

EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
SUBTITLE C. LOCAL ORGANIZATION AND GOVERNANCE  
CHAPTER 12. CHARTERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 12.001. PURPOSES OF CHAPTER. (a) The purposes of this chapter are to:

- (1) improve student learning;
- (2) increase the choice of learning opportunities within the public school system;
- (3) create professional opportunities that will attract new teachers to the public school system;
- (4) establish a new form of accountability for public schools; and
- (5) encourage different and innovative learning methods.

(b) This chapter shall be applied in a manner that ensures the fiscal and academic accountability of persons holding charters issued under this chapter. This chapter may not be applied in a manner that unduly regulates the instructional methods or pedagogical innovations of charter schools.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 1, eff. Sept. 1, 2001.

Sec. 12.0011. ALTERNATIVE METHOD OF OPERATION. As an alternative to operating in the manner generally provided by this title, an independent school district, a school campus, or an educational program may choose to operate under a charter in accordance with this chapter.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Sec. 12.001 by Acts 2001, 77th Leg., ch. 1504, Sec. 1, eff. Sept. 1, 2001.

Sec. 12.002. CLASSES OF CHARTER. The classes of charter under this chapter are:

(1) a home-rule school district charter as provided by Subchapter B;

(2) a campus or campus program charter as provided by Subchapter C; or

(3) an open-enrollment charter as provided by Subchapter D.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.003. AUTHORITY OF BOARD OF TRUSTEES TO GRANT OTHER CHARTERS. This chapter does not limit the authority of the board of trustees of a school district to grant a charter to a campus or program to operate in accordance with the other provisions of this title and rules adopted under those provisions.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

#### SUBCHAPTER B. HOME-RULE SCHOOL DISTRICT CHARTER

Sec. 12.011. AUTHORIZATION AND STATUS. (a) In accordance with this subchapter, a school district may adopt a home-rule school district charter under which the district will operate.

(b) The adoption of a home-rule school district charter by a school district does not affect:

(1) the district's boundaries; or

(2) taxes or bonds of the district authorized before the effective date of the charter.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.012. APPLICABILITY OF LAWS AND RULES TO HOME-RULE SCHOOL DISTRICT. (a) A home-rule school district is subject to federal and state laws and rules governing school districts, except that a home-rule school district is subject to:

(1) this code only to the extent that the applicability to a home-rule school district of a provision of this code is specifically provided;

(2) a rule adopted under this code by the State Board of Education or the commissioner only if the code provision authorizing the rule specifically applies to a home-rule school

district; and

(3) all requirements of federal law and applicable court orders relating to eligibility for and the provision of special education and bilingual programs.

(b) An employee of a home-rule school district who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system in the same manner and to the same extent as a qualified employee employed by an independent school district is covered.

(c) This section does not permit a home-rule school district to discriminate against a student who has been diagnosed as having a learning disability, including dyslexia or attention deficit/hyperactivity disorder. Discrimination prohibited by this subsection includes denial of placement in a gifted and talented program if the student would otherwise be qualified for the program but for the student's learning disability. This section does not permit a home-rule school district to, on the basis of race, socioeconomic status, learning disability, or family support status, place a student in a program other than the highest-level program necessary to ensure the student's success.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.013. APPLICABILITY OF TITLE. (a) A home-rule school district has the powers and entitlements granted to school districts and school district boards of trustees under this title, including taxing authority.

(b) A home-rule school district is subject to:

(1) a provision of this title establishing a criminal offense;

(2) a provision of this title relating to limitations on liability; and

(3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

- (B) educator certification under Chapter 21 and educator rights under Sections 21.407, 21.408, and 22.001;
- (C) criminal history records under Subchapter C, Chapter 22;
- (D) student admissions under Section 25.001;
- (E) school attendance under Sections 25.085, 25.086, and 25.087;
- (F) inter-district or inter-county transfers of students under Subchapter B, Chapter 25;
- (G) elementary class size limits under Section 25.112, in the case of any campus in the district that fails to satisfy any standard under Section 39.054(e);
- (H) high school graduation under Section 28.025;
- (I) special education programs under Subchapter A, Chapter 29;
- (J) bilingual education under Subchapter B, Chapter 29;
- (K) prekindergarten programs under Subchapter E, Chapter 29;
- (L) safety provisions relating to the transportation of students under Sections 34.002, 34.003, 34.004, and 34.008;
- (M) computation and distribution of state aid under Chapters 31, 43, and 48;
- (N) extracurricular activities under Section 33.081;
- (O) health and safety under Chapter 38;
- (P) public school accountability under Subchapters B, C, D, and J, Chapter 39, and Chapter 39A;
- (Q) options for local revenue levels in excess of entitlement under Chapter 49;
- (R) a bond or other obligation or tax rate under Chapters 43, 45, and 48; and
- (S) purchasing under Chapter 44.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.  
Amended by Acts 2003, 78th Leg., ch. 342, Sec. 2, eff. Sept. 1, 2003.

Amended by:

Acts 2006, 79th Leg., 3rd C.S., Ch. 5 (H.B. 1), Sec. 3.03, eff. May 31, 2006.

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. 3), Sec. 13, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 7.001, eff. September 1, 2011.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 21.003(5), eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 3.008, eff. September 1, 2019.

Sec. 12.014. APPOINTMENT OF CHARTER COMMISSION. The board of trustees of a school district shall appoint a charter commission to frame a home-rule school district charter if:

(1) the board receives a petition requesting the appointment of a charter commission to frame a home-rule school district charter signed by at least five percent of the registered voters of the district; or

(2) at least two-thirds of the total membership of the board adopt a resolution ordering that a charter commission be appointed.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.015. CHARTER COMMISSION. (a) Not later than the 30th day after the date of receipt of a petition or adoption of a resolution under Section 12.014, the board of trustees of the school district shall appoint 15 residents of the district to serve on the commission to frame a charter for the district.

(b) The membership of the charter commission must reflect the racial, ethnic, socioeconomic, and geographic diversity of the district. A majority of the members appointed to the commission must be parents of school-age children attending public school. At least 25 percent of the commission must be classroom teachers selected by the representatives of the professional staff pursuant to Section 11.251(e).

(c) The charter commission must complete a proposed charter

not later than the first anniversary of the date of its appointment. After that date, the commission expires and the appointment under Section 12.014 is void.

(d) A charter commission appointed under this section is considered a governmental body for purposes of Chapters 551 and 552, Government Code.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.016. CONTENT. Each home-rule school district charter must:

(1) describe the educational program to be offered;

(2) provide that continuation of the home-rule school district charter is contingent on:

(A) acceptable student performance on assessment instruments adopted under Subchapter B, Chapter 39; and

(B) compliance with other applicable accountability provisions under Chapters 39 and 39A;

(3) specify any basis, in addition to a basis specified by this subchapter, on which the charter may be placed on probation or revoked;

(4) describe the governing structure of the district and campuses;

(5) specify any procedure or requirement, in addition to those under Chapter 38, that the district will follow to ensure the health and safety of students and employees;

(6) describe the process by which the district will adopt an annual budget, including a description of the use of program-weight funds;

(7) describe the manner in which an annual audit of financial and programmatic operations of the district is to be conducted, including the manner in which the district will provide information necessary for the district to participate in the Public Education Information Management System (PEIMS) to the extent required by this subchapter; and

(8) include any other provision the charter commission considers necessary.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. [1488](#)), Sec. 21.003(6), eff. September 1, 2017.

Sec. 12.017. DETERMINATION OF COMPLIANCE WITH VOTING RIGHTS ACT. (a) The charter commission shall submit the proposed charter to the secretary of state. The secretary of state shall determine whether a proposed charter contains a change in the governance of the school district.

(b) If the secretary of state determines that a proposed charter contains a change in the governance of the school district, the secretary of state shall, not later than the second working day after the date the secretary of state makes that determination, notify the board of trustees of the school district. The board shall submit the proposed change to the United States Department of Justice or the United States District Court for the District of Columbia for preclearance under the Voting Rights Act (42 U.S.C. Section 1973c et seq.).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.018. LEGAL REVIEW. The charter commission shall submit the proposed charter to the commissioner. As soon as practicable, but not later than the 30th day after the date the commissioner receives the proposed charter, the commissioner shall review the proposed charter to ensure that the proposed charter complies with any applicable laws and shall recommend to the charter commission any modifications necessary. If the commissioner does not act within the prescribed time, the proposed charter is approved.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.019. CHARTER ELECTION. (a) As soon as practicable after approval of a home-rule school district charter under Section [12.018](#), the board of trustees of the district shall order an election on the proposed charter.

(b) The proposed charter shall be submitted to the voters of the district at an election to be held on the first uniform election

date that occurs at least 45 days after the date on which the board of trustees orders the election.

(c) At least three copies of the proposed charter must be available in the office of each school campus in the district and at the district's central administrative office between the date of the election order and election day. Notice of the election must include a statement of where and how copies may be obtained or viewed. A summary of the content of the proposed charter shall be attached to each copy. The summary also shall be made available to school district employees, parents, community members, and members of the media.

(d) The ballot shall be printed to permit voting for or against the proposition "Whether the (name of school district) School District shall be governed under the home-rule school district charter, which is proposed by a charter commission appointed by the board of trustees and under which only certain laws and rules apply to the district."

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.020. CHARTER AMENDMENT. (a) The governing body of a home-rule school district on its own motion may submit a proposed charter amendment that complies with this subchapter to the commissioner for legal review.

(b) The governing body shall submit a proposed charter amendment that complies with this subchapter to the commissioner for legal review if a petition submitted to the governing body proposing the charter amendment is signed by at least five percent of the registered voters of the district.

(c) As soon as practicable, but not later than the 30th day after the date on which the requirements for an election under Subsection (a) or (b) are satisfied, the commissioner shall review the proposed amendment to ensure that the proposed amendment complies with any applicable laws and shall recommend any modifications necessary. If the commissioner does not act within the prescribed time, the proposed charter amendment is approved.

(d) As soon as practicable after commissioner review under Subsection (c), the governing body of the district shall order an



election on the proposed amendment.

(e) An election under this section shall be held on the first uniform election date that occurs at least 45 days after the date the election is ordered.

(f) Notice of the election must include a substantial copy of the proposed charter amendment.

(g) A charter amendment may not contain more than one subject.

(h) The ballot shall be prepared so that a voter may approve or disapprove any one or more charter amendments without having to approve or disapprove all of the charter amendments.

(i) The governing body may not order an election on a proposed charter amendment earlier than the first anniversary of the date of any previous election to amend the charter.

(j) Section 12.017 applies to a proposed charter amendment, except that the governing body shall submit the proposed charter amendment to the secretary of state.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.021. ADOPTION OF CHARTER OR CHARTER AMENDMENT. (a) Subject to Section 12.022, a proposed home-rule school district charter or a proposed charter amendment is adopted if approved by a majority of the qualified voters of the district voting at an election held for that purpose.

(b) A charter or charter amendment shall specify an effective date and takes effect according to its terms when the governing body of the school district enters an order declaring that the charter or charter amendment is adopted. The governing body shall enter an order not later than the 10th day after the date the canvass of the election returns is completed.

(c) As soon as practicable after a school district adopts a home-rule school district charter or charter amendment, the board of trustees or governing body shall notify the commissioner of the outcome of the election.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.022. MINIMUM VOTER TURNOUT REQUIRED. (a) An

election on the adoption of a proposed home-rule school district charter has no effect unless at least 25 percent of the registered voters of the district vote in the election in which the adoption of the charter is on the ballot.

(b) An election on the adoption of a proposed amendment to a home-rule school district charter has no effect unless at least 20 percent of the registered voters of the district vote in the election in which the adoption of the amendment is on the ballot.

(c) If the required number of voters prescribed by Subsection (a) or (b) do not vote in the election, the board of trustees shall order an election on the issue to be held on the first uniform election date:

(1) that occurs at least 45 days after the date the election is ordered; and

(2) on which one or more elections are to be held, the combination of which covers all of the territory of the school district.

(d) If the required number of voters prescribed by Subsection (a) or (b) do not vote at an election ordered as required by Subsection (c), the board of trustees may continue to order elections on the issue in accordance with Subsection (c) until the required minimum voter turnout is achieved.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.023. CERTIFICATION OF CHARTER OR CHARTER AMENDMENT.

(a) As soon as practicable after a school district adopts a home-rule school district charter or charter amendment, the president of the board of trustees shall certify to the secretary of state a copy of the charter or amendment showing the approval by the voters of the district.

(b) The secretary of state shall file and record the certification in the secretary of state's office.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.024. EFFECT OF RECORDING CHARTER OR CHARTER AMENDMENT. A recorded charter or charter amendment is a public act. A court shall take judicial notice of a recorded charter or charter

amendment and proof is not required of its provisions.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.025. GOVERNANCE. (a) A home-rule school district may adopt and operate under any governing structure.

(b) The district may:

(1) create offices;

(2) determine the time and method for selecting officers; and

(3) prescribe the qualifications and duties of officers.

(c) The term of any officer of the district is determined under Section [11.059](#).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.026. CHANGE IN GOVERNING BODY. If the adoption, amendment, or revocation of a home-rule school district charter changes the structure of the governing body of the school district, the members of the governing body serving on the date the adoption, amendment, or revocation takes effect continue in office until their successors are chosen and have qualified for office.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.027. BASIS FOR PLACEMENT ON PROBATION OR REVOCATION OF CHARTER. (a) The State Board of Education may place on probation or revoke a home-rule school district charter of a school district if the board determines that the district:

(1) committed a material violation of the charter, including by failure to comply with the duty to discharge or refuse to hire certain employees or applicants for employment, as provided by Section [12.0271](#);

(2) failed to satisfy generally accepted accounting standards of fiscal management; or

(3) failed to comply with this subchapter or other applicable federal or state law or rule.

(b) The action the board takes under Subsection (a) shall be based on the best interest of district students, the severity of the

violation, and any previous violation the district has committed.

(c) A district whose home-rule school district charter is revoked or rescinded under this subchapter shall operate under the other provisions of Title 1 and this title that apply to school districts.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.001, eff. September 1, 2019.

Sec. 12.0271. FAILURE TO DISCHARGE OR REFUSE TO HIRE CERTAIN EMPLOYEES OR APPLICANTS. A home-rule school district commits a material violation of the school district's charter if the school district fails to comply with the duty to discharge or refuse to hire certain employees or applicants for employment under Section 22.085 or 22.092.

Added by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.002, eff. September 1, 2019.

Sec. 12.028. PROCEDURE FOR PLACEMENT ON PROBATION OR REVOCATION. (a) The State Board of Education by rule shall adopt a procedure to be used for placing on probation or revoking a home-rule school district charter.

(b) The procedure adopted under Subsection (a) must provide an opportunity for a hearing to the district and to parents of district students. A hearing under this subsection must be held in the district.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.029. STATUS OF DISTRICT IN CASE OF ANNEXATION OR CONSOLIDATION. (a) If a school district is annexed to another district under Chapter 13, and only one of the districts has a home-rule school district status, the status, as a home-rule or other type of school district, of the receiving district is the status for both districts following annexation.

(b) Except as provided by Subchapter H, Chapter 49, if two or more school districts having different status, one of which is

home-rule school district status, consolidate into a single district, the petition under Section 13.003 initiating the consolidation must state the status for the consolidated district. The ballot shall be printed to permit voting for or against the proposition: "Consolidation of (names of school districts) into a single school district governed as (status of school district specified in the petition)."

