

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 1080
PROPOSED COMMITTEE SUBSTITUTE H1080-PCS40633-TC-76

Short Title: Achievement School District.

(Public)

Sponsors:

Referred to:

May 11, 2016

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE ACHIEVEMENT SCHOOL DISTRICT.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Subchapter III of Chapter 115C of the General Statutes is amended by
5 adding a new Article to read:

6 "Article 7A.

7 "Achievement School District and Innovation Zones.

8 **§ 115C-75.5. Definitions.**

9 The following definitions apply in this Article:

- 10 (1) Achievement school. – An elementary school under the supervision of the
11 Achievement School District.
- 12 (2) Achievement School District or ASD. – The statewide school unit established
13 pursuant to this Article.
- 14 (3) Achievement school operator or AS operator. – An entity selected by the State
15 Board of Education upon the recommendation of the ASD Superintendent to
16 operate an achievement school. The Department of Public Instruction may not
17 be selected as an AS operator.
- 18 (4) ASD Superintendent. – The superintendent of the ASD appointed by the State
19 Board of Education in accordance with G.S. 115C-75.6(b).
- 20 (5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37,
21 that meets one of the following criteria:
- 22 a. The school received a school performance score in the lowest five
23 percent (5%) of all schools in the prior school year that meet all of the
24 following requirements:
- 25 1. The school includes all or part of grades kindergarten through
26 fifth.
- 27 2. The school did not exceed growth in at least one of the prior
28 three school years and did not meet growth in at least one of the
29 prior three school years.
- 30 3. One of the models established in G.S. 115C-105.37B for
31 continually low-performing schools had not been adopted for
32 that school for the immediately prior school year.
- 33 b. The school received a school performance score in the lowest ten
34 percent (10%) of all schools that include all or part of grades
35 kindergarten through fifth in the prior school year and has been



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1 designated by the local board of education for consideration by the State
2 Board of Education as an achievement school.

3 **"§ 115C-75.6. Achievement School District.**

4 (a) There is established the Achievement School District (ASD) under the administration
5 of the State Board of Education. The ASD shall assume the supervision, management, and
6 operation of elementary schools that have been selected as achievement schools pursuant to this
7 Article.

8 (b) An ASD Superintendent Selection Advisory Committee shall be established to make a
9 recommendation to the State Board of Education on appointment of a superintendent to serve as
10 an executive officer of the ASD. The Committee shall ensure that the individual recommended has
11 qualifications consistent with G.S. 115C-271(a). The Lieutenant Governor shall serve as chair of
12 the Committee and shall appoint the following additional members:

13 (1) Three members of the State Board of Education.

14 (2) One teacher or retired teacher.

15 (3) One principal or retired principal.

16 (4) One superintendent or retired superintendent.

17 (5) One parent of a student currently enrolled in a low-performing school, as
18 defined in G.S. 115C-105.37.

19 (c) The State Board of Education or its designee shall consider the recommendation of the
20 ASD Superintendent Selection Advisory Committee and shall appoint a superintendent to serve as
21 the executive officer of the ASD. The ASD Superintendent shall serve at the pleasure of the State
22 Board of Education at a salary established by the State Board of Education within the funds
23 appropriated for this purpose. The Superintendent of the ASD shall have qualifications consistent
24 with G.S. 115C-271(a) and report directly to the State Board of Education.

25 (d) By January 15 annually, the State Board of Education and the ASD Superintendent
26 shall report to the Joint Legislative Education Oversight Committee on all aspects of operation of
27 ASD, including the selection of achievement schools and their progress.

28 **"§ 115C-75.7. Selection of achievement schools.**

29 (a) State Board Selection. – The State Board of Education is authorized to select, upon the
30 recommendation of the Superintendent of the ASD, no more than five qualifying schools to
31 transfer to the ASD as achievement schools. The five qualifying schools selected for inclusion in
32 the ASD should represent geographic diversity, including urban and rural schools. The State
33 Board of Education shall select no more than one qualifying school per local school administrative
34 unit, unless the local board of education consents.

35 (b) Selection Process. – The selection of qualifying schools shall be based on an analysis
36 of performance over the most recent three-year period. Prior to recommendation of selection of a
37 qualifying school, the ASD Superintendent shall conduct an evaluation of the school to determine
38 the factors contributing to the school's performance and shall confer with the school principal,
39 local board of education members, the local school superintendent, and the local board of county
40 commissioners to share the findings of the evaluation. The school selection process shall also
41 include a public hearing to allow for parent and community input. The ASD Superintendent shall
42 evaluate and identify the qualifying schools to recommend for selection as prospective
43 achievement schools no later than November 15 prior to the initial school year in which the school
44 may operate as an achievement school and shall notify the local boards of education where
45 prospective achievement schools are located by that date. The State Board of Education shall
46 select the prospective achievement schools no later than January 15.

