

ATTACHMENT I

Statutory Citations Relating to New 19 TAC Chapter 61, School Districts, Subchapter AA, Commissioner's Rules on School Finance, §61.1010, Additional State Aid for School Districts that Contract to Partner to Operate a District Campus

Texas Education Code, §42.2511, School District Entitlement for Certain Students, as added by Senate Bill (SB) 1882, 85th Texas Legislature, Regular Session, 2017:

- (a) This section applies only to:
 - (1) a school district and an open-enrollment charter school that enter into a contract to operate a district campus as provided by Section 11.174; and
 - (2) a charter granted by a school district for a program operated by an entity that has entered into a contract under Section 11.174, provided that the district does not appoint a majority of the governing body of the charter holder.
- (b) Notwithstanding any other provision of this chapter or Chapter 41, a school district subject to this section is entitled to receive for each student in average daily attendance at the campus described by Subsection (a) an amount equivalent to the difference, if the difference results in increased funding, between:
 - (1) the amount described by Section 12.106; and
 - (2) the amount to which the district would be entitled under this chapter.
- (c) The commissioner shall adopt rules as necessary to administer this section.

TEC, §11.174, Contract Regarding Operation of District Campus, as added by SB 1882, 85th Texas Legislature, Regular Session, 2017:

- (a) A school district campus qualifies for an exemption from intervention as provided by Subsection (f) and qualifies for funding as provided by Section 42.2511 if the board of trustees of the district contracts to partner to operate the district campus as provided by this section with:
 - (1) the governing body of an open-enrollment charter school; or
 - (2) on approval by the commissioner, an entity granted a charter by the district under Subchapter C, Chapter 12, that is eligible to be awarded a charter under Section 12.101(a).
- (b) The board of trustees of a school district may enter into a contract as provided by Subsection (a) only if:
 - (1) the charter of the open-enrollment charter school has not been previously revoked;
 - (2) for the three school years preceding the school year of the proposed operation of the district campus as described by Subsection (a), the open-enrollment charter school has received:
 - (A) an overall performance rating of acceptable or higher under Subchapter C, Chapter 39; and
 - (B) a financial accountability rating under Subchapter D, Chapter 39, indicating financial performance of satisfactory or higher; or

- (3) the entity considered for a district-authorized charter has not previously operated an open-enrollment charter school in which the charter expired or was revoked or surrendered.
- (c) Before entering into a contract as provided by this section, a school district must consult with campus personnel regarding the provisions to be included in the contract between the school district and the open-enrollment charter school. All rights and protections afforded by current employment contracts or agreements may not be affected by the contract entered into between a school district and an open-enrollment charter school under this section.
- (d) To operate a district campus as provided by this section, the district campus must be granted a charter under Subchapter C, Chapter 12.
- (e) The commissioner shall continue to evaluate and assign overall and domain performance ratings under Section 39.054 to a district campus subject to a contract described by Subsection (a).
- (f) This subsection applies only to a district campus subject to a contract described by Subsection (a) that received an overall performance rating of unacceptable under Subchapter C, Chapter 39, for the school year before operation of the district campus under the contract began. The commissioner may not impose a sanction or take action against the campus under Section 39.107(a) or (e) for failure to satisfy academic performance standards during the first two school years of operation of a district campus under Subsection (a). The overall performance rating received by the campus during those first two school years is not included in calculating consecutive school years and is not considered a break in consecutive school years under Section 39.107(a) or (e).
- (g) A campus that receives an exemption from a sanction or other action under Subsection (f) may receive another exemption while operating under a subsequent contract only if the campus receives approval for the exemption from the commissioner.
- (h) Subject to Subsection (i), a contract entered into by the board of trustees of a school district and the governing body of an open-enrollment charter school for the operation of a district campus as provided by Subsection (a) must include a provision addressing student eligibility for enrollment.
- (i) The contract of a campus subject to Subsection (f) must provide that any student residing in the attendance zone of the district campus as the attendance zone existed before operation of the district campus under the contract shall be admitted for enrollment at the campus. The contract must establish enrollment preference for students who do not reside in the attendance zone as follows:
- (1) other students residing in the school district in which the campus is located; and
 - (2) students who reside outside the school district.
- (j) An employee of an entity granted a district-authorized charter that enters into a contract under this section to operate a district campus is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits if holding the same position at the district.
- (k) A district proposing to enter into a contract under Subsection (a)(2) shall notify the commissioner of the district's intent to enter into the contract. The commissioner by rule shall establish the procedures for a district to notify the commissioner under this subsection, including the period within which the notification is required before the school year in which the proposed contract would take effect, and for a district and, if necessary, an entity to submit information as required by the commissioner. The commissioner shall notify the district whether the proposed contract is approved not later than the 60th day after the date the commissioner receives notice of the proposed contract and all information required by the commissioner to be submitted. If the

commissioner fails to notify the district that the proposed contract has been approved or denied within the period prescribed by this subsection, the proposed contract is considered approved.

- (l) Except as expressly provided by this section, the commissioner may not impose additional requirements on an open-enrollment charter school to be eligible for a contract under Subsection (a).
- (m) The commissioner shall adopt rules as necessary to administer this section, including requirements for an entity and the contract with the entity, including the standards required for an entity to receive approval under Subsection (a)(2).
- (n) This section does not prohibit a contract between a school district and another entity for the provision of services for the campus.