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 3.009, eff. September 1, 2019.

Sec. 12.030. RESCISSION OF CHARTER. (a) A home-rule school district charter may be rescinded as provided by this section.

(b) The governing body of the district shall order an election on the question of rescinding a home-rule school district charter if:

(1) the governing body receives a petition requesting a rescission election signed by at least five percent of the registered voters of the district; or

(2) at least two-thirds of the total membership of the governing body adopt a resolution ordering that a rescission election be held.

(c) As soon as practicable after the date of receipt or adoption of a resolution under Subsection (b), the governing body shall order an election.

(d) The proposition to rescind the home-rule school district charter shall be submitted to the voters of the district at an election to be held on the first uniform election date that occurs at least 45 days after the date on which the governing body orders the election.

(e) The ballot shall be printed to permit voting for or against the proposition: "Whether the home-rule school district charter of (name of school district) shall be rescinded so that the school district becomes an independent school district."

(f) A home-rule school district charter is rescinded if the rescission is approved by a majority of the qualified voters of the

district voting at an election held for that purpose at which at least 25 percent of the registered voters of the district vote.

(g) The rescission takes effect on a date established by resolution of the governing body but not later than the 90th day after the date of an election held under this section at which rescission of the charter is approved and at which the number of registered voters required under Subsection (f) vote. As soon as practicable after that election, the governing body shall notify the commissioner and the secretary of state of the results of the election and of the effective date of the rescission.

(h) The rescission of a home-rule school district charter under this section does not affect:

(1) the district's boundaries; or

(2) taxes or bonds of the district authorized before the effective date of the rescission.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

#### SUBCHAPTER C. CAMPUS OR CAMPUS PROGRAM CHARTER

Sec. 12.051. DEFINITIONS. In this subchapter:

(1) "Parent" means the parent who is indicated on the student registration form at that school campus.

(2) "Board" and "board of trustees" mean the board of trustees of a school district or the governing body of a home-rule school district.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.052. AUTHORIZATION. (a) In accordance with this subchapter, the board of trustees of a school district or the governing body of a home-rule school district shall grant or deny, through a public vote of the board of trustees or governing body, a charter to parents and teachers for a campus or a program on a campus if the board is presented with a petition signed by:

(1) the parents of a majority of the students at that school campus; and

(2) a majority of the classroom teachers at that school campus.

(b) For purposes of Subsection (a)(1), the signature of only one parent of a student is required.

(c) The board of trustees may not arbitrarily deny a charter under this section.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 2, eff. September 1, 2013.

Sec. 12.0521. ALTERNATIVE AUTHORIZATION. (a)

Notwithstanding Section 12.052, in accordance with this subchapter and in the manner provided by this section, the board of trustees of a school district or the governing body of a home-rule school district may grant a charter for:

(1) a new district campus; or

(2) a program that is operated:

(A) by an entity that has entered into a contract with the district under Section 11.157 to provide educational services to the district through the campus or program; and

(B) at a facility located in the boundaries of the district.

(b) A student's parent or guardian may choose to enroll the student at a campus or in a program under this section. A school district may not assign a student to a campus or program under this section unless the student's parent or guardian has voluntarily enrolled the student at the campus or in the program. A student's parent or guardian may, at any time, remove the student from a campus or program under this section and enroll the student at the campus to which the student would ordinarily be assigned.

(c) A school district may not assign to a campus or program under this section a teacher who has signed a written statement that the teacher does not agree to that assignment.

Added by Acts 2003, 78th Leg., ch. 1212, Sec. 1, eff. June 20, 2003.

Sec. 12.0522. DISTRICT CHARTER AUTHORIZATION.

(a) Notwithstanding Section 12.052, in the manner provided by this section, the board of trustees of a school district or the governing

body of a home-rule school district may grant a district charter to a campus to the extent authorized under this section.

(b) Except as otherwise provided by this subsection or Subsection (c), a district charter may be granted under this section only to one or more campuses serving in total a percentage of the district's student enrollment equal to not more than 15 percent of the district's student enrollment for the preceding school year. The percentage limit may not prevent a district from granting a district charter to at least one feeder pattern of schools, including an elementary, middle or junior high, and high school.

(c) A district charter may be granted to any campus that has received the lowest performance rating under Subchapter C, Chapter 39.

(d) Subchapter D applies to a campus granted a district charter under this section as though the campus were granted a charter under Subchapter D, and the campus is considered an open-enrollment charter school.

(e) A charter granted under this section is not considered for purposes of the limit on the number of charters for open-enrollment charter schools imposed by Section 12.101.

(f) The commissioner may adopt rules as necessary for the administration of this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 3, eff. September 1, 2013.

Sec. 12.053. COOPERATIVE CAMPUS CHARTER. (a) The board of trustees may grant a charter to parents and teachers at two or more campuses in the district for a cooperative charter program if the board is presented with a petition signed by:

(1) the parents of a majority of the students at each school campus; and

(2) a majority of the classroom teachers at each school campus.

(b) For purposes of Subsection (a)(1), the signature of only one parent is required.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.



Sec. 12.0531. PERFORMANCE CONTRACT; DURATION OF CHARTER. If a charter is granted under this subchapter, the board of trustees of the school district that granted the charter shall enter into a performance contract with the principal or equivalent chief operating officer of the campus or program. The performance contract must specify enhanced authority granted to the principal or equivalent officer in order to achieve the academic goals that must be met by campus or program students. A charter granted under this subchapter expires 10 years from the date the charter is granted unless the specified goals are substantially met, as determined by the board of trustees of the school district that granted the charter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 4, eff. September 1, 2013.

Sec. 12.0532. NEIGHBORHOOD SCHOOL. (a) A charter granted under this subchapter for a campus may, as determined by the board of trustees of the school district granting the charter, provide for the campus to be a neighborhood school.

(b) Except as otherwise provided by this subsection, the principal or equivalent chief operating officer of a neighborhood school shall manage the funding provided for the school under this code and any other funding provided for the school in the manner the principal or other officer determines best meets the needs of the school's students. The district in which the school is located may retain that portion of funding that the district generally withholds from a campus for costs associated with the salary of the district superintendent or other district governance.

(c) The principal or equivalent chief operating officer of a neighborhood school may use school funding to purchase from the school district in which the school is located services for the school, including bus service, facilities maintenance services, and other services generally provided by a school district to district campuses. The school shall pay for each service an amount that reflects the actual cost to the district of providing the service for the number of the school's students for which the

service is provided.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 4, eff. September 1, 2013.

Sec. 12.054. AUTHORITY UNDER CHARTER. A campus or program for which a charter is granted under this subchapter:

(1) is exempt from the instructional and academic rules and policies of the board of trustees from which the campus or program is specifically exempted in the charter; and

(2) retains authority to operate under the charter only if students at the campus or in the program perform satisfactorily as provided by the charter in accordance with Section 12.059.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.  
Amended by Acts 1997, 75th Leg., ch. 1335, Sec. 2, eff. Sept. 1, 1997.

Sec. 12.055. APPLICABILITY OF LAWS AND RULES TO CAMPUS OR PROGRAM GRANTED CHARTER. (a) A campus or program for which a charter is granted under this subchapter is subject to federal and state laws and rules governing public schools, except that the campus or program is subject to this code and rules adopted under this code only to the extent the applicability to a campus or program for which a charter is granted under this subchapter of a provision of this code or a rule adopted under this code is specifically provided.

(b) A school district may contract with another district or an open-enrollment charter school for services at a campus charter. An employee of the district or open-enrollment charter school providing contracted services to a campus charter is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits if holding the same position at the employing district or open-enrollment charter school.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 21,

eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 5, eff. September 1, 2013.

Sec. 12.056. APPLICABILITY OF TITLE. (a) A campus or program for which a charter is granted under this subchapter has the powers granted to schools under this title.

(b) A campus or program for which a charter is granted under this subchapter is subject to:

(1) a provision of this title establishing a criminal offense; and

(2) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

(C) high school graduation under Section 28.025;

(D) special education programs under Subchapter A, Chapter 29;

(E) bilingual education under Subchapter B, Chapter 29;

(F) prekindergarten programs under Subchapter E, Chapter 29;

(G) extracurricular activities under Section 33.081;

(H) health and safety under Chapter 38;

(I) public school accountability under Subchapters B, C, D, F, and J, Chapter 39, and Chapter 39A; and

(J) the duty to discharge or refuse to hire certain employees or applicants for employment under Section 12.1059.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. 3), Sec. 14, eff.

June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 6, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 21.003(7), eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.003, eff. September 1, 2019.

Sec. 12.057. STATUS. (a) With respect to the operation of a campus or program granted a charter under this subchapter, the governing body of the campus or program provided for under the charter is considered a governmental body for purposes of Chapters 551 and 552, Government Code.

(b) An employee of an independent school district who is employed on a campus or program granted a charter under this subchapter and who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system in the same manner and to the same extent as a qualified employee of the independent school district who is employed on a regularly operating campus or in a regularly operating program.

(b-1) An employee of a charter holder, as defined by Section 12.1012, who is employed on a campus or in a program granted a charter under this subchapter and who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system in the same manner and to the same extent as a qualified employee of an independent school district who is employed on a regularly operating campus or in a regularly operating program.

(c) A campus or program granted a charter under Section 12.052, 12.0521(a)(1), or 12.053 is immune from liability to the same extent as a school district, and its employees and volunteers are immune from liability to the same extent as school district employees and volunteers.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2003, 78th Leg., ch. 1212, Sec. 2, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 1, eff.

September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 22, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 7, eff. September 1, 2013.

Sec. 12.058. CHARTER POLICY. Each school district shall adopt a campus charter and program charter policy. The policy must specify:

(1) the process to be followed for approval of a campus charter or a program charter;

(2) the statutory requirements with which a campus charter or program charter must comply; and

(3) the items that must be included in a charter application.

Added by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2003, 78th Leg., ch. 1212, Sec. 2, eff. June 20, 2003.

Sec. 12.059. CONTENT. Each charter granted under this subchapter must:

(1) describe the educational program to be offered, which may be a general or specialized program;

(2) provide that continuation of the charter is contingent on satisfactory student performance under Subchapter B, Chapter 39, satisfactory financial performance under Subchapter D, Chapter 39, and compliance with other applicable accountability provisions under Chapters 39 and 39A;

(3) specify any basis, in addition to a basis specified by this subchapter, on which the charter may be revoked;

(4) prohibit discrimination in admission on the basis of national origin, ethnicity, race, religion, or disability;

(5) describe the governing structure of the campus or program;

(6) specify any procedure or requirement, in addition to those under Chapter 38, that the campus or program will follow to ensure the health and safety of students and employees; and

(7) describe the manner in which an annual audit of financial and programmatic operations of the campus or program is to be conducted, including the manner in which the campus or program will provide information necessary for the school district in which it is located to participate, as required by this code or by commissioner rule, in the Public Education Information Management System (PEIMS).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.058 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 8, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 21.003(8), eff. September 1, 2017.

Sec. 12.060. FORM. A charter shall be in the form and substance of a written contract signed by the president of the board of trustees granting the charter and the chief operating officer of the campus or program for which the charter is granted.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.059 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Sec. 12.061. CHARTER GRANTED. Each charter a board of trustees grants under this subchapter must:

(1) satisfy this subchapter; and

(2) include the information that is required under Section 12.059 consistent with the information provided in the application and any modification the board requires.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.060 and amended by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Sec. 12.062. REVISION. (a) A charter granted under Section 12.052 or 12.053 may be revised:

(1) with the approval of the board of trustees that

granted the charter; and

(2) on a petition signed by a majority of the parents and a majority of the classroom teachers at the campus or in the program, as applicable.

(b) A charter granted under Section 12.0521 may be revised with the approval of the board of trustees that granted the charter. A charter may be revised under this subsection only before the first day of instruction of a school year or after the final day of instruction of a school year.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.061 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 1212, Sec. 2, eff. June 20, 2003.

Sec. 12.063. BASIS FOR PLACEMENT ON PROBATION OR REVOCATION. (a) A board of trustees may place on probation or revoke a charter it grants if the board determines that the campus or program:

(1) committed a material violation of the charter, including by failure to comply with the duty to discharge or refuse to hire certain employees or applicants for employment, as provided by Section 12.0631;

(2) failed to satisfy generally accepted accounting standards of fiscal management; or

(3) failed to comply with this subchapter, another law, or a state agency rule.

(b) The action the board takes under Subsection (a) shall be based on the best interest of campus or program students, the severity of the violation, and any previous violation the campus or program has committed.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.062 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.004, eff. September 1, 2019.

Sec. 12.0631. FAILURE TO DISCHARGE OR REFUSE TO HIRE CERTAIN EMPLOYEES OR APPLICANTS. A campus or campus program granted a charter under this subchapter commits a material violation of its charter if the campus or program fails to comply with the duty to discharge or refuse to hire certain employees or applicants for employment under Section [12.1059](#), [22.085](#), or [22.092](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.005, eff. September 1, 2019.

Sec. 12.064. PROCEDURE FOR PLACEMENT ON PROBATION OR REVOCATION. (a) Each board of trustees that grants a charter under this subchapter shall adopt a procedure to be used for placing on probation or revoking a charter it grants.

(b) The procedure adopted under Subsection (a) must provide an opportunity for a hearing to the campus or program for which a charter is granted under this subchapter and to parents and guardians of students at the campus or in the program. A hearing under this subsection must be held on the campus or on one of the campuses in the case of a cooperative charter program.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.063 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.

Sec. 12.065. ADMISSION. (a) Eligibility criteria for admission of students to the campus or program for which a charter is granted under this subchapter must give priority on the basis of geographic and residency considerations. After priority is given on those bases, secondary consideration may be given to a student's age, grade level, or academic credentials in general or in a specific area, as necessary for the type of program offered.

(b) The campus or program may require an applicant to submit an application not later than a reasonable deadline the campus or program establishes.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Renumbered from Education Code Sec. 12.064 by Acts 1997, 75th Leg., ch. 1335, Sec. 1, eff. Sept. 1, 1997.



SUBCHAPTER D. OPEN-ENROLLMENT CHARTER SCHOOL

Sec. 12.101. AUTHORIZATION. (a) In accordance with this subchapter, the commissioner may grant a charter on the application of an eligible entity for an open-enrollment charter school to operate in a facility of a commercial or nonprofit entity, an eligible entity, or a school district, including a home-rule school district. In this subsection, "eligible entity" means:

(1) an institution of higher education as defined under Section 61.003;

(2) a private or independent institution of higher education as defined under Section 61.003;

(3) an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)); or

(4) a governmental entity.

(b) After thoroughly investigating and evaluating an applicant, the commissioner, in coordination with a member of the State Board of Education designated for the purpose by the chair of the board, may grant a charter for an open-enrollment charter school only to an applicant that meets any financial, governing, educational, and operational standards adopted by the commissioner under this subchapter, that the commissioner determines is capable of carrying out the responsibilities provided by the charter and likely to operate a school of high quality, and that:

(1) has not within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, denied renewal, or returned; or

(2) is not, under rules adopted by the commissioner, considered to be a corporate affiliate of or substantially related to an entity that has within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, denied renewal, or returned.

(b-0) The commissioner shall notify the State Board of Education of each charter the commissioner proposes to grant under

this subchapter. Unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting vote against the grant of that charter, the commissioner's proposal to grant the charter takes effect. The board may not deliberate or vote on any grant of a charter that is not proposed by the commissioner.

