for a student who is not required to complete both by the local district;
 - (iii) another credit selected from Chapter 114 of this title (relating to Texas Essential Knowledge and Skills for Languages Other Than English); or
 - (iv) computer programming languages, including computer coding.
- (D) The determination regarding a student's ability to complete the second credit of LOTE must be agreed to by:
- (i) the teacher of the first LOTE credit course or another LOTE teacher designated by the school district, the principal or designee, and the student's parent or person standing in parental relation;
 - (ii) the student's admission, review, and dismissal (ARD) committee if the student receives special education services under the TEC, Chapter 29, Subchapter A; or
 - (iii) the committee established for the student under Section 504, Rehabilitation Act of 1973 (29 United States Code, Section 794) if the student does not receive special education services under the TEC, Chapter 29, Subchapter A, but is covered by the Rehabilitation Act of 1973.
- (E) A student, who due to a disability, is unable to complete two credits in the same language in a language other than English, may substitute a combination of two credits that are not being used to satisfy another specific graduation requirement selected from English language arts, mathematics, science, or social studies or two credits in career and technical education for the LOTE credit requirements. The determination regarding a student's ability to complete the LOTE credit requirements will be made by:
- (i) the student's ARD committee if the student receives special education services under the TEC, Chapter 29, Subchapter A; or
 - (ii) the committee established for the student under Section 504, Rehabilitation Act of 1973 (29 United States Code, Section 794) if the student does not receive special education services under the TEC, Chapter 29, Subchapter A, but is covered by the Rehabilitation Act of 1973.
- (F) A student who successfully completes a dual language immersion/two-way or dual language immersion/one-way program in accordance with §89.1210(d)(3) and (4) of this title (relating to Program Content and Design), §89.1227 of this title (relating to Minimum Requirements for Dual Language Immersion Program Model), and §89.1228 of this title (relating to Two-Way Dual Language Immersion Program Model Implementation) at an elementary school may satisfy one credit of the two credits required in a language other than English.
- (i) To successfully complete a dual language immersion program, a student must:
 - (I) have participated in a dual language immersion program for at least five consecutive school years;
 - (II) achieve high levels of academic competence as demonstrated by performance of meets or masters grade level on both the mathematics and reading State of Texas Assessments of Academic Readiness (STAAR®) in English or Spanish, as applicable, in at least one grade level; and

- (III) achieve proficiency in both English and a language other than English as demonstrated by scores of proficient or higher in the reading and speaking domains on language proficiency or achievement tests in both languages.
 - (ii) The second credit of a language other than English must be in the same language as the successfully completed dual language immersion program.
 - (G) A student who successfully completes a course in American Sign Language while in elementary school may satisfy one credit of the two credits required in a language other than English.
- (6) Physical education--one credit.
- (A) The required credit may be selected from one full credit or a combination of two half credits from two different courses from the following courses:
 - (i) Lifetime Fitness and Wellness Pursuits;
 - (ii) Lifetime Recreation and Outdoor Pursuits; and
 - (iii) Skill-Based Lifetime Activities.
 - (B) In accordance with local district policy, the required credit may be earned through completion of any Texas essential knowledge and skills-based course that meets the requirement in subparagraph (E) of this paragraph for 100 minutes of moderate to vigorous physical activity per five-day school week and that is not being used to satisfy another specific graduation requirement.
 - (C) In accordance with local district policy, credit for any of the courses listed in subparagraph (A) of this paragraph may be earned through participation in the following activities:
 - (i) Athletics;
 - (ii) Junior Reserve Officer Training Corps (JROTC); and
 - (iii) appropriate private or commercially sponsored physical activity programs conducted on or off campus. The district must apply to the commissioner of education for approval of such programs, which may be substituted for state graduation credit in physical education. Such approval may be granted under the following conditions.
 - (I) Olympic-level participation and/or competition includes a minimum of 15 hours per week of highly intensive, professional, supervised training. The training facility, instructors, and the activities involved in the program must be certified by the superintendent to be of exceptional quality. Students qualifying and participating at this level may be dismissed from school one hour per day. Students dismissed may not miss any class other than physical education.
 - (II) Private or commercially sponsored physical activities include those certified by the superintendent to be of high quality and well supervised by appropriately trained instructors. Student participation of at least five hours per week must be required. Students certified to participate at this level may not be dismissed from any part of the regular school day.
 - (D) In accordance with local district policy, up to one credit for any one of the courses listed in subparagraph (A) of this paragraph may be earned through participation in any of the following activities:
 - (i) Drill Team;

- (ii) Marching Band; and
 - (iii) Cheerleading.
 - (E) All substitution activities allowed in subparagraphs (B)-(D) of this paragraph must include at least 100 minutes per five-day school week of moderate to vigorous physical activity.
 - (F) Credit may not be earned more than once for the courses identified in subparagraph (A)(i) and (iii) of this paragraph. Credit may not be earned more than twice for the course identified in subparagraph (A)(ii) of this paragraph. No more than four substitution credits may be earned through any combination of substitutions allowed in subparagraphs (B)-(D) of this paragraph.
 - (G) A student who is unable to participate in physical activity due to disability or illness may substitute an academic elective credit (English language arts, mathematics, science, or social studies) or a course that is offered for credit as provided by the TEC, §28.002(g-1), for the physical education credit requirement. The determination regarding a student's ability to participate in physical activity will be made by:
 - (i) the student's ARD committee if the student receives special education services under the TEC, Chapter 29, Subchapter A;
 - (ii) the committee established for the student under Section 504, Rehabilitation Act of 1973 (29 United States Code, Section 794) if the student does not receive special education services under the TEC, Chapter 29, Subchapter A, but is covered by the Rehabilitation Act of 1973; or
 - (iii) a committee established by the school district of persons with appropriate knowledge regarding the student if each of the committees described by clauses (i) and (ii) of this subparagraph is inapplicable. This committee shall follow the same procedures required of an ARD or a Section 504 committee.
- (7) Fine arts--one credit.
- (A) The credit may be selected from the following courses subject to prerequisite requirements:
 - (i) Art, Level I, II, III, or IV;
 - (ii) Dance, Level I, II, III, or IV;
 - (iii) Music, Level I, II, III, or IV;
 - (iv) Music Studies;
 - (v) Theatre, Level I, II, III, or IV;
 - (vi) Musical Theatre, Level I, II, III, or IV;
 - (vii) Technical Theatre, Level I, II, III, or IV;
 - (viii) IB Film Standard or Higher Level;
 - (ix) Floral Design;
 - (x) Digital Art and Animation; and
 - (xi) 3-D Modeling and Animation.
 - (B) In accordance with local district policy, credit may be earned through participation in a community-based fine arts program not provided by the school district in which the student is enrolled. The district must apply to the commissioner of education for approval of such programs, which may be substituted for state graduation credit in fine arts. Approval may be granted if the fine arts program provides instruction in the essential

knowledge and skills identified for a fine arts course as defined by Chapter 117, Subchapter C, of this title (relating to High School).

- (c) Elective courses--five credits. The credits must be selected from the list of courses specified in §74.11(g) or (h) of this title or from a locally developed course or activity developed pursuant to the TEC, §28.002(g-1), for which a student may receive credit and that does not satisfy a specific course requirement.
- (d) Substitutions. No substitutions are allowed in the Foundation High School Program, except as specified in this chapter.