47 (c) Local Board Response. – Upon notification by the ASD Superintendent of selection by
48 the State Board of Education of the qualifying school as a prospective achievement school, the
49 local board of education shall determine whether to (i) close the selected qualifying school, (ii)
50 transfer the school into the ASD, or (iii) request adoption of the principal turnaround reform
51 model for the qualifying school, as provided in and subject to G.S. 115C-105.37B. The local board

1 shall not be required to undertake the study required by G.S. 115C-72 before closing the school.
2 Before the adoption of a resolution, the local board of education shall provide for a public hearing
3 in regard to the proposed transfer, closure, or adoption of the principal turnaround reform model,
4 at which hearing the public shall be afforded an opportunity to express their views. No later than
5 March 1, the local board of education shall adopt a resolution either (i) consenting to transfer of
6 the selected qualifying school to the ASD as an achievement school, (ii) closing that school at the
7 conclusion of that school year, or (iii) requesting adoption of the principal turnaround reform
8 model for the qualifying school. The State Board of Education may delay the transfer of a selected
9 school to the ASD for one year upon the recommendation of the ASD Superintendent.

10 (d) Public Notification. – The list of qualifying schools and selected achievement schools
11 shall be made publically available on a Web site maintained by the ASD.

12 (e) Waivers for AS Schools. – The ASD Superintendent may waive State Board of
13 Education rules, regulations, policies, and procedures, or the provisions of this Chapter for
14 achievement schools; however, achievement schools shall be required to comply with, at a
15 minimum, the statutory requirements for charter schools as provided in Article 14A of this
16 Chapter. The goal for each waiver shall be improvement of student performance. All achievement
17 schools shall comply with all applicable constitutional and statutory nondiscrimination
18 requirements.

19 **"§ 115C-75.8. Selection of AS operators.**

20 (a) The State Board of Education may select an AS operator for a prospective achievement
21 school by January 15 and shall select an AS operator for a prospective school no later than
22 February 15.

23 (b) The State Board of Education, upon the recommendation of the ASD Superintendent,
24 shall only select an entity to contract as an AS operator if that entity demonstrates one of the
25 following:

26 (1) The school or schools operated by the entity in this State or other states have a
27 record of results in improving performance of persistently low-performing
28 schools or improving performance of a substantial number of persistently
29 low-performing students attending the school.

30 (2) The entity has a credible and specific plan for dramatically improving student
31 achievement in a low-performing school and provides evidence that the entity is
32 currently operating a school or schools in this State that provide a sound, basic
33 education or has demonstrated consistent and substantial growth toward
34 providing a sound, basic education in the prior three school years or is a
35 contractual affiliate of such an entity.

36 (c) The selected AS operator shall be provided opportunities to hold public informational
37 sessions and other outreach to the community, prospective achievement school, and local board of
38 education of a prospective achievement school prior to a local board's adoption of the resolution
39 required by G.S. 115C-75.7(c).

40 **"§ 115C-75.9. Management of achievement schools.**

41 (a) Direct Management by AS Operator. – An achievement school shall be subject to
42 direct management by an AS operator selected by the State Board of Education, upon the
43 recommendation of the ASD Superintendent, for a five-year contract.

44 (b) Role of AS Operator. – The AS operator shall be authorized to have a direct role in
45 making decisions about school finance, human capital, and curriculum and instruction for the
46 achievement school while developing the leadership capacity in such schools.

47 (c) Assignment to Achievement Schools. – All achievement schools shall remain open to
48 enrollment in the same manner with the same attendance zone as prior to becoming an
49 achievement school. If a local board of education's reassignment of students within the local
50 school administrative unit due to student population changes or openings or closures of other
51 schools impacts the achievement school, the AS operator may appeal to the ASD Superintendent

1 and request a hearing before the State Board of Education regarding the reassignment.
2 Notwithstanding G.S. 115C-366, the State Board of Education shall, after hearing from both the
3 local board of education and AS operator, determine whether the reassignment of students
4 impacting the achievement school may proceed.

5 (d) Facility and Capital Expenditures. – Facility and capital expenditures shall be provided
6 as follows:

7 (1) In addition to the transfer of funds as provided in G.S. 115C-75.10, the local
8 board of education shall be responsible for facility and capital expenditures at
9 the qualifying school.

10 (2) All AS operators and local boards of education shall enter into an occupancy
11 agreement establishing the terms of occupancy for the AS operator not
12 otherwise addressed in statute. If the parties are unable to reach agreement,
13 either party may petition the State Board of Education to resolve any issues in
14 dispute.