(b-1) In granting charters for open-enrollment charter schools, the commissioner may not grant a total of more than:

- (1) 215 charters through the fiscal year ending August 31, 2014;
- (2) 225 charters beginning September 1, 2014;
- (3) 240 charters beginning September 1, 2015;
- (4) 255 charters beginning September 1, 2016;
- (5) 270 charters beginning September 1, 2017; and
- (6) 285 charters beginning September 1, 2018.

(b-2) Beginning September 1, 2019, the total number of charters for open-enrollment charter schools that may be granted is 305 charters.

(b-3) The commissioner may not grant more than one charter for an open-enrollment charter school to any charter holder. The commissioner may consolidate charters for an open-enrollment charter school held by multiple charter holders into a single charter held by a single charter holder with the written consent to the terms of consolidation by or at the request of each charter holder affected by the consolidation.

(b-4) Notwithstanding Section [12.114](#), approval of the commissioner under that section is not required for establishment of a new open-enrollment charter school campus if the requirements of this subsection are satisfied. A charter holder having an accreditation status of accredited and at least 50 percent of its student population in grades assessed under Subchapter B, Chapter [39](#), or at least 50 percent of the students in the grades assessed having been enrolled in the school for at least three school years may establish one or more new campuses under an existing charter held by the charter holder if:

- (1) the charter holder is currently evaluated under the standard accountability procedures for evaluation under

Chapter 39 and received a district rating in the highest or second highest performance rating category under Subchapter C, Chapter 39, for three of the last five years with at least 75 percent of the campuses rated under the charter also receiving a rating in the highest or second highest performance rating category and with no campus with a rating in the lowest performance rating category in the most recent ratings;

(2) the charter holder provides written notice to the commissioner of the establishment of any campus under this subsection in the time, manner, and form provided by rule of the commissioner; and

(3) not later than the 60th day after the date the charter holder provides written notice under Subdivision (2), the commissioner does not provide written notice to the charter holder that the commissioner has determined that the charter holder does not satisfy the requirements of this section.

(b-5) The initial term of a charter granted under this section is five years.

(b-6) The commissioner shall adopt rules to modify criteria for granting a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories or in the financial accountability system under Chapter 39.

(b-7) A charter granted under this section for a dropout recovery school is not considered for purposes of the limit on the number of charters for open-enrollment charter schools imposed by this section. For purposes of this subsection, an open-enrollment charter school is considered to be a dropout recovery school if the school meets the criteria for designation as a dropout recovery school under Section 12.1141(c).

(b-8) In adopting any financial standards under this subchapter that an applicant for a charter for an open-enrollment charter school must meet, the commissioner shall not:

(1) exclude any loan or line of credit in determining an applicant's available funding; or

(2) exclude an applicant from the grant of a charter solely because the applicant fails to demonstrate having a certain

amount of current assets in cash.

(b-10) The commissioner by rule shall allow a charter holder to provide written notice of the establishment of a new open-enrollment charter school under Subsection (b-4)(2) up to 18 months before the date on which the campus is anticipated to open. Notice provided to the commissioner under this section does not obligate the charter holder to open a new campus.

(c) If the facility to be used for an open-enrollment charter school is a school district facility, the school must be operated in the facility in accordance with the terms established by the board of trustees or other governing body of the district in an agreement governing the relationship between the school and the district.

(d) An educator employed by a school district before the effective date of a charter for an open-enrollment charter school operated at a school district facility may not be transferred to or employed by the open-enrollment charter school over the educator's objection.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 2, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 193, Sec. 1, eff. June 2, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 9, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 1046 (H.B. 1842), Sec. 3(a), eff. June 19, 2015.

Acts 2019, 86th Leg., R.S., Ch. 597 (S.B. 668), Sec. 2.01, eff. June 10, 2019.

Sec. 12.1011. CHARTER AUTHORIZATION FOR HIGH-PERFORMING ENTITIES.

(a) Notwithstanding Section 12.101(b), the commissioner may grant a charter for an open-enrollment charter school to an applicant that is:

(1) an eligible entity under Section 12.101(a)(3) that proposes to operate the charter school program of a charter operator that operates one or more charter schools in another state and with which the eligible entity is affiliated and, as determined

by the commissioner in accordance with commissioner rule, has performed at a level of performance comparable to performance under the highest or second highest performance rating category under Subchapter C, Chapter 39; or

(2) an entity that has operated one or more charter schools established under this subchapter or Subchapter C or E and, as determined by the commissioner in accordance with commissioner rule, has performed in the highest or second highest performance rating category under Subchapter C, Chapter 39.

(b) A charter holder granted a charter for an open-enrollment charter school under Subsection (a) may vest management of corporate affairs in a member entity provided that the member entity may change the members of the governing body of the charter holder before the expiration of a member's term only with the express written approval of the commissioner.

(c) The initial term of a charter granted under this section is five years.

(d) The commissioner shall adopt rules to modify criteria for granting a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories under Subchapter C, Chapter 39.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 10, eff. September 1, 2013.

Sec. 12.1012. DEFINITIONS. In this subchapter:

(1) "Charter holder" means the entity to which a charter is granted under this subchapter.

(2) "Governing body of a charter holder" means the board of directors, board of trustees, or other governing body of a charter holder.

(3) "Governing body of an open-enrollment charter school" means the board of directors, board of trustees, or other governing body of an open-enrollment charter school. The term includes the governing body of a charter holder if that body acts as the governing body of the open-enrollment charter school.

(4) "Management company" means a person, other than a charter holder, who provides management services for an

open-enrollment charter school.

(5) "Management services" means services related to the management or operation of an open-enrollment charter school, including:

(A) planning, operating, supervising, and evaluating the school's educational programs, services, and facilities;

(B) making recommendations to the governing body of the school relating to the selection of school personnel;

(C) managing the school's day-to-day operations as its administrative manager;

(D) preparing and submitting to the governing body of the school a proposed budget;

(E) recommending policies to be adopted by the governing body of the school, developing appropriate procedures to implement policies adopted by the governing body of the school, and overseeing the implementation of adopted policies; and

(F) providing leadership for the attainment of student performance at the school based on the indicators adopted under Sections [39.053](#) and [39.301](#) or by the governing body of the school.

(6) "Officer of an open-enrollment charter school" means:

(A) the principal, director, or other chief operating officer of an open-enrollment charter school;

(B) an assistant principal or assistant director of an open-enrollment charter school; or

(C) a person charged with managing the finances of an open-enrollment charter school.

(7) "Payable obligation" means a contractually obligated expenditure that was reasonably incurred for the benefit of students enrolled at an open-enrollment charter school before the open-enrollment charter school ceased operations, including a debt described by Section [12.128\(e\)](#). The term does not include any amount owed to a former charter holder or officer or director of the school.

(8) "Remaining funds" means funds that are held by a

former charter holder after satisfaction of all payable obligations and that were received:

(A) under Section 12.106; or

(B) from the disposition of property.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 3, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. 3), Sec. 15, eff. June 19, 2009.

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 1, eff. June 10, 2019.

Sec. 12.10125. OPEN-ENROLLMENT CHARTER SCHOOL NOT IN OPERATION. An open-enrollment charter school ceases to operate if:

(1) the school's charter:

(A) has been revoked;

(B) has expired;

(C) has been surrendered; or

(D) has been abandoned; or

(2) the school has otherwise ceased operation as a public school.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 2, eff. June 10, 2019.

Sec. 12.1013. CHARTER AUTHORIZER ACCOUNTABILITY. (a) The commissioner shall select a center for education research authorized by Section 1.005 to prepare an annual report concerning the performance of open-enrollment charter schools by authorizer compared to campus charters and matched traditional campuses, which shall be provided annually under Subchapters J and K, Chapter 39.

(b) The format of the report must enable the public to distinguish and compare the performance of each type of public school by classifying the schools as follows:

(1) open-enrollment charters granted by the State Board of Education;

(2) open-enrollment charters granted by the commissioner;

(3) charters granted by school districts; and

(4) matched traditional campuses.

(c) The report must include the performance of each public school in each class described by Subsection (b) as measured by the achievement indicators adopted under Section 39.053(c) and student attrition rates.

(d) The report must also:

(1) aggregate and compare the performance of open-enrollment charter schools granted charters by the State Board of Education, open-enrollment charter schools granted charters by the commissioner, campuses and programs granted charters by school districts, and matched traditional campuses; and

(2) rate the aggregate performance of elementary, middle or junior high, and high schools within each class described by Subsection (b) as indicated by the composite rating that would be assigned to the class of elementary, middle or junior high, and high schools if the students attending all schools in that class were cumulatively enrolled in one elementary, middle or junior high, or high school.

(e) The report must also include an analysis of whether the performance of matched traditional campuses would likely improve if there were consolidation of school districts within the county in which the campuses are located. This subsection applies only to a county that includes at least seven school districts and at least 10 open-enrollment charter schools.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 11, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1094 (H.B. 2804), Sec. 11, eff. June 19, 2015.

Acts 2017, 85th Leg., R.S., Ch. 807 (H.B. 22), Sec. 3, eff. June 15, 2017.

Sec. 12.1014. AUTHORIZATION FOR GRANT OF CHARTERS FOR SCHOOLS PRIMARILY SERVING STUDENTS WITH DISABILITIES. (a) The commissioner may grant under Section 12.101 a charter on the application of an eligible entity for an open-enrollment charter



school intended primarily to serve students eligible to receive services under Subchapter A, Chapter 29.

(b) The limit on the number of charters for open-enrollment charter schools imposed by Section 12.101 does not apply to a charter granted under this section to a school at which at least 50 percent of the students are eligible to receive services under Subchapter A, Chapter 29. Not more than five charters may be granted for schools described by this subsection.

(c) For purposes of the applicability of state and federal law, including a law prescribing requirements concerning students with disabilities, an open-enrollment charter school described by Subsection (a) is considered the same as any other school for which a charter is granted under Section 12.101.

(d) To the fullest extent permitted under federal law, a parent of a student with a disability may choose to enroll the parent's child in an open-enrollment charter school described by Subsection (a) regardless of whether a disproportionate number of the school's students are students with disabilities.

(e) This section does not authorize an open-enrollment charter school to discriminate in admissions or in the services provided based on the presence, absence, or nature of an applicant's or student's disability.

(f) The commissioner and the State Board for Educator Certification shall adopt rules as necessary to administer this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 12, eff. September 1, 2013.

Sec. 12.102. AUTHORITY UNDER CHARTER. An open-enrollment charter school:

(1) shall provide instruction to students at one or more elementary or secondary grade levels as provided by the charter;

(2) is governed under the governing structure described by the charter;

(3) retains authority to operate under the charter to the extent authorized under Sections 12.1141 and 12.115 and Chapter

[39A](#); and

(4) does not have authority to impose taxes.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 13, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. [1488](#)), Sec. 21.003(9), eff. September 1, 2017.

Sec. 12.103. GENERAL APPLICABILITY OF LAWS, RULES, AND ORDINANCES TO OPEN-ENROLLMENT CHARTER SCHOOL. (a) Except as provided by Subsection (b) or (c), an open-enrollment charter school is subject to federal and state laws and rules governing public schools and to municipal zoning ordinances governing public schools.

(b) An open-enrollment charter school is subject to this code and rules adopted under this code only to the extent the applicability to an open-enrollment charter school of a provision of this code or a rule adopted under this code is specifically provided.

(c) Notwithstanding Subsection (a), a campus of an open-enrollment charter school located in whole or in part in a municipality with a population of 20,000 or less is not subject to a municipal zoning ordinance governing public schools.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 4, eff. Sept. 1, 2001.

Sec. 12.104. APPLICABILITY OF TITLE. (a) An open-enrollment charter school has the powers granted to schools under this title.

(a-1) The governing body of an open-enrollment charter school may:

(1) employ security personnel and commission peace officers in the same manner as a board of trustees of a school district under Section [37.081](#); and

(2) enter into a memorandum of understanding with a

local law enforcement agency to assign a school resource officer, as that term is defined by Section 1701.601, Occupations Code, to the school.

(a-2) A reference in law to a peace officer commissioned under Section 37.081 includes a peace officer commissioned by an open-enrollment charter school in accordance with Subsection (a-1), and a charter school peace officer has the same powers, duties, and immunities as a peace officer commissioned under that section.

(b) An open-enrollment charter school is subject to:

(1) a provision of this title establishing a criminal offense;

(2) the provisions in Chapter 554, Government Code; and

(3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

(C) reading instruments and accelerated reading instruction programs under Section 28.006;

(D) accelerated instruction under Section 28.0211;

(E) high school graduation requirements under Section 28.025;

(F) special education programs under Subchapter A, Chapter 29;

(G) bilingual education under Subchapter B, Chapter 29;

(H) prekindergarten programs under Subchapter E or E-1, Chapter 29;

(I) extracurricular activities under Section 33.081;

(J) discipline management practices or behavior

management techniques under Section [37.0021](#);

(K) health and safety under Chapter [38](#);

(L) public school accountability under Subchapters B, C, D, F, G, and J, Chapter [39](#), and Chapter [39A](#);

(M) the requirement under Section [21.006](#) to report an educator's misconduct;

(N) intensive programs of instruction under Section [28.0213](#);

(O) the right of a school employee to report a crime, as provided by Section [37.148](#);

(P) bullying prevention policies and procedures under Section [37.0832](#);

(Q) the right of a school under Section [37.0052](#) to place a student who has engaged in certain bullying behavior in a disciplinary alternative education program or to expel the student;

(R) the right under Section [37.0151](#) to report to local law enforcement certain conduct constituting assault or harassment;

(S) a parent's right to information regarding the provision of assistance for learning difficulties to the parent's child as provided by Sections [26.004](#)(b)(11) and [26.0081](#)(c) and (d);

Text of paragraph as added by Acts 2019, 86th Leg., R.S., Ch. 262

(H.B. [1597](#)), Sec. 2

(T) establishment of residency under Section [25.001](#)

Text of paragraph as added by Acts 2019, 86th Leg., R.S., Ch. 464

(S.B. [11](#)), Sec. 3

(T) school safety requirements under Sections [37.108](#), [37.1081](#), [37.1082](#), [37.109](#), [37.113](#), [37.114](#), [37.115](#), [37.207](#), and [37.2071](#)

Text of paragraph as added by Acts 2019, 86th Leg., R.S., Ch. 943

(H.B. [3](#)), Sec. 2.004

(T) the early childhood literacy and mathematics proficiency plans under Section [11.185](#); and

(U) the college, career, and military readiness plans under Section [11.186](#).

(b-1) During the first three years an open-enrollment

charter school is in operation, the agency shall assist the school as necessary in complying with requirements under Subsection (b)(2)(A).

(b-2) An open-enrollment charter school is subject to the requirement to establish an individual graduation committee under Section [28.0258](#). This subsection expires September 1, 2023.

(b-3) An open-enrollment charter school is subject to the graduation qualification procedure established by the commissioner under Section [28.02541](#). This subsection expires September 1, 2023.

(c) An open-enrollment charter school is entitled to the same level of services provided to school districts by regional education service centers. The commissioner shall adopt rules that provide for the representation of open-enrollment charter schools on the boards of directors of regional education service centers.

(d) The commissioner may by rule permit an open-enrollment charter school to voluntarily participate in any state program available to school districts, including a purchasing program, if the school complies with all terms of the program.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 1999, 76th Leg., ch. 396, Sec. 2.04, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 212, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1504, Sec. 5, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 374, Sec. 1, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 1212, Sec. 3, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. [2018](#)), Sec. 5.001, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. [3](#)), Sec. 16, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 662 (S.B. [1484](#)), Sec. 3, eff. June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 14, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 5 (S.B. [149](#)), Sec. 1, eff. May 11, 2015.

