

The Texas Education Agency (TEA) proposes new §61.1003, concerning the career and technology education allotment for Pathways in Technology Early College High School (P-TECH) and New Tech Network campuses. The proposed new section would reflect changes made by House Bill (HB) 3, 86th Texas Legislature, 2019, by explaining how TEA will calculate and make available funding under Texas Education Code (TEC), §48.106(a)(2)(B) and (C).

BACKGROUND INFORMATION AND JUSTIFICATION: HB 3, 86th Texas Legislature, 2019, added to the calculation of the career and technology education allotment under TEC, §48.106(a)(2)(B) and (C), \$50 for each full-time equivalent student enrolled in a campus designated as a P-TECH school under TEC, §29.556, or a campus that is a member of the New Tech Network and that focuses on project-based learning and work-based education. The fiscal note for HB 3 contemplated a school district entitlement under this provision of \$50 per student in average daily attendance (ADA). There were concerns that the new language may only authorize an additional amount for a CTE course taken at one of those schools, significantly less than the \$50 per ADA the fiscal note contemplated in the district funding analysis.

Proposed new §61.1003 would adjust entitlement as calculated under TEC, §48.106(a)(2)(B) and (C), to reflect \$50 per student in ADA attending either a school designated as a P-TECH or a school that is a member of the New Tech Network.

FISCAL IMPACT: Leo Lopez, associate commissioner for school finance, has determined that for the first five-year period the proposal is in effect there are no additional costs to state or local government required to comply with the proposal beyond what is authorized by statute. Approximately \$1.6 million annually was appropriated for House Bill 3.

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 create a new regulation because it imposes the requirements of recently enacted legislation.

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 expand, 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: The proposal would ensure that rule language is based on current law and ensure that school districts receive appropriate levels of career and technology education funding under HB 3. 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: The 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: The public comment period on the proposal begins May 8, 2020, and ends June 8, 2020. 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 May 8, 2020. 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/). Comments on the proposal may also be submitted to Cristina De La Fuente-Valadez, Rulemaking, Texas Education Agency, 1701 North Congress Avenue, Austin, Texas 78701.

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §48.004, as transferred, redesignated, and amended by House Bill (HB) 3, 86th Texas Legislature, 2019, which specifies that the commissioner shall adopt rules that are necessary to implement and administer the Foundation School Program; TEC, §48.011, as added by HB 3, 86th Texas Legislature, 2019, which provides the commissioner authority to resolve unintended consequences from school finance formulas upon approval from the Legislative Budget Board and the office of the governor; and TEC, §48.106, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019, which details the calculation of the career and technology education allotment that school districts and open-enrollment charter schools are entitled to under the Foundation School Program.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §§48.004, 48.011, and 48.106, as added by House Bill 3, 86th Texas Legislature, 2019.

<rule>

§61.1003. Career and Technology Education Allotment for P-TECH and New Tech Network Campuses.

- (a) This rule, made pursuant to Texas Education Code (TEC), §48.011 and §48.004, addresses calculations in TEC, §48.106(a)(2)(B) and (C).
- (b) In place of funding under TEC, §48.106(a)(2)(B) and (C), a district is entitled to \$50 for each student in average daily attendance enrolled in either of the following:
 - (1) a campus designated as a Pathways in Technology Early College High School (P-TECH) school under TEC, §29.556; or
 - (2) a campus that is a member of the New Tech Network and that focuses on project-based learning and work-based education.