

The Texas Education Agency (TEA) proposes new §74.1005, concerning college and career funding and reimbursements. The proposed new rule would address the career and technology education allotment, the college preparation assessment reimbursement, and the industry-based certification examination reimbursement.

BACKGROUND INFORMATION AND JUSTIFICATION: House Bill (HB) 3, 86th Texas Legislature, 2019, added Texas Education Code (TEC), §48.155 and §48.156, which establish reimbursements for school districts for college preparation assessments and certification examinations. In addition, HB 3 established in TEC, §48.106(a)(1), a weighted annual allotment for approved career and technical education (CTE) courses.

Proposed new 19 TAC §74.1005 would implement HB 3, as follows.

The proposed new rule would describe the eligibility of school districts and charter schools to receive career and technology education allotment funding under TEC, §48.106(a)(1) and (2)(A)-(C), for approved CTE courses, advanced CTE courses, Pathways in Technology Early College High School (P-TECH) campuses, and New Tech Network campuses.

The proposed new rule would also detail eligibility for certain district reimbursements. The certification examination reimbursement would apply to certifications identified on the TEA industry-based certification list for public school accountability for students in Grades 9-12 who pass an examination beginning in the 2019-2020 school year. The college preparation assessment reimbursement would allow districts to be reimbursed for the amount of fees paid by the district for the state negotiated rate for the SAT®, ACT®, or Texas Success Initiative Assessment. Under the proposed new rule, a district would only be reimbursed for one industry-based certification examination per student and one college preparation assessment per student.

FISCAL IMPACT: Lily Laux, deputy commissioner for school 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 require the creation of new employee positions, would create a new regulation, and would positively affect the state's economy. In order to comply with new TEC, §48.155 and §48.156, TEA will need one new full-time employee to monitor, process, and reconcile reimbursements for college preparation assessments and industry-based certifications. The proposal would create a new regulation to implement the requirements of recently enacted legislation. The Texas economy will be positively affected as a result because more students will earn industry-based certifications, which will lead to a more skilled and prepared labor force.

The proposed rulemaking would not create or eliminate a government program; would not require the 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 adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Laux 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 implementing newly enacted legislation and providing school districts with support to monitor, process, and reconcile reimbursements for college preparation assessments and industry-based certifications. 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 and reporting impact; however, school districts and open-enrollment-charter schools would be required to follow Public Education Information Management System (PEIMS) reporting requirements to be eligible for funding and reimbursements. The PEIMS data collection element related to industry-based certifications is E1632. The PEIMS data collection element related to New Tech campus designations is E1647.

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 1, 2020, and ends June 15, 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 1, 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), §29.190(a)(2) and (a-1), as amended by House Bill (HB) 3, 86th Texas Legislature, 2019, which specifies that a student is entitled to one subsidy for a certification examination 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); TEC, §39.0261(a)(3), as amended by HB 3, 86th Texas Legislature, 2019, which defines the time period for a student to take the college preparation assessment at state cost and includes the assessment instruments designated by the Texas Higher Education Coordinating Board under TEC, §51.334; TEC, §48.106(a)(1), as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019, which establishes an annual allotment for approved career and technical education courses equal to the basic allotment multiplied by a weight of 1.35; TEC, §48.155, as added by HB 3, 86th Texas Legislature, 2019, which establishes the college preparation assessment reimbursement for a school district in the amount of fees paid by the district for the administration of one assessment instrument per student under TEC, §39.0261(a)(3); and TEC, §48.156, as added by HB 3, 86th Texas Legislature, 2019, which establishes the certification examination reimbursement for school districts in the amount of a subsidy paid by the district for one certification examination per student under TEC, §29.190(a)(2) and (a-1).

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §29.190(a)(2) and (a-1) and §39.0261(a)(3), as amended by House Bill (HB) 3, 86th Texas Legislature, 2019; §48.106(a)(1), as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019; and §48.155 and §48.156, as added by HB 3, 86th Texas Legislature, 2019.

<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)(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 Texas Education Agency (TEA) as a Pathways in Technology Early College High School (P-TECH) for the current school year.
- (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 basic SAT® and ACT® test. 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 through graduation.
- (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 through graduation.
- (4) A district may only be reimbursed under this subsection for one IBC examination per student and one college preparation assessment per student.
- (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.