Acts 2015, 84th Leg., R.S., Ch. 142 (H.B. [4](#)), Sec. 2, eff. May

28, 2015.

Acts 2015, 84th Leg., R.S., Ch. 1043 (H.B. [1783](#)), Sec. 1, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. [1488](#)), Sec. 21.003(10), eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 522 (S.B. [179](#)), Sec. 7, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 549 (S.B. [463](#)), Sec. 1, eff. June 9, 2017.

Acts 2017, 85th Leg., R.S., Ch. 735 (S.B. [1153](#)), Sec. 1, eff. June 12, 2017.

Acts 2019, 86th Leg., R.S., Ch. 14 (S.B. [213](#)), Sec. 1, eff. May 7, 2019.

Acts 2019, 86th Leg., R.S., Ch. 262 (H.B. [1597](#)), Sec. 2, eff. May 28, 2019.

Acts 2019, 86th Leg., R.S., Ch. 464 (S.B. [11](#)), Sec. 3, eff. June 6, 2019.

Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 5.001, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 511 (S.B. [372](#)), Sec. 1, eff. June 7, 2019.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 2.004, eff. June 12, 2019.

Sec. 12.105. STATUS. An open-enrollment charter school is part of the public school system of this state.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 1999, 76th Leg., ch. 1335, Sec. 1, eff. June 19, 1999; Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Sec. 12.1051. APPLICABILITY OF OPEN MEETINGS AND PUBLIC INFORMATION LAWS. (a) With respect to the operation of an open-enrollment charter school, the governing body of a charter holder and the governing body of an open-enrollment charter school are considered to be governmental bodies for purposes of Chapters [551](#) and [552](#), Government Code.

(b) With respect to the operation of an open-enrollment

charter school, any requirement in Chapter 551 or 552, Government Code, or another law that concerns open meetings or the availability of information, that applies to a school district, the board of trustees of a school district, or public school students applies to an open-enrollment charter school, the governing body of a charter holder, the governing body of an open-enrollment charter school, or students attending an open-enrollment charter school.

Amended by Acts 1999, 76th Leg., ch. 1335, Sec. 1, eff. June 19, 1999. Renumbered from Sec. 12.105(b) and amended by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 258 (S.B. 11), Sec. 3.01, eff. September 1, 2007.

Sec. 12.1052. APPLICABILITY OF LAWS RELATING TO LOCAL GOVERNMENT RECORDS. (a) With respect to the operation of an open-enrollment charter school, an open-enrollment charter school is considered to be a local government for purposes of Subtitle C, Title 6, Local Government Code, and Subchapter J, Chapter 441, Government Code.

(b) Records of an open-enrollment charter school and records of a charter holder that relate to an open-enrollment charter school are government records for all purposes under state law.

(c) Any requirement in Subtitle C, Title 6, Local Government Code, or Subchapter J, Chapter 441, Government Code, that applies to a school district, the board of trustees of a school district, or an officer or employee of a school district applies to an open-enrollment charter school, the governing body of a charter holder, the governing body of an open-enrollment charter school, or an officer or employee of an open-enrollment charter school except that the records of an open-enrollment charter school that ceases to operate shall be transferred in the manner prescribed by Subsection (d).

(d) The records of an open-enrollment charter school that ceases to operate shall be transferred in the manner specified by the commissioner to a custodian designated by the commissioner.

The commissioner may designate any appropriate entity to serve as custodian, including the agency, a regional education service center, or a school district. In designating a custodian, the commissioner shall ensure that the transferred records, including student and personnel records, are transferred to a custodian capable of:

- (1) maintaining the records;
- (2) making the records readily accessible to students, parents, former school employees, and other persons entitled to access; and
- (3) complying with applicable state or federal law restricting access to the records.

(e) If the charter holder of an open-enrollment charter school that ceases to operate or an officer or employee of such a school refuses to transfer school records in the manner specified by the commissioner under Subsection (d), the commissioner may ask the attorney general to petition a court for recovery of the records. If the court grants the petition, the court shall award attorney's fees and court costs to the state.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Sec. 12.1053. APPLICABILITY OF LAWS RELATING TO PUBLIC PURCHASING AND CONTRACTING. (a) This section applies to an open-enrollment charter school unless the school's charter otherwise describes procedures for purchasing and contracting and the procedures are approved by the commissioner.

- (b) An open-enrollment charter school is considered to be:
- (1) a governmental entity for purposes of:
    - (A) Subchapter D, Chapter 2252, Government Code;and
    - (B) Subchapter B, Chapter 271, Local Government Code;
  - (2) a political subdivision for purposes of Subchapter A, Chapter 2254, Government Code; and
  - (3) a local government for purposes of Sections 2256.009-2256.016, Government Code.

(c) To the extent consistent with this section, a



requirement in a law listed in this section that applies to a school district or the board of trustees of a school district applies to an open-enrollment charter school, the governing body of a charter holder, or the governing body of an open-enrollment charter school. Added by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001. Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 15, eff. September 1, 2013.

Sec. 12.1054. APPLICABILITY OF LAWS RELATING TO CONFLICT OF INTEREST. (a) A member of the governing body of a charter holder, a member of the governing body of an open-enrollment charter school, or an officer of an open-enrollment charter school is considered to be a local public official for purposes of Chapter 171, Local Government Code. For purposes of that chapter:

(1) a member of the governing body of a charter holder or a member of the governing body or officer of an open-enrollment charter school is considered to have a substantial interest in a business entity if a person related to the member or officer in the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest in the business entity under Section 171.002, Local Government Code;

(2) notwithstanding any provision of Section 12.1054(1), an employee of an open-enrollment charter school rated acceptable or higher under Section 39.054 for at least two of the preceding three school years may serve as a member of the governing body of the charter holder of the governing body of the school if the employees do not constitute a quorum of the governing body or any committee of the governing body; however, all members shall comply with the requirements of Sections 171.003-171.007, Local Government Code.

(b) To the extent consistent with this section, a requirement in a law listed in this section that applies to a school district or the board of trustees of a school district applies to an open-enrollment charter school, the governing body of a charter holder, or the governing body of an open-enrollment charter school. Added by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. 3), Sec. 17, eff. June 19, 2009.

Sec. 12.1055. APPLICABILITY OF NEPOTISM LAWS. (a) An open-enrollment charter school is subject to a prohibition, restriction, or requirement, as applicable, imposed by state law or by a rule adopted under state law, relating to nepotism under Chapter 573, Government Code.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1140, Sec. 47(1), eff. September 1, 2013.

(c) Section 11.1513(f) applies to an open-enrollment charter school as though the governing body of the school were the board of trustees of a school district and to the superintendent or, as applicable, the administrator serving as educational leader and chief executive officer of the school as though that person were the superintendent of a school district.

(d) Notwithstanding any other provision of this section, a person who was not restricted or prohibited under this section as this section existed before September 1, 2013, from being employed by an open-enrollment charter school and who was employed by an open-enrollment charter school before September 1, 2013, is considered to have been in continuous employment as provided by Section 573.062(a), Government Code, and is not prohibited from continuing employment with the school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. 3), Sec. 18, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 16, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 47(1), eff. September 1, 2013.

Sec. 12.1056. IMMUNITY FROM LIABILITY AND SUIT. (a) In matters related to operation of an open-enrollment charter school, an open-enrollment charter school or charter holder is immune from

liability and suit to the same extent as a school district, and the employees and volunteers of the open-enrollment charter school or charter holder are immune from liability and suit to the same extent as school district employees and volunteers. A member of the governing body of an open-enrollment charter school or of a charter holder is immune from liability and suit to the same extent as a school district trustee.

(b) An open-enrollment charter school is a governmental unit as defined by Section 101.001, Civil Practice and Remedies Code, and is subject to liability only as provided by Chapter 101, Civil Practice and Remedies Code, and only in the manner that liability is provided by that chapter for a school district.

(c) An open-enrollment charter school is a local government as defined by Section 102.001, Civil Practice and Remedies Code, and a payment on a tort claim must comply with Chapter 102, Civil Practice and Remedies Code.

(d) An open-enrollment charter school is a local governmental entity as defined by Section 271.151, Local Government Code, and is subject to liability on a contract as provided by Subchapter I, Chapter 271, Local Government Code, and only in the manner that liability is provided by that subchapter for a school district.

Amended by Acts 1999, 76th Leg., ch. 1335, Sec. 1, eff. June 19, 1999. Renumbered from Sec. 12.105(c) and amended by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 922 (H.B. 1171), Sec. 1, eff. June 18, 2015.

Sec. 12.1057. MEMBERSHIP IN TEACHER RETIREMENT SYSTEM OF TEXAS. (a) An employee of an open-enrollment charter school who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system to the same extent a qualified employee of a school district is covered.

(b) For each employee of the school covered under the system, the school is responsible for making any contribution that otherwise would be the legal responsibility of the school district,

and the state is responsible for making contributions to the same extent it would be legally responsible if the employee were a school district employee.

Amended by Acts 1999, 76th Leg., ch. 1335, Sec. 1, eff. June 19, 1999. Renumbered from Sec. 12.105(d) and amended by Acts 2001, 77th Leg., ch. 1504, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 2, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 17, eff. September 1, 2013.

Sec. 12.1058. APPLICABILITY OF OTHER LAWS. (a) An open-enrollment charter school is considered to be:

(1) a local government for purposes of Chapter 791, Government Code;

(2) a local government for purposes of Chapter 2259, Government Code, except that an open-enrollment charter school may not issue public securities as provided by Section 2259.031(b), Government Code;

(3) a political subdivision for purposes of Chapter 172, Local Government Code; and

(4) a local governmental entity for purposes of Subchapter I, Chapter 271, Local Government Code.

(b) An open-enrollment charter school may elect to extend workers' compensation benefits to employees of the school through any method available to a political subdivision under Chapter 504, Labor Code. An open-enrollment charter school that elects to extend workers' compensation benefits as permitted under this subsection is considered to be a political subdivision for all purposes under Chapter 504, Labor Code. An open-enrollment charter school that self-insures either individually or collectively under Chapter 504, Labor Code, is considered to be an insurance carrier for purposes of Subtitle A, Title 5, Labor Code.

(c) Notwithstanding Subsection (a) or (b), an open-enrollment charter school operated by a tax exempt entity as described by Section 12.101(a)(3) is not considered to be a

political subdivision, local government, or local governmental entity unless:

(1) the applicable statute specifically states that the statute applies to an open-enrollment charter school; or

(2) a provision in this chapter states that a specific statute applies to an open-enrollment charter school.

Added by Acts 2015, 84th Leg., R.S., Ch. 1020 (H.B. 1170), Sec. 1, eff. June 19, 2015.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 691 (S.B. 2293), Sec. 1, eff. September 1, 2019.

Sec. 12.1059. REQUIREMENTS FOR EMPLOYMENT OF CERTAIN EMPLOYEES. A person may not be employed by or serve as a teacher, librarian, educational aide, administrator, or school counselor for an open-enrollment charter school unless:

(1) the person has been approved by the agency following a review of the person's national criminal history record information as provided by Section 22.0832; and

(2) the school has confirmed that the person is not included in the registry under Section 22.092.

Added by Acts 2007, 80th Leg., R.S., Ch. 1372 (S.B. 9), Sec. 2, eff. June 15, 2007.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 443 (S.B. 715), Sec. 3, eff. June 14, 2013.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.006, eff. September 1, 2019.

Sec. 12.106. STATE FUNDING.

(a) A charter holder is entitled to receive for the open-enrollment charter school funding under Chapter 48 equal to the amount of funding per student in weighted average daily attendance, excluding the adjustment under Section 48.052, the funding under Sections 48.101, 48.110, 48.111, and 48.112, and enrichment funding under Section 48.202(a), to which the charter holder would be entitled for the school under Chapter 48 if the

school were a school district without a tier one local share for purposes of Section 48.266.

(a-1) In determining funding for an open-enrollment charter school under Subsection (a), the amount of the allotment under Section 48.102 is based solely on the basic allotment to which the charter holder is entitled and does not include any amount based on the allotment under Section 48.101.

(a-2) In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school an allotment per student in average daily attendance in an amount equal to the difference between:

(1) the product of:

(A) the quotient of:

(i) the total amount of funding provided to eligible school districts under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(B) the sum of one and the quotient of:

(i) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts statewide; and

(2) \$125.

(a-3) In addition to the funding provided by Subsections (a) and (a-2), a charter holder is entitled to receive for the open-enrollment charter school enrichment funding under Section 48.202 based on the state average tax effort.

(a-4) In addition to the funding provided by Subsections (a), (a-2), and (a-3), a charter holder is entitled to receive funding for the open-enrollment charter school under Sections 48.110 and 48.112 and Subchapter D, Chapter 48, if the charter holder would be entitled to the funding if the school were a school district.

(b) An open-enrollment charter school is entitled to funds that are available to school districts from the agency or the

commissioner in the form of grants or other discretionary funding unless the statute authorizing the funding explicitly provides that open-enrollment charter schools are not entitled to the funding.

(c) The commissioner may adopt rules to provide and account for state funding of open-enrollment charter schools under this section. A rule adopted under this section may be similar to a provision of this code that is not similar to Section 12.104(b) if the commissioner determines that the rule is related to financing of open-enrollment charter schools and is necessary or prudent to provide or account for state funds.

(d) Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of:

(1) the state average interest and sinking fund tax rate imposed by school districts for the current year; or

(2) a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million.

(e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance. This subsection does not apply to a charter holder that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital.

(f) Funds received by a charter holder under Subsection (d) may only be used:

(1) to lease an instructional facility;

(2) to pay property taxes imposed on an instructional facility;

(3) to pay debt service on bonds issued to finance an instructional facility; or

(4) for any other purpose related to the purchase, lease, sale, acquisition, or maintenance of an instructional

facility.

(g) In this section, "instructional facility" has the meaning assigned by Section [46.001](#).

(h) Except as provided by Subsection (i), all remaining funds of a charter holder for an open-enrollment charter school that ceases to operate must be returned to the agency and deposited in the charter school liquidation fund.

(i) The agency may approve a transfer of a charter holder's remaining funds to another charter holder if the charter holder receiving the funds has not received notice of the expiration or revocation of the charter holder's charter for an open-enrollment charter school or notice of a reconstitution of the governing body of the charter holder under Section [12.1141](#) or [12.115](#).

(j) The commissioner may adopt rules specifying:

(1) the time during which a former charter holder must return remaining funds under Subsection (h); and

(2) the qualifications required for a charter holder to receive a transfer of remaining funds under Subsection (i).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 7, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 5, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.02, eff. September 28, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.03, eff. September 1, 2017.

Acts 2017, 85th Leg., 1st C.S., Ch. 8 (H.B. [21](#)), Sec. 1, eff. September 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. [1454](#)), Sec. 3, eff. June 10, 2019.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 1.002, eff. September 1, 2019.