15 (3) The AS operator shall have first priority in use of the facility for any purpose
16 related to the operation of the achievement school. The local board of
17 education, with the consent of the AS operator, may allow use of the facility by
18 governmental, charitable, civic, or other organizations for activities within the
19 community and may retain any funds received for such use.

20 For the purposes of this subsection, facility and capital expenditures include routine
21 maintenance and repair, and capital expenditures include building repair and maintenance,
22 furniture, furnishings, and equipment.

23 (e) Transportation. – The local board of education shall provide transportation of all
24 students assigned to the achievement school in the same manner as provided for other schools in
25 the local school administrative unit in that school year.

26 (f) Memorandums of Understanding for Alternate Arrangements. – Notwithstanding this
27 section, the AS operator, in consultation with the ASD Superintendent, may elect to enter into a
28 memorandum of understanding for alternate arrangements with the local board of education to
29 address any of the following:

30 (1) Facility and capital expenditures.

31 (2) Transportation services.

32 (3) Services for Children with Disabilities.

33 If the AS operator elects to use a memorandum of understanding for alternate arrangements,
34 the AS operator and local board of education shall finalize the memorandum of understanding
35 within 30 days of the initial request by the AS operator. If the parties have not completed the
36 memorandum of understanding within 30 days, the State Board of Education shall resolve any
37 issues in dispute.

38 (g) Student Records. – The local board of education shall make available in a timely
39 fashion all student records to the achievement school at no cost for all students of that school.

40 (h) Achievement School Employees. – The AS operator shall select and hire the school
41 principal for an achievement school. Within the limits of the school budget, the AS operator or its
42 designee shall select staff members in accordance with guidance from the ASD Superintendent.
43 Before finalizing staffing recommendations, the AS operator and the ASD Superintendent or the
44 Superintendent's designee shall interview all existing staff members at the qualifying school and
45 review student growth and performance data for those staff members for whom it is available.
46 Notwithstanding Article 21A of this Chapter, the AS operator and the ASD Superintendent shall
47 be permitted to examine personnel files of existing staff members for the qualifying school. The
48 AS operator shall have the authority to decide whether any administrator, teacher, or staff member
49 previously assigned to a qualifying school selected to become an achievement school shall
50 continue as an employee of the achievement school. Any such employees retained shall become
51 employees of the ASD. An employee hired to work in an achievement school shall be an

1 employee of the ASD, and the employees shall be under the exclusive control of the ASD. All
2 employees of the ASD shall be eligible for enrollment in the Teachers' and State Employees'
3 Retirement System of North Carolina, the State Health Plan, and other benefits available to State
4 employees. The AS operator shall provide funds to the ASD in an amount sufficient to provide
5 salary and benefits for employees of the ASD working in the achievement school based on the
6 terms of employment established by the AS operator.

7 (i) Employees of Local Board of Education. – The transfer of a qualifying school shall be
8 deemed a reorganization of the local school administration unit resulting in a reduction in force. If
9 an employee is not given the option to continue as an employee for the achievement school, the
10 local board of education may, in its discretion, do any of the following:

11 (1) Continue the employee's employment with the local board of education.

12 (2) Dismiss the employee due to a reduction in force as provided in Article 22 of
13 this Chapter.

14 (3) Dismiss the employee as otherwise provided in Article 22 of this Chapter.

15 (j) Liability Insurance. – The AS operator shall maintain reasonable amounts and types of
16 liability insurance as established by the State Board of Education. No civil liability shall attach to
17 a local board of education or to any of its members or employees, individually or collectively, for
18 any acts or omissions of the AS operator.

19 (k) School Nutrition Program. – The achievement school shall participate in the National
20 School Lunch Program, as provided in G.S. 115C-264.

21 (l) Cooperation with ASD Superintendent. – The local board of education shall cooperate
22 with the ASD Superintendent in carrying out his or her powers and duties as necessary in
23 accordance with this Chapter.

24 **§ 115C-75.10. Achievement schools funds.**

25 (a) Funding Allocation Selection. – State and local funding for an achievement school
26 shall be allocated as provided in subsection (b) or subsection (c) of this section. The AS operator
27 shall select one of the allocation methods as the method to be used for the achievement school.

28 (b) Designated Funding. – Funding shall be allocated to the ASD for the achievement
29 school by the State Board of Education and local board of education as follows:

30 (1) The State Board of Education shall allocate the following to the ASD for each
31 achievement school:

32 a. An amount equal to the average per pupil allocation for average daily
33 membership from the local school administrative unit allotments in
34 which the achievement school was located for each child attending the
35 achievement school except for the allocations for (i) children with
36 disabilities, (ii) children with limited English proficiency, and (iii)
37 transportation. The State Board of Education shall provide the allocation
38 for transportation to the local school administrative unit in which the
39 achievement school is located.

