Texas Education Code (TEC), §7.102, State Board of Education Powers and Duties (excerpt):

(c) (12) The board shall establish guidelines for credit by examination under Section 28.023.

TEC, §28.023, Credit by Examination, as amended by House Bill 789, 85th Texas Legislature, Regular Session, 2017:

(a) Using guidelines established by the State Board of Education, a school district shall develop or select for review by the district board of trustees examinations for acceleration for each primary school grade level and for credit for secondary school academic subjects. The guidelines must provide for the examinations to thoroughly test comprehension of the information presented in the applicable grade level or subject. The board of trustees shall approve for each subject, to the extent available, at least four examinations that satisfy State Board of Education guidelines. The examinations approved by the board of trustees must include:

(1) advanced placement examinations developed by the College Board; and
(2) examinations administered through the College-Level Examination Program.

(b) A school district shall give a student in a primary grade level credit for a grade level and advance the student one grade level on the basis of an examination for acceleration approved by the board of trustees under Subsection (a) if:

(1) the student scores in the 80th percentile or above on each section of the examination;
(2) a district representative recommends that the student be advanced; and
(3) the student's parent or guardian gives written approval of the advancement.

(c) A school district shall give a student in grade level six or above credit for a subject on the basis of an examination for credit in the subject approved by the board of trustees under Subsection (a) if

the student scores in the 80th percentile or above on the examination or if the student achieves a score as provided by Subsection (c-1). If a student is given credit in a subject on the basis of an examination, the district shall enter the examination score on the student's transcript and the student is not required to take an end-of-course assessment instrument adopted under Section 39.023(c) for that subject.

(c-1) A school district shall give a student in grade level six or above credit for a subject if the student scores:

(1) a three or higher on an advanced placement examination approved by the board of trustees under Subsection (a) and developed by the College Board; or
(2) a scaled score of 50 or higher on an examination approved by the board of trustees under Subsection (a) and administered through the College-Level Examination Program.

(d) Each district shall administer each examination approved by the board of trustees under Subsection (a) not fewer than four times each year, at times to be determined by the State Board of Education.

(e) Subsection (d) does not apply to an examination that has an administration date that is established by an entity other than the school district.

(f) A student may not attempt more than two times to receive credit for a particular subject on the basis of an examination for credit in that subject.
(g) If a student fails to achieve the designated score described by Subsection (c) or (c-1) on an applicable examination described by Subsection (c) or (c-1) for a subject before the beginning of the school year in which the student would ordinarily be required to enroll in a course in that subject in accordance with the school district's prescribed course sequence, the student must satisfactorily complete the course to receive credit for the course.

(h) This subsection applies only to a school district surrounded by a school district described by Section 11.065(a). Notwithstanding any other provision of this section, a school district's board of trustees may establish a minimum required score for each section of an examination for acceleration or an examination for credit approved by the board under Subsection (a) that is higher than the minimum required scores under Subsections (b) and (c), respectively. A minimum required score established by a board of trustees under this subsection:

(1) may be no greater than a score in the 90th percentile;

(2) must be established before the beginning of a school year for examinations to be administered in the school year; and

(3) must apply for at least the entire school year.