Sec. 12.1061. RECOVERY OF CERTAIN FUNDS. The commissioner may not garnish or otherwise recover funds paid to an



open-enrollment charter school under Section [12.106](#) if:

(1) the basis of the garnishment or recovery is that:

(A) the number of students enrolled in the school during a school year exceeded the student enrollment described by the school's charter during that period; and

(B) the school received funding under Section [12.106](#) based on the school's actual student enrollment;

(2) the school:

(A) submits to the commissioner a timely request to revise the maximum student enrollment described by the school's charter and the commissioner does not notify the school in writing of an objection to the proposed revision before the 90th day after the date on which the commissioner received the request, provided that the number of students enrolled at the school does not exceed the enrollment described by the school's request; or

(B) exceeds the maximum student enrollment described by the school's charter only because a court mandated that a specific child enroll in that school; and

(3) the school used all funds received under Section [12.106](#) to provide education services to students.

Added by Acts 2003, 78th Leg., ch. 1048, Sec. 1, eff. June 20, 2003.

Sec. 12.107. STATUS AND USE OF FUNDS. (a) Funds received under Section [12.106](#) after September 1, 2001, by a charter holder:

(1) are considered to be public funds for all purposes under state law;

(2) are held in trust by the charter holder for the benefit of the students of the open-enrollment charter school;

(3) may be used only for a purpose for which a school may use local funds under Section [45.105\(c\)](#);

(4) pending their use, must be deposited into a bank, as defined by Section [45.201](#), with which the charter holder has entered into a depository contract; and

(5) may not:

(A) be pledged or used to secure loans or bonds for any other organization, including a non-charter operation or out-of-state operation conducted by the charter holder or a related

party, as defined by commissioner rule adopted under Section [12.1166](#); or

(B) be used to support an operation or activity not related to the educational activities of the charter holder.

(b) A charter holder shall deliver to the agency a copy of the depository contract between the charter holder and any bank into which state funds are deposited.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.  
Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 7, eff. Sept. 1, 2001.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. [1454](#)), Sec. 4, eff. June 10, 2019.

Sec. 12.1071. EFFECT OF ACCEPTING STATE FUNDING. (a) A charter holder who accepts state funds under Section [12.106](#) after the effective date of a provision of this subchapter agrees to be subject to that provision, regardless of the date on which the charter holder's charter was granted.

(b) A charter holder who accepts state funds under Section [12.106](#) after September 1, 2001, agrees to accept all liability under this subchapter for any funds accepted under that section before September 1, 2001. This subsection does not create liability for charter holder conduct occurring before September 1, 2001.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 8, eff. Sept. 1, 2001.

Sec. 12.108. TUITION AND FEES RESTRICTED. (a) An open-enrollment charter school may not charge tuition to an eligible student who applies under Section [12.117](#).

(b) The governing body of an open-enrollment charter school may require a student to pay any fee that the board of trustees of a school district may charge under Section [11.158\(a\)](#). The governing body may not require a student to pay a fee that the board of trustees of a school district may not charge under Section [11.158\(b\)](#).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 9, eff. Sept. 1, 2001.

Sec. 12.109. TRANSPORTATION. An open-enrollment charter school shall provide transportation to each student attending the school to the same extent a school district is required by law to provide transportation to district students.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Sec. 12.110. APPLICATION. (a) The commissioner shall adopt:

(1) an application form and a procedure that must be used to apply for a charter for an open-enrollment charter school; and

(2) criteria to use in selecting a program for which to grant a charter.

(b) The application form must provide for including the information required under Section 12.111 to be contained in a charter.

(c) As part of the application procedure, the commissioner may require a petition supporting a charter for a school signed by a specified number of parents or guardians of school-age children residing in the area in which a school is proposed or may hold a public hearing to determine parental support for the school.

(d) The commissioner shall approve or deny an application based on:

(1) documented evidence collected through the application review process;

(2) merit; and

(3) other criteria as adopted by the commissioner, which must include:

(A) criteria relating to the capability of the applicant to carry out the responsibilities provided by the charter and the likelihood that the applicant will operate a school of high quality;

(B) criteria relating to improving student performance and encouraging innovative programs; and

(C) a statement from any school district whose enrollment is likely to be affected by the open-enrollment charter school, including information relating to any financial difficulty that a loss in enrollment may have on the district.

(e) The commissioner shall give priority to applications that propose an open-enrollment charter school campus to be located in the attendance zone of a school district campus assigned an unacceptable performance rating under Section 39.054 for the two preceding school years.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 18, eff. September 1, 2013.

Sec. 12.1101. NOTIFICATION OF CHARTER APPLICATION OR ESTABLISHMENT OF CAMPUS. The commissioner by rule shall adopt a procedure for providing notice to the following persons on receipt by the commissioner of an application for a charter for an open-enrollment charter school under Section 12.110 or of notice of the establishment of a campus as authorized under Section 12.101(b-4):

(1) the superintendent and the board of trustees of each school district from which the proposed open-enrollment charter school or campus is likely to draw students, as determined by the commissioner; and

(2) each member of the legislature that represents the geographic area to be served by the proposed school or campus, as determined by the commissioner.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 10, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 19, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 597 (S.B. 668), Sec. 2.02, eff. June 10, 2019.

Sec. 12.111. CONTENT. (a) Each charter granted under this

subchapter must:

(1) describe the educational program to be offered, which must include the required curriculum as provided by Section [28.002](#);

(2) provide that continuation of the charter is contingent on the status of the charter as determined under Section [12.1141](#) or [12.115](#) or under Chapter [39A](#);

(3) specify the academic, operational, and financial performance expectations by which a school operating under the charter will be evaluated, which must include applicable elements of the performance frameworks adopted under Section [12.1181](#);

(4) specify:

(A) any basis, in addition to a basis specified by this subchapter or Chapter [39A](#), on which the charter may be revoked, renewal of the charter may be denied, or the charter may be allowed to expire; and

(B) the standards for evaluation of a school operating under the charter for purposes of charter renewal, denial of renewal, expiration, revocation, or other intervention in accordance with Section [12.1141](#) or [12.115](#) or Chapter [39A](#), as applicable;

(5) prohibit discrimination in admission policy on the basis of sex, national origin, ethnicity, religion, disability, academic, artistic, or athletic ability, or the district the child would otherwise attend in accordance with this code, although the charter may:

(A) provide for the exclusion of a student who has a documented history of a criminal offense, a juvenile court adjudication, or discipline problems under Subchapter A, Chapter [37](#); and

(B) provide for an admission policy that requires a student to demonstrate artistic ability if the school specializes in performing arts;

(6) specify the grade levels to be offered;

(7) describe the governing structure of the program, including:

(A) the officer positions designated;

(B) the manner in which officers are selected and removed from office;

(C) the manner in which members of the governing body of the school are selected and removed from office;

(D) the manner in which vacancies on that governing body are filled;

(E) the term for which members of that governing body serve; and

(F) whether the terms are to be staggered;

(8) specify the powers or duties of the governing body of the school that the governing body may delegate to an officer;

(9) specify the manner in which the school will distribute to parents information related to the qualifications of each professional employee of the program, including any professional or educational degree held by each employee, a statement of any certification under Subchapter B, Chapter 21, held by each employee, and any relevant experience of each employee;

(10) describe the process by which the person providing the program will adopt an annual budget;

(11) describe the manner in which an annual audit of the financial and programmatic operations of the program is to be conducted, including the manner in which the person providing the program will provide information necessary for the school district in which the program is located to participate, as required by this code or by commissioner rule, in the Public Education Information Management System (PEIMS);

(12) describe the facilities to be used;

(13) describe the geographical area served by the program;

(14) specify any type of enrollment criteria to be used;

(15) provide information, as determined by the commissioner, relating to any management company that will provide management services to a school operating under the charter; and

(16) specify that the governing body of an open-enrollment charter school accepts and may not delegate ultimate responsibility for the school, including the school's

academic performance and financial and operational viability, and is responsible for overseeing any management company providing management services for the school and for holding the management company accountable for the school's performance.

(b) A charter holder of an open-enrollment charter school shall consider including in the school's charter a requirement that the school develop and administer personal graduation plans under Sections [28.0212](#) and [28.02121](#).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 1999, 76th Leg., ch. 1335, Sec. 2, eff. June 19, 1999; Acts 2001, 77th Leg., ch. 1504, Sec. 11, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1212, Sec. 4, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1032 (H.B. [1111](#)), Sec. 1, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 211 (H.B. [5](#)), Sec. 4(a), eff. June 10, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 20, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. [1488](#)), Sec. 21.003(11), eff. September 1, 2017.

Sec. 12.112. FORM. A charter for an open-enrollment charter school shall be in the form of a written contract signed by the commissioner and the chief operating officer of the school.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 21, eff. September 1, 2013.

Sec. 12.113. CHARTER GRANTED. (a) Each charter the commissioner grants for an open-enrollment charter school must:

(1) satisfy this subchapter; and

(2) include the information that is required under Section [12.111](#) consistent with the information provided in the application and any modification the commissioner requires.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1140, Sec.

47(2), eff. September 1, 2013.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 11, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 22, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 47(2), eff. September 1, 2013.

Sec. 12.114. REVISION. (a) A revision of a charter of an open-enrollment charter school may be made only with the approval of the commissioner.

(b) Not more than once each year, an open-enrollment charter school may request approval to revise the maximum student enrollment described by the school's charter.

(c) Not later than the 60th day after the date that a charter holder submits to the commissioner a completed request for approval for an expansion amendment, as defined by commissioner rule, including a new school amendment, the commissioner shall provide to the charter holder written notice of approval or disapproval of the amendment.

(d) A charter holder may submit a request for approval for an expansion amendment up to 18 months before the date on which the expansion will be effective. A request for approval of an expansion amendment does not obligate the charter holder to complete the proposed expansion.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 12, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1048, Sec. 2, eff. June 20, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 23, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 597 (S.B. 668), Sec. 2.03, eff. June 10, 2019.

Sec. 12.1141. RENEWAL OF CHARTER; DENIAL OF RENEWAL;



EXPIRATION. (a) The commissioner shall develop and by rule adopt a procedure for renewal, denial of renewal, or expiration of a charter for an open-enrollment charter school at the end of the term of the charter. The procedure must include consideration of the performance under Chapters 39 and 39A of the charter holder and each campus operating under the charter and must include three distinct processes, which must be expedited renewal, discretionary consideration of renewal or denial of renewal, and expiration. To renew a charter at the end of the term, the charter holder must submit a petition for renewal to the commissioner in the time and manner established by commissioner rule.

(b) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for expedited renewal of the charter, the charter automatically renews unless, not later than the 30th day after the date the charter holder submits the petition, the commissioner provides written notice to the charter holder that expedited renewal of the charter is denied. The commissioner may not deny expedited renewal of a charter if:

(1) the charter holder has been assigned the highest or second highest performance rating under Subchapter C, Chapter 39, for the three preceding school years;

(2) the charter holder has been assigned a financial performance accountability rating under Subchapter D, Chapter 39, indicating financial performance that is satisfactory or better for the three preceding school years; and

(3) no campus operating under the charter has been assigned the lowest performance rating under Subchapter C, Chapter 39, for the three preceding school years or such a campus has been closed.

(c) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for renewal of the charter and the charter does not meet the criteria for expedited renewal under Subsection (b) or for expiration under Subsection (d), the commissioner shall use the discretionary consideration process. The commissioner's decision under the discretionary consideration process must take

into consideration the results of annual evaluations under the performance frameworks established under Section 12.1181. The renewal of the charter of an open-enrollment charter school that is registered under the agency's alternative education accountability procedures for evaluation under Chapter 39 shall be considered under the discretionary consideration process regardless of the performance ratings under Subchapter C, Chapter 39, of the open-enrollment charter school or of any campus operating under the charter, except that if the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance that is lower than satisfactory for any three of the five preceding school years, the commissioner shall allow the charter to expire under Subsection (d). In considering the renewal of the charter of an open-enrollment charter school that is registered under the agency's alternative education accountability procedures for evaluation under Chapter 39, such as a dropout recovery school or a school providing education within a residential treatment facility, the commissioner shall use academic criteria established by commissioner rule that are appropriate to measure the specific goals of the school. The criteria established by the commissioner shall recognize growth in student achievement as well as educational attainment. For purposes of this subsection, the commissioner shall designate as a dropout recovery school an open-enrollment charter school or a campus of an open-enrollment charter school:

(1) that serves students in grades 9 through 12 and has an enrollment of which at least 50 percent of the students are 17 years of age or older as of September 1 of the school year as reported for the fall semester Public Education Information Management System (PEIMS) submission; and

(2) that meets the eligibility requirements for and is registered under alternative education accountability procedures adopted by the commissioner.

(d) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for renewal of the charter, the

commissioner may not renew the charter and shall allow the charter to expire if:

(1) the charter holder has been assigned the lowest performance rating under Subchapter C, Chapter 39, for any three of the five preceding school years;

(2) the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance that is lower than satisfactory for any three of the five preceding school years;

(3) the charter holder has been assigned any combination of the ratings described by Subdivision (1) or (2) for any three of the five preceding school years; or

(4) any campus operating under the charter has been assigned the lowest performance rating under Subchapter C, Chapter 39, for the three preceding school years and such a campus has not been closed.

(e) Notwithstanding any other law, a determination by the commissioner under Subsection (d) is final and may not be appealed.

(f) Not later than the 90th day after the date on which a charter holder submits a petition for renewal of a charter for an open-enrollment charter school at the end of the term of the charter, the commissioner shall provide written notice to the charter holder, in accordance with commissioner rule, of the basis on which the charter qualified for expedited renewal, discretionary consideration, or expiration, and of the commissioner's decision regarding whether to renew the charter, deny renewal of the charter, or allow the charter to expire.

(g) Except as provided by Subsection (e), a decision by the commissioner to deny renewal of a charter for an open-enrollment charter school is subject to review by the State Office of Administrative Hearings. Notwithstanding Chapter 2001, Government Code:

(1) the administrative law judge shall uphold a decision by the commissioner to deny renewal of a charter for an open-enrollment charter school unless the judge finds the decision is arbitrary and capricious or clearly erroneous; and

(2) a decision of the administrative law judge under

this subsection is final and may not be appealed.

(h) If a charter holder submits a petition for renewal of a charter for an open-enrollment charter school, notwithstanding the expiration date of the charter, the charter term is extended until the commissioner has provided notice to the charter holder of the renewal, denial of renewal, or expiration of the charter.

(i) The term of a charter renewed under this section is 10 years for each renewal.

(j) The commissioner shall adopt rules to modify criteria for renewal, denial of renewal, or expiration of a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories or in the financial accountability system under Chapter 39.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 24, eff. September 1, 2013.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 21.003(12), eff. September 1, 2017.

Sec. 12.115. BASIS FOR CHARTER REVOCATION OR MODIFICATION OF GOVERNANCE. (a) Except as provided by Subsection (c), the commissioner shall revoke the charter of an open-enrollment charter school or reconstitute the governing body of the charter holder if the commissioner determines that the charter holder:

(1) committed a material violation of the charter, including by a failure to:

(A) satisfy accountability provisions prescribed by the charter; or

(B) comply with the duty to discharge or refuse to hire certain employees or applicants for employment, as provided by Section 12.1151;

(2) failed to satisfy generally accepted accounting standards of fiscal management;

(3) failed to protect the health, safety, or welfare of the students enrolled at the school;

(4) failed to comply with this subchapter or another applicable law or rule;

(5) failed to satisfy the performance framework standards adopted under Section [12.1181](#); or

(6) is imminently insolvent as determined by the commissioner in accordance with commissioner rule.

(b) The action the commissioner takes under Subsection (a) shall be based on the best interest of the open-enrollment charter school's students, the severity of the violation, any previous violation the school has committed, and the accreditation status of the school.

