

ATTACHMENT II
Text of Proposed New 19 TAC

Chapter 102. Educational Programs

Subchapter JJ. Innovation District

§102.1301. Definitions.

For purposes under this subchapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise.

- (1) District-level committee--This term has the meaning assigned by the Texas Education Code (TEC), §11.251.
- (2) Innovation Plan committee--An innovation plan committee shall consist of members designated by the board of trustees.
- (3) Public hearing--An open meeting held by the board of trustees that allows members of the public to hear facts about the proposed plan and designation and provides the opportunity for the public to give opinions and comments on the proposed actions.
- (4) Public meeting--An open meeting held by the board of trustees that allows members of the public to hear facts about the proposed plan and designation.
- (5) Unacceptable academic performance rating--For the purposes of this chapter, the term "unacceptable academic" performance rating means a rating of Improvement Required or Unacceptable Performance or as otherwise indicated in the applicable year's academic accountability manual adopted under §97.1001 of this title (relating to Accountability Rating System).
- (6) Unacceptable financial accountability rating--For the purposes of this chapter, the term "unacceptable financial" performance rating means a Financial Integrity Rating System of Texas (FIRST) rating of Substandard Achievement as indicated in the applicable year's financial accountability system manual adopted under §109.1001 of this title (relating to Financial Accountability Rating).

§102.1303. Eligibility.

- (a) A district is eligible for designation as an innovation district if the district's most recent performance rating under the Texas Education Code (TEC), §39.054, is at least acceptable performance, as indicated in the applicable year's academic accountability manual adopted under §97.1001 of this title (relating to Accountability Rating System).
- (b) A district may not begin operations as an innovation district if the district is assigned either a final or preliminary rating below acceptable performance, as indicated in the applicable year's academic accountability manual adopted under §97.1001 of this title.

§102.1305. Process Timeline.

- (a) If a resolution is adopted by the board of trustees or a petition is signed by a majority of the members of the district-level committee, the board of trustees shall hold a public hearing as soon as possible, but no later than the next scheduled board of trustees meeting, to consider if the district should develop a local innovation plan for the designation of the district as an innovation district. The board resolution may outline the parameters around which the innovation committee may develop the plan.
- (b) At the conclusion of the public hearing, or within 30 days after conclusion of the public hearing, the board of trustees may:
 - (1) decline to pursue designation of the district as an innovation district; or

- (2) appoint an Innovation Plan committee to develop a local innovation plan in accordance with the TEC, §12A.003.
- (c) Prior to the designation as an innovation district, a local innovation plan must be developed for the school district and shall meet the plan requirements as outlined in the TEC, §12A.003.
- (d) The plan must be clearly posted on the district's website for the term of the designation as an innovation district.

§102.1307. Adoption of Local Innovation Plan.

- (a) The board of trustees may not vote on adoption of a proposed local innovation plan unless:
 - (1) the final version of the proposed plan has been available on the district's website for at least 30 days;
 - (2) the board of trustees has notified the commissioner of education of the board's intention to vote on adoption of the proposed plan; and
 - (3) the district-level committee established under the Texas Education Code (TEC), §11.251, has held a public meeting to consider the final version of the proposed plan and has approved the plan by a majority vote of the committee members. This public meeting may occur at any time, including up to or on the same date at which the board intends to vote on final adoption of the proposed plan.
- (b) A board of trustees may adopt a proposed local innovation plan by an affirmative vote of two-thirds of the membership of the board.
- (c) On adoption of a local innovation plan, the district:
 - (1) is designated as a district of innovation under this chapter for the term specified in the plan but no longer than five calendar years, subject to the TEC, §12A.006;
 - (2) shall begin operation in accordance with the plan; and
 - (3) is exempt from state requirements identified under the TEC, §12A.003(b)(2).
- (d) The district shall notify the commissioner of approval of the plan along with a list of approved TEC exemptions by completing the agency form provided in the figure in this subsection.

[Figure: 19 TAC §102.1307\(d\)](#)
- (e) A district's exemption described by subsection (c)(3) of this section includes any subsequent amendment or redesignation of an identified state requirement, unless the subsequent amendment or redesignation specifically applies to an innovation district.

§102.1309. Prohibited Exemptions.

