

The State Board of Education (SBOE) proposes an amendment to §74.5, concerning academic achievement record (transcript). The proposed amendment would require documentation of the new graduation requirement that a student complete and submit a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA).

**BACKGROUND INFORMATION AND JUSTIFICATION:** The 86th Texas Legislature, 2019, passed House Bill (HB) 3, amending Texas Education Code (TEC), §28.025(c), and adding new TEC, §28.0256, to require a student to complete a financial aid application, FAFSA or TASFA, in order to graduate. In accordance with TEC, §28.0256(b), a student is not required to comply with the requirement to complete and submit a financial aid application if the student's parent or guardian submits a signed opt-out form authorizing the student to decline. The student may submit the opt-out form on the student's own behalf if the student is 18 years of age or older or is an emancipated youth under Texas Family Code, Chapter 31. A school counselor may also authorize the student to decline to complete and submit a financial aid application for good cause, as determined by the school counselor. The opt-out form must be approved by the Texas Education Agency (TEA). Each school district must report to the agency the number of students who meet the financial aid application requirement by either completing and submitting a financial aid application or opting out.

The proposed amendment would update the rule for the academic achievement record to document the completion of the new financial aid application graduation requirement.

The SBOE approved the proposed amendment for first reading and filing authorization at its January 29, 2021 meeting.

**FISCAL IMPACT:** Monica Martinez, associate commissioner for standards and support services, has determined that for the first five-year period the proposal is in effect there are no additional costs to state or local government beyond what is required by the authorizing statute. HB 3, 86th Texas Legislature, 2019, required school districts and charter schools to monitor and report the completion of the financial aid application requirement, which will have a cost to the state. However, the 86th Texas Legislature, 2019, appropriated \$1.5 million to TEA for the creation of a database to track TASFA completion electronically.

In addition, there may be costs to school districts and charter schools associated with required updates to local student information systems in order to implement the requirements of statute. These may include the need for professional development and amendments to district-developed databases. Since the design and format of and data collection for the academic achievement record (high school transcript) are made at the local district level, it is difficult to estimate the fiscal impact on any given district.

**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 requiring school districts and charter schools to report the completion of the financial aid application requirement on the academic achievement record.

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 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:** 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 improving documentation of requirements on the academic achievement record and the ability to more effectively transmit that information between school districts. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** The proposal would have data and reporting implications. The proposed amendment would require school districts and charters schools to report the completion of the financial aid application requirement on the academic achievement record.

**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:** The public comment period on the proposal begins March 5, 2021, and ends at 5:00 p.m. on April 9, 2021. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About\\_TEA/Laws\\_and\\_Rules/SBOE\\_Rules\\_\(TAC\)/Proposed\\_State\\_Board\\_of\\_Education\\_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/SBOE_Rules_(TAC)/Proposed_State_Board_of_Education_Rules/). The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in April 2021 in accordance with the SBOE board operating policies and procedures. 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 March 5, 2021.

**STATUTORY AUTHORITY.** The amendment is proposed under Texas Education Code (TEC), §7.102(c)(13), which requires the State Board of Education (SBOE) to adopt transcript forms and standards for differentiating high school performance for purposes of reporting academic achievement under TEC, §28.025; TEC, §28.025(e), which requires each school district to report the academic achievement record of students who have completed the foundation high school program on transcript forms adopted by the SBOE; and TEC, §28.0256(a), as added by House Bill 3, 86th Texas Legislature, 2019, which requires each student to 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.

**CROSS REFERENCE TO STATUTE.** The amendment implements Texas Education Code, §§7.102(c)(13); 28.025(e); and 28.0256(a), as added by House Bill 3, 86th Texas Legislature, 2019.

<rule>

#### **§74.5. Academic Achievement Record (Transcript).**

- (a) The commissioner of education shall develop and distribute to each school district and institution of higher education the state guidelines for a common academic achievement record and coding system for courses and instructions for recording information on the academic achievement record. Each school district must use the coding system provided by the commissioner.
- (b) Following guidelines developed by the commissioner, each school district must use an academic achievement record (transcript) form that includes the following:
  - (1) student demographics;
  - (2) school data;

- (3) student data; and
  - (4) the record of courses and credits earned.
- (c) The academic achievement record shall serve as the academic record for each student and must be maintained permanently by the district. Each district must ensure that copies of the record are made available for a student transferring from one district to another. To ensure appropriate placement of a transfer student, a district must respond promptly to each request for student records from a receiving school district.
- (d) Any credit earned by a student must be recorded on the academic achievement record, regardless of when the credit was earned.
- (e) A student who completes high school graduation requirements shall have attached to the academic achievement record a seal approved by the State Board of Education [SBOE] .
- (f) A student who completes the requirements for an endorsement shall have the endorsement clearly indicated on the academic achievement record.
- (g) A student who earns a performance acknowledgment shall have the performance acknowledgment clearly indicated on the academic achievement record.
- (h) A student who earns the distinguished level of achievement shall have the distinguished level of achievement clearly indicated on the academic achievement record.
- (i) A student who demonstrates proficiency in speech as specified in §74.11(a)(3) of this title (relating to High School Graduation Requirements) shall have completion of the speech requirement clearly indicated on the academic achievement record.
- (j) A student who completes the required instruction in cardiopulmonary resuscitation (CPR) as specified in §74.38 of this title (relating to Requirements for Instruction in Cardiopulmonary Resuscitation (CPR)) in Grade 9, 10, 11, or 12 shall have completion of the CPR instruction clearly indicated on the academic achievement record.
- (k) A student who completes the required instruction on proper interaction with peace officers shall have completion of the instruction clearly indicated on the academic achievement record.
- (l) A student who completes and submits a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA) or submits the Texas Education Agency-approved opt-out form shall have the completion of the financial aid application requirement clearly indicated on the academic achievement record.
- (m) ~~(l)~~ A student who satisfies a languages other than English graduation credit requirement by successfully completing a dual language immersion program at an elementary school in accordance with §74.12(b)(5)(F) of this title (relating to Foundation High School Program) shall have the credit clearly indicated on the academic achievement record.
- (n) ~~(m)~~ A student who completes all graduation requirements except for required end-of-course assessment instruments may be issued a certificate of coursework completion. The academic achievement record will include a notation of the date such a certificate was issued to the student.