(c) The commissioner shall revoke the charter of an open-enrollment charter school if:

(1) the charter holder has been assigned an unacceptable performance rating under Subchapter C, Chapter [39](#), for the three preceding school years;

(2) the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter [39](#), indicating financial performance lower than satisfactory for the three preceding school years; or

(3) the charter holder has been assigned any combination of the ratings described by Subdivision (1) or (2) for the three preceding school years.

(d) In reconstituting the governing body of a charter holder under this section, the commissioner shall appoint members to the governing body. In appointing members under this subsection the commissioner:

(1) shall consider:

(A) local input from community members and parents; and

(B) appropriate credentials and expertise for membership, including financial expertise, whether the person lives in the geographic area the charter holder serves, and whether the person is an educator; and

(2) may reappoint current members of the governing body.

(e) If a governing body of a charter holder subject to reconstitution under this section governs enterprises other than the open-enrollment charter school, the commissioner may require

the charter holder to create a new, single-purpose organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986, to govern the open-enrollment charter school and may require the charter holder to surrender the charter to the commissioner for transfer to the organization created under this subsection. The commissioner shall appoint the members of the governing body of an organization created under this subsection.

(f) This section does not limit the authority of the attorney general to take any action authorized by law.

(g) The commissioner shall adopt rules necessary to administer this section.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.  
Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 12, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 25, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.007, eff. September 1, 2019.

Sec. 12.1151. FAILURE TO DISCHARGE OR REFUSE TO HIRE CERTAIN EMPLOYEES OR APPLICANTS. An open-enrollment charter school commits a material violation of the school's charter if the school fails to comply with the duty to discharge or refuse to hire certain employees or applicants for employment under Section [12.1059](#), [22.085](#), or [22.092](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 2A.008, eff. September 1, 2019.

Sec. 12.116. PROCEDURE FOR REVOCATION, MODIFICATION OF GOVERNANCE, OR DENIAL OF RENEWAL. (a) The commissioner shall adopt an informal procedure to be used for:

(1) revoking the charter of an open-enrollment charter school or for reconstituting the governing body of the charter holder as authorized by Section [12.115](#); and

(2) denying the renewal of a charter of an open-enrollment charter school as authorized by Section

[12.1141\(c\)](#).

(a-1) The procedure adopted under Subsection (a) for the denial of renewal of a charter under Section [12.1141\(c\)](#) or the revocation of a charter or reconstitution of a governing body of a charter holder under Section [12.115\(a\)](#) must allow representatives of the charter holder to meet with the commissioner to discuss the commissioner's decision and must allow the charter holder to submit additional information to the commissioner relating to the commissioner's decision. In a final decision issued by the commissioner, the commissioner shall provide a written response to any information the charter holder submits under this subsection.

(b) Chapter [2001](#), Government Code, does not apply to a procedure that is related to a revocation or modification of governance under this subchapter.

(c) A decision by the commissioner to revoke a charter is subject to review by the State Office of Administrative Hearings. Notwithstanding Chapter [2001](#), Government Code:

(1) the administrative law judge shall uphold a decision by the commissioner to revoke a charter unless the judge finds the decision is arbitrary and capricious or clearly erroneous; and

(2) a decision of the administrative law judge under this subsection is final and may not be appealed.

(d) If the commissioner revokes the charter of an open-enrollment charter school, the commissioner may:

(1) manage the school until alternative arrangements are made for the school's students; and

(2) assign operation of one or more campuses formerly operated by the charter holder who held the revoked charter to a different charter holder who consents to the assignment.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 12, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 26, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 1046 (H.B. [1842](#)), Sec. 3(b),

eff. June 19, 2015.

Acts 2015, 84th Leg., R.S., Ch. 1046 (H.B. 1842), Sec. 3(c),  
eff. June 19, 2015.

Sec. 12.1161. EFFECT OF REVOCATION, DENIAL OF RENEWAL, OR SURRENDER OF CHARTER. (a) If the commissioner revokes or denies the renewal of a charter of an open-enrollment charter school or an open-enrollment charter school surrenders its charter, the school may not:

- (1) continue to operate under this subchapter; or
- (2) receive state funds under this subchapter.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1140, Sec. 47(3), eff. September 1, 2013.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 13, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 27, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 47(3), eff. September 1, 2013.

Sec. 12.1162. ADDITIONAL SANCTIONS. (a) The commissioner shall take any of the actions described by Subsection (b) or by Section 39A.001, 39A.002, 39A.004, 39A.005, or 39A.007, to the extent the commissioner determines necessary, if an open-enrollment charter school, as determined by a report issued under Section 39.058(b):

- (1) commits a material violation of the school's charter;
- (2) fails to satisfy generally accepted accounting standards of fiscal management; or
- (3) fails to comply with this subchapter or another applicable rule or law.

(b) The commissioner may temporarily withhold funding, suspend the authority of an open-enrollment charter school to operate, or take any other reasonable action the commissioner determines necessary to protect the health, safety, or welfare of



students enrolled at the school based on evidence that conditions at the school present a danger to the health, safety, or welfare of the students.

(c) After the commissioner acts under Subsection (b), the open-enrollment charter school may not receive funding and may not resume operating until a determination is made that:

(1) despite initial evidence, the conditions at the school do not present a danger of material harm to the health, safety, or welfare of students; or

(2) the conditions at the school that presented a danger of material harm to the health, safety, or welfare of students have been corrected.

(d) Not later than the third business day after the date the commissioner acts under Subsection (b), the commissioner shall provide the charter holder an opportunity for a hearing.

(e) Immediately after a hearing under Subsection (d), the commissioner must cease the action under Subsection (b) or initiate action under Section [12.116](#).

(f) The commissioner shall adopt rules implementing this section. Chapter [2001](#), Government Code, does not apply to a hearing under this section.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 13, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 895 (H.B. [3](#)), Sec. 19, eff. June 19, 2009.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. [1488](#)), Sec. 21.003(13), eff. September 1, 2017.

Sec. 12.1163. AUDIT BY COMMISSIONER. (a) To the extent consistent with this section, the commissioner may audit the records of:

- (1) an open-enrollment charter school;
- (2) a charter holder; and
- (3) a management company.

(b) An audit under Subsection (a) must be limited to matters directly related to the management or operation of an

open-enrollment charter school, including any financial and administrative records.

(c) Unless the commissioner has specific cause to conduct an additional audit, the commissioner may not conduct more than one on-site audit during any fiscal year, including any financial and administrative records. For purposes of this subsection, an audit of a charter holder or management company associated with an open-enrollment charter school is not considered an audit of the school.

(d) If the aggregate amount of all transactions between a charter holder and a related party, as defined by commissioner rule adopted under Section 12.1166, exceeds \$5,000, an audit under Subsection (a) may include the review of any real property transactions between the charter holder and the related party. If the commissioner determines that a transaction with a related party using funds received under Section 12.106 was structured in a manner that did not benefit the open-enrollment charter school or that the transaction was in excess of fair market value, the commissioner may order that the transaction be reclassified or that other action be taken as necessary to protect the school's interests. Failure to comply with the commissioner's order is a material violation of the charter.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 13, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 511, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 28, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 5, eff. June 10, 2019.

Sec. 12.1164. NOTICE TO TEACHER RETIREMENT SYSTEM OF TEXAS.

(a) The commissioner must notify the Teacher Retirement System of Texas in writing of the revocation, denial of renewal, expiration, or surrender of a charter under this subchapter not later than the 10th business day after the date of the event.

(b) The commissioner must notify the Teacher Retirement

System of Texas in writing that an open-enrollment charter school is no longer receiving state funding not later than the 10th business day after the date on which the funding ceases.

(c) The commissioner must notify the Teacher Retirement System of Texas in writing that an open-enrollment charter school has resumed receiving state funds not later than the 10th business day after the date on which funding resumes.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 3, eff. September 1, 2005.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 29, eff. September 1, 2013.

Sec. 12.1166. RELATED PARTY TRANSACTIONS. (a) The commissioner shall adopt a rule defining "related party" for purposes of this subchapter. The definition of "related party" must include:

(1) a party with a current or former board member, administrator, or officer who is:

(A) a board member, administrator, or officer of an open-enrollment charter school; or

(B) related within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code, to a board member, administrator, or officer of an open-enrollment charter school;

(2) a charter holder's related organizations, joint ventures, and jointly governed organizations;

(3) an open-enrollment charter school's board members, administrators, or officers or a person related to a board member, administrator, or officer within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code; and

(4) any other disqualified person, as that term is defined by 26 U.S.C. Section 4958(f).

(b) For purposes of Subsection (a)(1), a person is a former board member, administrator, or officer if the person served in that capacity within one year of the date on which a financial transaction between the charter holder and a related party

occurred.

(c) In a charter holder's annual audit filed under Section 44.008, the charter holder must include a list of all transactions with a related party.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 6, eff. June 10, 2019.

Sec. 12.1167. APPRAISAL OF CERTAIN PROPERTY. The commissioner may adopt rules to require an open-enrollment charter school to:

(1) notify the commissioner that the school intends to enter into a transaction with a related party, as defined by commissioner rule adopted under Section 12.1166; and

(2) provide an appraisal from a certified appraiser to the agency.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 6, eff. June 10, 2019.

Sec. 12.1168. FINANCIAL REPORT OF CERTAIN SCHOOLS. (a) In this section, "related party" has the meaning adopted by commissioner rule under Section 12.1166.

(b) A financial report filed under Section 44.008 by an open-enrollment charter school must separately disclose:

(1) all financial transactions between the open-enrollment charter school and any related party, separately stating the principal, interest, and lease payments; and

(2) the total compensation and benefits provided by the school and any related party for each member of the governing body and each officer and administrator of the school and the related party.

(c) The commissioner may adopt rules to implement this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 6, eff. June 10, 2019.

Sec. 12.117. ADMISSION. (a) For admission to an open-enrollment charter school, the governing body of the school

shall:

(1) require the applicant to complete and submit the common admission application form described by Section 12.1173 not later than a reasonable deadline the school establishes; and

(2) on receipt of more acceptable applications for admission under this section than available positions in the school:

(A) fill the available positions by lottery; or

(B) subject to Subsection (b), fill the available positions in the order in which applications received before the application deadline were received.

(b) An open-enrollment charter school may fill applications for admission under Subsection (a)(2)(B) only if the school published a notice of the opportunity to apply for admission to the school. A notice published under this subsection must:

(1) state the application deadline; and

(2) be published in a newspaper of general circulation in the community in which the school is located not later than the seventh day before the application deadline.

(c) An open-enrollment charter school authorized by a charter granted under this subchapter to a municipality:

(1) is considered a work-site open-enrollment charter school for purposes of federal regulations regarding admissions policies that apply to open-enrollment charter schools receiving federal funding; and

(2) notwithstanding Subsection (a), may admit children of employees of the municipality to the school before conducting a lottery to fill remaining available positions, provided that the number of children admitted under this subdivision constitutes only a small percentage, as may be further specified by federal regulation, of the school's total enrollment.

(d) Notwithstanding Section 12.111(a)(13), an open-enrollment charter school may admit a child of an employee of the school as provided by this section regardless of whether the child resides in the geographic area served by the school.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.  
Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 14, eff. Sept. 1,

2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 317 (H.B. [2366](#)), Sec. 1, eff. June 17, 2011.

Acts 2019, 86th Leg., R.S., Ch. 691 (S.B. [2293](#)), Sec. 2, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1107 (H.B. [2190](#)), Sec. 1, eff. June 14, 2019.

Sec. 12.1171. ADMISSION TO OPEN-ENROLLMENT CHARTER SCHOOLS SPECIALIZING IN PERFORMING ARTS. Notwithstanding Section [12.117](#), the governing body of an open-enrollment charter school that specializes in one or more performing arts may require an applicant to audition for admission to the school in addition to completing and submitting the common admission application form under Section [12.1173](#).

Added by Acts 2005, 79th Leg., Ch. 1032 (H.B. [1111](#)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 691 (S.B. [2293](#)), Sec. 3, eff. September 1, 2019.

Sec. 12.1173. COMMON ADMISSION APPLICATION FORM; WAITING LIST FOR ADMISSION. (a) The commissioner by rule shall adopt a common admission application form for use by an applicant for admission to an open-enrollment charter school that provides for the submission of information that the commissioner considers appropriate.

(b) The form adopted under this section may not:

(1) advertise or otherwise promote any person or open-enrollment charter school; or

(2) solicit money, goods, or services from an applicant.

(c) The commissioner shall publicize the availability of the form adopted under this section, including by posting the form on the agency's Internet website.

(d) The commissioner by rule shall adopt guidelines for an

open-enrollment charter school that receives more acceptable applications for admission than available positions at the school to create and manage a waiting list each school year for applicants who are not admitted.

(e) The commissioner shall adopt any other rules as necessary to implement this section, including rules to ensure this section complies with federal law regarding confidentiality of student medical or educational information, including the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) and the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any state law relating to the privacy of student information.

Added by Acts 2019, 86th Leg., R.S., Ch. 691 (S.B. 2293), Sec. 4, eff. September 1, 2019.

Sec. 12.1174. ENROLLMENT AND WAITING LIST REPORT. (a) Not later than the last Friday in October of each school year, in the form prescribed by commissioner rule, the governing body of a charter holder shall report to the agency for that school year:

(1) the following information for each campus operating under the charter holder's charter:

(A) the number of students enrolled;

(B) the enrollment capacity; and

(C) if a charter holder uses a waiting list for admission to a campus:

(i) the total number of students on the waiting list; and

(ii) the number of students on the waiting list disaggregated by grade level;

(2) the information described by Subdivision (1) aggregated for all campuses operating under the charter holder's charter; and

(3) any information required by the commissioner as necessary to identify each student admitted to or on a waiting list for admission to a campus operating under the charter holder's charter who is or was previously enrolled in a public school in this state.

(b) From information provided to the commissioner by each charter holder under this subchapter, the commissioner shall identify each group of charter holders considered by the commissioner to be corporate affiliates or substantially related charter holders. Using the information reported under Subsections (a)(1) and (2), the agency shall aggregate the information for each group of charter holders identified by the commissioner under this subsection.

(c) Not later than March 15 of each year, the commissioner shall post on the agency's Internet website:

(1) the information reported by charter holders under Subsections (a)(1) and (2); and

(2) the information aggregated by the agency under Subsection (b).

(d) The commissioner shall adopt rules as necessary to implement this section, including rules to ensure this section complies with federal law regarding confidentiality of student educational information, including the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any state law relating to the privacy of student information.

Added by Acts 2019, 86th Leg., R.S., Ch. 691 (S.B. [2293](#)), Sec. 4, eff. September 1, 2019.

Sec. 12.118. EVALUATION OF OPEN-ENROLLMENT CHARTER SCHOOLS. (a) The commissioner shall designate an impartial organization with experience in evaluating school choice programs to conduct an annual evaluation of open-enrollment charter schools.

(b) An evaluation under this section must include consideration of the following items before implementing the charter and after implementing the charter:

(1) students' scores on assessment instruments administered under Subchapter B, Chapter [39](#);

(2) student attendance;

(3) students' grades;

(4) incidents involving student discipline;

(5) socioeconomic data on students' families;

(6) parents' satisfaction with their children's



schools; and

(7) students' satisfaction with their schools.