- (a) An innovation district may not be exempted from the following sections of the Texas Education Code (TEC) and the rules adopted thereunder:
 - (1) a state or federal requirement, imposed by statute or rule, applicable to an open-enrollment charter school operating under the TEC, Chapter 12, Subchapter D, including, but not limited to, the requirements listed in the TEC, §12.104(b);
 - (2) TEC, Chapter 11, Subchapters A, C, D, and E, except that a district may be exempt from the TEC, §11.1511(b)(5) and (14) and §11.162;
 - (3) TEC, Chapter 13;
 - (4) TEC, Chapter 25, Subchapter A, §§25.001, 25.002, 25.0021, 25.0031, and 25.004;
 - (5) TEC, Chapter 28, §§28.002, 28.0021, 28.0023, 28.005, 28.0051, 28.006, 28.016, 28.0211, 28.0213, 28.0217, 28.025, 28.0254, 28.0255, 28.0258, 28.0259, and 28.026;
 - (6) TEC, Chapter 29, Subchapter G;

- (7) TEC, Chapter 30, Subchapter A;
 - (8) TEC, §30.104;
 - (9) TEC, Chapter 34;
 - (10) TEC, Chapter 37, §§37.006(l), 37.007(e), 37.011, 37.012, 37.013, and 37.020;
 - (11) TEC, Chapter 39;
 - (12) TEC, Chapter 41;
 - (13) TEC, Chapter 42;
 - (14) TEC, Chapter 44, §§44.0011, 44.002, 44.003, 44.004, 44.0041, 44.005, 44.0051, 44.006, 44.007, 44.0071, 44.008, 44.009, 44.011, 44.0312, 44.032, 44.051, 44.052, 44.053, and 44.054;
 - (15) TEC, Chapter 45, §§45.003, 45.0031, 45.005, 45.105, 45.106, 45.202, 45.203; and
 - (16) TEC, Chapter 46.
- (b) In addition to the prohibited exemptions specified in subsection (a) of this section, an innovation district may not be exempted from:
- (1) a requirement of a grant or other voluntary benefit;
 - (2) duties that the statute applies to the execution of that power if a district chooses to implement an authorized power that is optional under the terms of the statute;
 - (3) any other requirement from which the district of innovation cannot be exempted, as determined by the commissioner of education; and
 - (4) requirements imposed by provisions outside the TEC, including requirements under the Texas Government Code, Chapter 822.

§102.1311. Term.

The term of a district's designation as a district of innovation may not exceed five calendar years and is effective upon district approval and notification of the plan to the Texas Education Agency. A district may only have one innovation plan at any given time.

§102.1313. Amendment, Rescission, or Renewal.

A district innovation plan may be amended, rescinded, or renewed if the action is approved by a majority vote of the district-level committee established under the Texas Education Code (TEC), §11.251, or a comparable committee if the district is exempt from that section, and a two-thirds majority vote of the board of trustees.

- (1) Amendment. An amendment to an approved plan does not change the date of the term of designation as an innovation district. Exemptions that were already formally approved are not required to be reviewed.
- (2) Rescission. A district must notify the Texas Education Agency within five business days of rescission and provide a date at which time it will be in compliance with all sections of the TEC, but no later than the start of the following school year.
- (3) Renewal. A district may renew the district plan within six months of the expiration of the plan's term. During renewal, all sections of the plan and exemptions shall be reviewed and the district must follow all components outlined in §102.1307 of this title (relating to Adoption of Local Innovation Plan).

§102.1315. Termination.

- (a) The commissioner of education may:

- (1) terminate a district's designation as a district of innovation if, beginning with its ratings in the year of designation, the district is assigned for two consecutive school years:
 - (A) a final unacceptable academic performance rating under the Texas Education Code (TEC), §39.054;
 - (B) a final unacceptable financial accountability rating under the TEC, §39.082; or
 - (C) a final unacceptable academic performance rating under the TEC, §39.054, for one of the school years and a final unacceptable financial accountability rating under the TEC, §39.082, for the other school year; or
- (2) permit the district to amend the district's local innovation plan to address concerns specified by the commissioner in lieu of terminating the designation as described in paragraph (1) of this subsection.
- (b) The commissioner shall terminate a district's designation as a district of innovation if, beginning with its ratings in the year of designation, the district is assigned for three consecutive school years:
 - (1) a final unacceptable academic performance rating under the TEC, §39.054;
 - (2) a final unacceptable financial accountability rating under the TEC, §39.082; or
 - (3) any combination of one or more unacceptable ratings under paragraph (1) of this subsection and one or more unacceptable ratings under paragraph (2) of this subsection.
- (c) Upon termination of an innovation plan, a district must return to compliance with all specified areas of the TEC by a date to be determined by the commissioner.
- (d) A decision by the commissioner under this section is final and may not be appealed.