(c) The evaluation of open-enrollment charter schools must also include an evaluation of:

(1) the costs of instruction, administration, and transportation incurred by open-enrollment charter schools;

(2) the effect of open-enrollment charter schools on school districts and on teachers, students, and parents in those districts; and

(3) other issues, as determined by the commissioner.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 15, eff. Sept. 1, 2001.

Sec. 12.1181. PERFORMANCE FRAMEWORKS; ANNUAL EVALUATIONS.

(a) The commissioner shall develop and by rule adopt performance frameworks that establish standards by which to measure the performance of an open-enrollment charter school. The commissioner shall develop and by rule adopt separate, specific performance frameworks by which to measure the performance of an open-enrollment charter school that is registered under the agency's alternative education accountability procedures for evaluation under Chapter 39. The performance frameworks shall be based on national best practices that charter school authorizers use in developing and applying standards for charter school performance. In developing the performance frameworks, the commissioner shall solicit advice from charter holders, the members of the governing bodies of open-enrollment charter schools, and other interested persons.

(b) The performance frameworks may include a variety of standards. In evaluating an open-enrollment charter school, the commissioner shall measure school performance against an established set of quality standards developed and adopted by the commissioner.

(c) Each year, the commissioner shall evaluate the performance of each open-enrollment charter school based on the applicable performance frameworks adopted under Subsection

(a). The performance of a school on a performance framework may not be considered for purposes of renewal of a charter under Section [12.1141\(d\)](#) or revocation of a charter under Section [12.115\(c\)](#).  
Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 30, eff. September 1, 2013.

Sec. 12.119. BYLAWS; ANNUAL REPORT. (a) A charter holder shall file with the commissioner a copy of its articles of incorporation and bylaws, or comparable documents if the charter holder does not have articles of incorporation or bylaws, within the period and in the manner prescribed by the commissioner.

(b) Each year within the period and in a form prescribed by the commissioner, each open-enrollment charter school shall file with the commissioner the following information:

(1) the name, address, and telephone number of each officer and member of the governing body of the open-enrollment charter school; and

(2) the amount of annual compensation the open-enrollment charter school pays to each officer and member of the governing body.

(c) On request, the commissioner shall provide the information required by this section and Section [12.111\(a\)\(7\)](#) to a member of the public. The commissioner may charge a reasonable fee to cover the commissioner's cost in providing the information.

Added by Acts 1999, 76th Leg., ch. 1335, Sec. 3, eff. June 19, 1999.  
Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 16, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. [1303](#)), Sec. 7.002, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 31, eff. September 1, 2013.

Sec. 12.120. RESTRICTIONS ON SERVING AS MEMBER OF GOVERNING BODY OF CHARTER HOLDER OR OPEN-ENROLLMENT CHARTER SCHOOL OR AS OFFICER OR EMPLOYEE. (a) A person may not serve as a member of the governing body of a charter holder, as a member of the governing

body of an open-enrollment charter school, or as an officer or employee of an open-enrollment charter school if the person:

(1) has been convicted of a felony or a misdemeanor involving moral turpitude;

(2) has been convicted of an offense listed in Section [37.007\(a\)](#);

(3) has been convicted of an offense listed in Article [62.001\(5\)](#), Code of Criminal Procedure; or

(4) has a substantial interest in a management company.

(a-1) Notwithstanding Subsection (a), subject to Section [12.1059](#), an open-enrollment charter school may employ a person:

(1) as a teacher or educational aide if:

(A) a school district could employ the person as a teacher or educational aide; or

(B) a school district could employ the person as a teacher or educational aide if the person held the appropriate certificate issued under Subchapter B, Chapter [21](#), and the person has never held a certificate issued under Subchapter B, Chapter [21](#); or

(2) in a position other than a position described by Subdivision (1) if a school district could employ the person in that position.

(b) For purposes of Subsection (a)(4), a person has a substantial interest in a management company if the person:

(1) has a controlling interest in the company;

(2) owns more than 10 percent of the voting interest in the company;

(3) owns more than \$25,000 of the fair market value of the company;

(4) has a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in more than 10 percent of the profits, proceeds, or capital gains of the company;

(5) is a member of the board of directors or other governing body of the company;

(6) serves as an elected officer of the company; or

(7) is an employee of the company.

Added by Acts 1999, 76th Leg., ch. 1335, Sec. 3, eff. June 19, 1999.

Amended by Acts 2001, 77th Leg., ch. 1504, Sec. 17, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1008 (H.B. 867), Sec. 2.04, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 639 (H.B. 647), Sec. 1, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 32, eff. September 1, 2013.

Sec. 12.1202. REQUIREMENT FOR MAJORITY OF MEMBERS OF GOVERNING BODY. A majority of the members of the governing body of an open-enrollment charter school or the governing body of a charter holder must be qualified voters.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 33, eff. September 1, 2013.

Sec. 12.121. RESPONSIBILITY FOR OPEN-ENROLLMENT CHARTER SCHOOL. The governing body of an open-enrollment charter school is responsible for the management, operation, and accountability of the school, regardless of whether the governing body delegates the governing body's powers and duties to another person.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.1211. NAMES OF MEMBERS OF GOVERNING BODY LISTED ON WEBSITE. An open-enrollment charter school shall list the names of the members of the governing body on the home page of the school's Internet website.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 34, eff. September 1, 2013.

Sec. 12.122. LIABILITY OF MEMBERS OF GOVERNING BODY OF OPEN-ENROLLMENT CHARTER SCHOOL. (a) Notwithstanding the applicable provisions of the Business Organizations Code or other

law, on request of the commissioner, the attorney general may bring suit against a member of the governing body of an open-enrollment charter school for breach of a fiduciary duty by the member, including misapplication of public funds.

(b) The attorney general may bring suit under Subsection (a) for:

- (1) damages;
- (2) injunctive relief; or
- (3) any other equitable remedy determined to be appropriate by the court.

(c) This section is cumulative of all other remedies.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 35, eff. September 1, 2013.

Sec. 12.123. TRAINING FOR MEMBERS OF GOVERNING BODY OF SCHOOL AND OFFICERS. (a) The commissioner shall adopt rules prescribing training for:

- (1) members of governing bodies of open-enrollment charter schools; and
- (2) officers of open-enrollment charter schools.

(b) The rules adopted under Subsection (a) may:

- (1) specify the minimum amount and frequency of the training;
- (2) require the training to be provided by:
  - (A) the agency and regional education service centers;
  - (B) entities other than the agency and service centers, subject to approval by the commissioner; or
  - (C) both the agency, service centers, and other entities; and
- (3) require training to be provided concerning:
  - (A) basic school law, including school finance;
  - (B) health and safety issues;
  - (C) accountability requirements related to the

use of public funds; and

(D) other requirements relating to accountability to the public, such as open meetings requirements under Chapter 551, Government Code, and public information requirements under Chapter 552, Government Code.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.124. LOANS FROM MANAGEMENT COMPANY PROHIBITED. (a) The charter holder or the governing body of an open-enrollment charter school may not accept a loan from a management company that has a contract to provide management services to:

(1) that charter school; or

(2) another charter school that operates under a charter granted to the charter holder.

(b) A charter holder or the governing body of an open-enrollment charter school that accepts a loan from a management company may not enter into a contract with that management company to provide management services to the school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.125. CONTRACT FOR MANAGEMENT SERVICES. Any contract, including a contract renewal, between an open-enrollment charter school and a management company proposing to provide management services to the school must require the management company to maintain all records related to the management services separately from any other records of the management company.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.126. CERTAIN MANAGEMENT SERVICES CONTRACTS PROHIBITED. The commissioner may prohibit, deny renewal of, suspend, or revoke a contract between an open-enrollment charter school and a management company providing management services to the school if the commissioner determines that the management company has:

(1) failed to provide educational or related services in compliance with the company's contractual or other legal obligation to any open-enrollment charter school in this state or to any other similar school in another state;

(2) failed to protect the health, safety, or welfare of the students enrolled at an open-enrollment charter school served by the company;

(3) violated this subchapter or a rule adopted under this subchapter; or

(4) otherwise failed to comply with any contractual or other legal obligation to provide services to the school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.127. LIABILITY OF MANAGEMENT COMPANY. (a) A management company that provides management services to an open-enrollment charter school is liable for damages incurred by the state as a result of the failure of the company to comply with its contractual or other legal obligation to provide services to the school.

(b) On request of the commissioner, the attorney general may bring suit on behalf of the state against a management company liable under Subsection (a) for:

(1) damages, including any state funding received by the company and any consequential damages suffered by the state;

(2) injunctive relief; or

(3) any other equitable remedy determined to be appropriate by the court.

(c) This section is cumulative of all other remedies and does not affect:

(1) the liability of a management company to the charter holder; or

(2) the liability of a charter holder, a member of the governing body of a charter holder, or a member of the governing body of an open-enrollment charter school to the state.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.128. PROPERTY PURCHASED OR LEASED WITH STATE FUNDS.

(a) Property purchased with funds received by a charter holder under Section [12.106](#) after September 1, 2001:

(1) is considered to be public property for all purposes under state law;

(2) is property of this state held in trust by the charter holder for the benefit of the students of the open-enrollment charter school; and

(3) may be used only for a purpose for which a school district may use school district property.

(a-1) Property leased with funds received by a charter holder under Section [12.106](#) after September 1, 2001:

(1) is considered to be public property for all purposes under state law;

(2) is property of this state held in trust by the charter holder for the benefit of the students of the open-enrollment charter school; and

(3) may be used only for a purpose for which a school district may use school district property.

(b) If at least 50 percent of the funds used by a charter holder to purchase real property are funds received under Section [12.106](#) before September 1, 2001, the property is considered to be public property to the extent it was purchased with those funds.

(b-1) Subject to Subsection (b-2), while an open-enrollment charter school is in operation, the charter holder holds title to any property described by Subsection (a) or (b) and may exercise complete control over the property as permitted under the law.

(b-2) A charter holder may not transfer, sell, or otherwise dispose of any property described by this section without the prior written consent of the agency if:

(1) the charter holder has received notice of:

(A) the expiration of the charter holder's charter under Section [12.1141](#) and the charter has not been renewed;  
or

(B) the charter's revocation under Section [12.115\(c\)](#);



(2) the charter holder has received notice that the open-enrollment charter school is under discretionary review by the commissioner, which may result in the revocation of the charter or a reconstitution of the governing body of the charter holder under Section 12.115; or

(3) the open-enrollment charter school for which the charter is held has otherwise ceased to operate.

(c) The commissioner shall:

(1) take possession and assume control of the property described by Subsection (a) of an open-enrollment charter school that ceases to operate; and

(2) supervise the disposition of the property in accordance with this subchapter.

(c-1) Notwithstanding Subsection (c), if an open-enrollment charter school ceases to operate, the agency:

(1) for property purchased with state funds, shall direct the charter holder to dispose of the property through one of the following methods:

(A) retain or liquidate the property and provide reimbursement to the state as provided by Section 12.1281;

(B) transfer the property to:

(i) the agency under Section 12.1281(h); or

(ii) a school district or open-enrollment charter school under Section 12.1282;

(C) close the operations of the open-enrollment charter school under Section 12.1284; or

(D) take any combination of the actions described by Paragraphs (A), (B), and (C); and

(2) for property leased with state funds, may direct the charter holder to assign the charter holder's interest in the lease to the agency.

(c-2) The agency may approve an expenditure of remaining funds by a former charter holder for insurance or utilities for or maintenance, repairs, or improvements to property described by this section if the agency determines that the expenditure is reasonably necessary to dispose of the property or preserve the property's value.

(d) The commissioner may adopt rules necessary to administer this section.

(e) This section does not affect a security interest in or lien on property established by a creditor in compliance with law if the security interest or lien arose in connection with the sale or lease of the property to the charter holder.

(f) A decision by the agency under this section is final and may not be appealed.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 37, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 7, eff. June 10, 2019.

Sec. 12.1281. DISPOSITION OF PROPERTY PURCHASED WITH STATE FUNDS. (a) A former charter holder of an open-enrollment charter school that has ceased to operate may retain property described by Section 12.128 if the former charter holder reimburses the state with non-state funds and the former charter holder:

(1) provides written assurance that the requirements of Section 12.1284 will be met; and

(2) receives approval from the agency.

(b) On receiving consent from the agency under Section 12.128(b-2) and a written agreement from any creditor with a security interest described by Section 12.128(e), the former charter holder may:

(1) sell property for fair market value; or

(2) transfer property to an open-enrollment charter school or a school district as provided under Section 12.1282.

(c) The amount of funds the state is entitled to as reimbursement for property of a former charter holder is:

(1) for property retained by the former charter holder, the current fair market value less the amount of any debt subject to a security interest or lien described by Section 12.128(e), multiplied by the percentage of state funds used to

purchase the property; or

(2) for property sold by the former charter holder, the net sales proceeds of the property multiplied by the percentage of state funds used to purchase the property.

(d) To determine the amount of state funds a former charter holder used to purchase property, the agency shall calculate:

(1) an estimated state reimbursement amount based on the last annual financial report filed under Section 44.008 available at the time the former charter holder retains or sells the property; and

(2) a final state reimbursement amount using the former charter holder's final financial audit filed under Section 44.008.

(e) A former charter holder retaining property under Subsection (a) or selling the property under Subsection (b)(1) shall:

(1) file an affidavit in the real property records of the county in which the property is located disclosing the state interest in the property;

(2) place in escrow with the state comptroller an amount of non-state funds equal to 110 percent of the estimated state reimbursement amount not later than:

(A) the closing date of the sale of the property if the charter holder is selling the property; or

(B) the 90th day after the charter school's last day of instruction if the charter holder is retaining the property; and

(3) not later than two weeks after the date the charter holder's final financial audit is filed under Section 44.008, submit to the state the final state reimbursement amount using the funds in escrow in addition to any other funds necessary to pay the full amount of state reimbursement.

(f) A former charter holder may retain any funds remaining after complying with this section.

(g) As soon as the agency is satisfied that the former charter holder complied with Subsection (e), the agency shall file written notice of the release of the state interest in property the

former charter holder retains under this section and authorize the return of any funds not used for state reimbursement to the former charter holder.

(h) Subject to the satisfaction of any security interest or lien described by Section 12.128(e), if a former charter holder does not dispose of property under Subsection (a) or (b), the former charter holder shall transfer the property, including a conveyance of title, to the agency in accordance with the procedures and time requirements established by the agency.

(i) Subject to the satisfaction of any security interest or lien described by Section 12.128(e), if the agency determines a former charter holder failed to comply with this section or Section 12.1282, on request of the agency, the attorney general shall take any appropriate legal action to compel the former charter holder to convey title to the agency or other governmental entity authorized by the agency to maintain or dispose of property.

(j) A decision by the agency under this section is final and may not be appealed.

(k) The commissioner may adopt rules necessary to administer this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 8, eff. June 10, 2019.

Sec. 12.1282. TRANSFER OF PROPERTY PURCHASED WITH STATE FUNDS. (a) The agency may approve the transfer of property described by Section 12.128 from an open-enrollment charter school that has ceased to operate, or may transfer property conveyed to the agency by the former charter holder under Section 12.1281, to a school district or an open-enrollment charter school if:

(1) the open-enrollment charter school or school district receiving the property:

(A) agrees to the transfer; and

(B) agrees to identify the property as purchased wholly or partly using state funds on the school's annual financial report filed under Section 44.008;

(2) any creditor with a security interest in or lien on the property described by Section 12.128(e) agrees to the transfer;

and

(3) the transfer of the property does not make the open-enrollment charter school or school district receiving the property insolvent.

(b) Property received by an open-enrollment charter school or school district under this section is considered to be state property under Section 12.128(a).

(c) The commissioner may adopt rules necessary to administer this section, including rules establishing qualifications and priority for a school district or open-enrollment charter school to receive a transfer of property under this section.

(d) If the agency determines that the cost of disposing of personal property described by Section 12.128 transferred to the agency by an open-enrollment charter school that ceases to operate exceeds the return of value from the sale of the property, the agency may distribute the personal property to open-enrollment charter schools and school districts in a manner determined by the commissioner.

(e) A determination by the agency under this section is final and may not be appealed.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 8, eff. June 10, 2019.

Sec. 12.1283. SALE OF PROPERTY PURCHASED WITH STATE FUNDS.

(a) After the agency receives title to property described by Section 12.128, the agency may sell the property at any price acceptable to the agency.

(b) On request of the agency, the following state agencies shall enter into a memorandum of understanding to sell property for the agency:

(1) for real property, the General Land Office; and

(2) for personal property, the Texas Facilities Commission.

(c) A memorandum of understanding entered into as provided by Subsection (b) may allow the General Land Office or Texas Facilities Commission to recover from the sale proceeds any cost

incurred by the office or commission in the sale of the property.

(d) Subject to the satisfaction of any security interest or lien described by Section 12.128(e), proceeds from the sale of property under this section shall be deposited in the charter school liquidation fund.

(e) The commissioner may adopt rules as necessary to administer this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 8, eff. June 10, 2019.

Sec. 12.1284. CLOSURE OF CHARTER SCHOOL OPERATIONS.

(a) After extinguishing all payable obligations owed by an open-enrollment charter school that ceases to operate, including a debt described by Section 12.128(e), a former charter holder shall:

(1) remit to the agency:

(A) any remaining funds described by Section 12.106(h); and

(B) any state reimbursement amounts from the sale of property described by Section 12.128; or

(2) transfer the remaining funds to another charter holder under Section 12.106(i).

(b) The agency shall deposit any funds received under Subsection (a)(1) in the charter school liquidation fund.

(c) The commissioner may adopt rules necessary to administer this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 8, eff. June 10, 2019.

Sec. 12.129. MINIMUM QUALIFICATIONS FOR PRINCIPALS AND TEACHERS. (a) Except as provided by Subsection (b), a person employed as a principal or a teacher by an open-enrollment charter school must hold a baccalaureate degree.

(b) In an open-enrollment charter school that serves youth referred to or placed in a residential trade center by a local or state agency, a person may be employed as a teacher for a noncore vocational course without holding a baccalaureate degree if the person has:

(1) demonstrated subject matter expertise related to the subject taught, such as professional work experience, formal training and education, holding a relevant active professional industry license, certification, or registration, or any combination of work experience, training and education, and industry license, certification, or registration; and

(2) received at least 20 hours of classroom management training, as determined by the governing body of the open-enrollment charter school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 38, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 343 (H.B. 1469), Sec. 1, eff. June 1, 2017.

Sec. 12.130. NOTICE OF TEACHER QUALIFICATIONS. Each open-enrollment charter school shall provide to the parent or guardian of each student enrolled in the school written notice of the qualifications of each teacher employed by the school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 18, eff. Sept. 1, 2001.

Sec. 12.131. REMOVAL OF STUDENTS TO DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM; EXPULSION OF STUDENTS. (a) The governing body of an open-enrollment charter school shall adopt a code of conduct for its district or for each campus. In addition to establishing standards for behavior, the code of conduct shall outline generally the types of prohibited behaviors and their possible consequences. The code of conduct shall also outline the school's due process procedures with respect to expulsion. Notwithstanding any other provision of law, a final decision of the governing body of an open-enrollment charter school with respect to actions taken under the code of conduct may not be appealed.

(b) An open-enrollment charter school may not elect to expel a student for a reason that is not authorized by Section 37.007 or

specified in the school's code of conduct as conduct that may result in expulsion.

(c) Notwithstanding any other provision, Section 37.002 and its provisions, wherever referenced, are not applicable to an open-enrollment charter school unless the governing body of the school so determines.

Added by Acts 2003, 78th Leg., ch. 1055, Sec. 1, eff. June 20, 2003.

Sec. 12.132. USE OF MUNICIPAL FUNDS FOR CHARTER SCHOOL LAND OR FACILITIES. A municipality to which a charter is granted under this subchapter may borrow funds, issue obligations, or otherwise spend its funds to acquire land or acquire, construct, expand, or renovate school buildings or facilities and related improvements for its open-enrollment charter school within the city limits of the municipality in the same manner the municipality is authorized to borrow funds, issue obligations, or otherwise spend its funds in connection with any other public works project.

Added by Acts 2003, 78th Leg., ch. 193, Sec. 2, eff. June 2, 2003.

Renumbered from Education Code, Section 12.131 by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 23.001(11), eff. September 1, 2005.

Sec. 12.133. WAGE INCREASE FOR CERTAIN PROFESSIONAL STAFF.

(a) This section applies to a charter holder that on January 1, 2006, operated an open-enrollment charter school.

(b) Each school year, using state funds received by the charter holder for that purpose under Subsection (d), a charter holder that participated in the program under Chapter 1579, Insurance Code, for the 2005-2006 school year shall provide employees of the charter holder, other than administrators, compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average compensation increase for classroom teachers, full-time librarians, full-time school counselors, and full-time school nurses who are employed by the charter holder and who would be entitled to a minimum salary under Section 21.402 if employed by a school district, in an amount at least equal to \$2,500.

(b-1) Using state funds received by the charter holder for



that purpose under Subsection (d-1), a charter holder that participated in the program under Chapter 1579, Insurance Code, for the 2005-2006 school year shall provide employees of the charter holder, other than administrators, compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in average compensation increases as follows:

(1) for full-time employees other than employees who would be entitled to a minimum salary under Section 21.402 if employed by a school district, an average increase at least equal to \$500; and

(2) for part-time employees, an average increase at least equal to \$250.

(c) Each school year, using state funds received by the charter holder for that purpose under Subsection (e), a charter holder that did not participate in the program under Chapter 1579, Insurance Code, for the 2005-2006 school year shall provide employees of the charter holder, other than administrators, compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average compensation increase for classroom teachers, full-time librarians, full-time school counselors, and full-time school nurses who are employed by the charter holder and who would be entitled to a minimum salary under Section 21.402 if employed by a school district, in an amount at least equal to \$2,000.

(d) Each school year, in addition to any amounts to which a charter holder is entitled under this chapter, a charter holder that participated in the program under Chapter 1579, Insurance Code, for the 2005-2006 school year is entitled to state aid in an amount, as determined by the commissioner, equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, full-time school counselors, and full-time school nurses employed by the charter holder at an open-enrollment charter school.

(d-1) In addition to any amounts to which a charter holder is entitled under this chapter, a charter holder that participated in the program under Chapter 1579, Insurance Code, for the

2005-2006 school year is entitled to state aid in an amount, as determined by the commissioner, equal to the sum of:

(1) the product of \$500 multiplied by the number of full-time employees other than employees who would be entitled to a minimum salary under Section 21.402 if employed by a school district; and

(2) the product of \$250 multiplied by the number of part-time employees.

(e) Each school year, in addition to any amounts to which a charter holder is entitled under this chapter, a charter holder that did not participate in the program under Chapter 1579, Insurance Code, for the 2005-2006 school year is entitled to state aid in an amount, as determined by the commissioner, equal to the product of \$2,000 multiplied by the number of classroom teachers, full-time librarians, full-time school counselors, and full-time school nurses employed by the charter holder at an open-enrollment charter school.

(f) A payment under this section is in addition to wages the charter holder would otherwise pay the employee during the school year.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 5 (H.B. 1), Sec. 4.02, eff. May 31, 2006.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 443 (S.B. 715), Sec. 4, eff. June 14, 2013.

Sec. 12.135. DESIGNATION AS CHARTER DISTRICT FOR PURPOSES OF BOND GUARANTEE. (a) On the application of the charter holder, the commissioner may grant designation as a charter district to an open-enrollment charter school that meets financial standards adopted by the commissioner. The financial standards must require an open-enrollment charter school to have an investment grade credit rating as specified by Section 45.0541.

(b) A charter district may apply for bonds issued under Chapter 53 for the open-enrollment charter school, including refunding and refinanced bonds, to be guaranteed by the permanent school fund as provided by Chapter 45.

Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 59.01, eff. September 28, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 280 (H.B. 885), Sec. 1, eff. September 1, 2013.

Sec. 12.136. POSTING OF CHIEF EXECUTIVE OFFICER SALARY. An open-enrollment charter school shall post on the school's Internet website the salary of the school's superintendent or, as applicable, of the administrator serving as educational leader and chief executive officer.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 39, eff. September 1, 2013.

Sec. 12.137. CERTAIN CHARTER HOLDERS AUTHORIZED TO PROVIDE COMBINED SERVICES FOR CERTAIN ADULT AND HIGH SCHOOL DROPOUT RECOVERY PROGRAMS. (a) This section applies only to:

(1) an open-enrollment charter school designated as a dropout recovery school as described by Section 12.1141(c) if the enrollment of the school consists only of students 17 years of age and older; and

(2) an adult education program provided under a high school diploma and industry certification charter school program under Section 29.259.

(b) Notwithstanding any other law, an entity granted a charter to operate a charter school described by Subsection (a)(1) and a charter to provide an adult education program described by Subsection (a)(2) may, for the purpose of providing services to students enrolled in the charter school and the adult education program, place students, regardless of the age of the students, at the same facility and in the same classroom setting or learning environment, the same cafeteria, or the same activity sanctioned by the school and the program.

Added by Acts 2015, 84th Leg., R.S., Ch. 1234 (S.B. 2062), Sec. 1, eff. June 19, 2015.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1060 (H.B. 1051), Sec. 1, eff.

June 14, 2019.

Sec. 12.141. RECLAIMED FUNDS. (a) The agency shall deposit funds received under Sections [12.106](#), [12.128](#), [12.1281](#), [12.1283](#), and [12.1284](#) into the charter school liquidation fund and may use the funds to:

(1) pay expenses relating to managing and closing an open-enrollment charter school that ceases to operate, including:

(A) maintenance of the school's student and other records; and

(B) the agency's personnel costs associated with managing and closing the school;

(2) dispose of property described by Section [12.128](#); and

(3) maintain property described by Section [12.128](#), including expenses for insurance, utilities, maintenance, and repairs.

(b) The agency may not use funds under this section until the commissioner determines if the open-enrollment charter school that ceases to operate received an overallocation of funds under Section [12.106](#) that must be recovered for the Foundation School Program.

(c) The agency shall annually review the amount of funds in the charter school liquidation fund and transfer any funds exceeding \$2 million:

(1) for use in funding a grant program established by the agency to:

(A) encourage high school students to enter the teaching profession; and

(B) assist current paraprofessionals and instructional aides in pursuing the necessary credentials to become full-time teachers; or

(2) to the comptroller to deposit in the charter district bond guarantee reserve fund under Section [45.0571](#).

(d) The agency may delay a transfer of funds under Subsection (c) if the excess is less than \$100,000. Funds set aside for an overallocation of funds from the Foundation School

Program are not included in determining whether the amount of funds exceeds \$2 million.

(e) The commissioner may adopt rules necessary to implement this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. 1454), Sec. 9, eff. June 10, 2019.

SUBCHAPTER E. COLLEGE OR UNIVERSITY OR JUNIOR COLLEGE  
CHARTER SCHOOL

Sec. 12.151. DEFINITIONS. In this subchapter, "public junior college" and "public senior college or university" have the meanings assigned by Section 61.003.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 631 (H.B. 1423), Sec. 2, eff. June 19, 2009.

Sec. 12.152. AUTHORIZATION. (a) In accordance with this subchapter and Subchapter D, the commissioner may grant a charter on the application of:

(1) a public senior college or university for an open-enrollment charter school to operate on the campus of the public senior college or university or, subject to Subsection (b), at another location in any county in this state; or

(2) a public junior college for an open-enrollment charter school to operate on the campus of the public junior college or in the same county in which the campus of the public junior college is located.

(b) In evaluating an application submitted under Subsection (a)(1) for a charter to operate an open-enrollment charter school in a county other than the county in which the campus of the applicant is located, the commissioner shall consider:

(1) the locations of existing open-enrollment charter schools, as appropriate, to avoid duplication of services in the area in which the applicant proposes to operate the school; and

(2) the need of the community in the area in which the applicant proposes to operate the school to have an additional open-enrollment charter school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 631 (H.B. [1423](#)), Sec. 2, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 40, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 617 (S.B. [955](#)), Sec. 1, eff. June 16, 2015.

Sec. 12.153. RULES. The commissioner may adopt rules to implement this subchapter.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Sec. 12.154. CONTENT. (a) Notwithstanding Section [12.110\(d\)](#), the commissioner may grant a charter under this subchapter to a public senior college or university only if the following criteria are satisfied in the public senior college's or university's application, as determined by the commissioner:

(1) the college or university charter school's educational program must include innovative teaching methods;

(2) the college or university charter school's educational program must be implemented under the direct supervision of a member of the teaching or research faculty of the public senior college or university;

(3) the faculty member supervising the college or university charter school's educational program must have substantial experience and expertise in education research, teacher education, classroom instruction, or educational administration;

(4) the college or university charter school's educational program must be designed to meet specific goals described in the charter, including improving student performance,

and each aspect of the program must be directed toward the attainment of the goals;

(5) the attainment of the college or university charter school's educational program goals must be measured using specific, objective standards set forth in the charter, including assessment methods and a time frame; and

(6) the financial operations of the college or university charter school must be supervised by the business office of the public senior college or university.

(b) Notwithstanding Section [12.110\(d\)](#), the commissioner may grant a charter under this subchapter to a public junior college only if the following criteria are satisfied in the public junior college's application, as determined by the commissioner:

(1) the junior college charter school's educational program must be implemented under the direct supervision of a member of the faculty of the public junior college;

(2) the faculty member supervising the junior college charter school's educational program must have substantial experience and expertise in teacher education, classroom instruction, or educational administration;

(3) the junior college charter school's educational program must be designed to meet specific goals described in the charter, such as dropout recovery, and each aspect of the program must be directed toward the attainment of the goals;

(4) the attainment of the junior college charter school's educational program goals must be measured using specific, objective standards set forth in the charter, including assessment methods and a time frame; and

(5) the financial operations of the junior college charter school must be supervised by the business office of the junior college.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 631 (H.B. [1423](#)), Sec. 2, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. [2](#)), Sec. 40, eff.

September 1, 2013.

Sec. 12.155. SCHOOL NAME. The name of a college or university charter school or junior college charter school must include the name of the public senior college or university or public junior college, as applicable, operating the school.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 631 (H.B. 1423), Sec. 2, eff. June 19, 2009.

Sec. 12.156. APPLICABILITY OF CERTAIN PROVISIONS. (a) Except as otherwise provided by this subchapter, Subchapter D applies to a college or university charter school or junior college charter school as though the college or university charter school or junior college charter school, as applicable, were granted a charter under that subchapter.

(b) A charter granted under this subchapter is not considered for purposes of the limit on the number of open-enrollment charter schools imposed by Section 12.101.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 19, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 631 (H.B. 1423), Sec. 3, eff. June 19, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1140 (S.B. 2), Sec. 41, eff. September 1, 2013.