40 b. An additional amount for each child attending the achievement school
41 who is a child with disabilities.

42 c. An additional amount for children with limited English proficiency
43 attending the achievement school, based on a formula adopted by the
44 State Board of Education.

45 (2) The local school administrative unit in which the achievement school is located
46 shall transfer to the ASD for the achievement school an amount equal to the per
47 pupil share of the local current expense fund of the local school administrative
48 unit for the fiscal year. The per pupil share of the local current expense fund
49 shall be transferred to the ASD for the achievement school within 30 days of
50 the receipt of monies into the local current expense fund. The local school
51 administrative unit and ASD may use the process for mediation of differences

1 between the State Board of Education and a charter school provided in
2 G.S. 115C-218.95(d) to resolve differences on calculation and transference of
3 the per pupil share of the local current expense fund. The amount transferred
4 under this subsection that consists of revenue derived from supplemental taxes
5 shall be transferred only to an achievement school located in the tax district for
6 which these taxes are levied and in which the student resides. The local school
7 administrative unit shall also provide the ASD with all of the following
8 information within the 30-day time period provided in this subsection:

- 9 a. The total amount of monies the local school administrative unit has in
10 each of the funds listed in G.S. 115C-426(c).
11 b. The student membership numbers used to calculate the per pupil share
12 of the local current expense fund.
13 c. How the per pupil share of the local current expense fund was
14 calculated.
15 d. Any additional records requested by the ASD from the local school
16 administrative unit in order for the ASD to audit and verify the
17 calculation and transfer of the per pupil share of the local current
18 expense fund.

19 (c) Funding Memorandum of Understanding. – The AS operator, in consultation with the
20 ASD Superintendent, may enter into a funding memorandum of understanding with the local
21 board of education of the local school administrative unit where the achievement school is located
22 for all student support and operational services and instructional services to be provided by the
23 local board of education in the same manner and degree as in the prior school year or funding in
24 an amount equivalent to the amount the local board of education would have expended on those
25 services if provided. For the purposes of this subsection, student support and operational services
26 include cafeteria services, custodial services, broadband and utilities, and student information
27 services, and instructional services include alternative education, special education services, test
28 administration services, textbooks, technology, media resources, instructional equipment, and
29 other resources. The AS operator and local board of education shall finalize the funding
30 memorandum of understanding within 30 days of the initial request for the memorandum by the
31 AS operator. If the parties have not completed the funding memorandum of understanding within
32 30 days, the State Board of Education shall resolve any issues in dispute.

33 (d) The ASD may seek, manage, and expend federal money and grants, State funding, and
34 other funding with the same authority as a local school administrative unit, including decisions
35 related to allocation of State funds among achievement schools.

36 **"§ 115C-75.11. Accountability and governance for achievement schools.**

37 (a) The AS operator shall set clear goals, empower and equip teachers and school leaders
38 to meet the goals, and hold such teachers and school leaders accountable to meet the goals. The
39 AS operator shall apply to the ASD Superintendent for appropriate waivers for the achievement
40 school pursuant to G.S. 115C-75.7(e).

41 (b) The AS operator shall select, approve, or remove the school principal of an
42 achievement school that it is managing in accordance with this Article.

43 (c) The AS operator shall enter into an agreement with the school principal regarding
44 specific goals for the achievement school related to higher academic outcomes for students, safe
45 and positive learning environments for children, parent and community engagement, and the
46 efficient and effective use of taxpayer dollars. The agreement shall be made publicly available on
47 the ASD Web site.

48 (d) An achievement school shall not be included in any State evaluation or performance
49 models used for the local school administrative unit in which the school is located but shall be
50 considered a part of the ASD for all evaluation purposes.

51 **"§ 115C-75.12. Term of supervision for an achievement school.**

1 (a) An achievement school shall remain under the supervision of the ASD for a minimum
2 of five consecutive years through a contract with an AS operator. The following shall apply to the
3 term of a contract with an AS operator of an achievement school:

4 (1) Early termination of contract based on performance. – If, during the five-year
5 contract, the achievement school's annual percentage growth does not exceed
6 the average annual percentage growth of other qualifying schools for three
7 consecutive years, the State Board of Education, upon the recommendation of
8 the ASD Superintendent, may terminate the contract at the conclusion of the
9 academic year and select another AS operator in accordance with
10 G.S. 115C-75.8 to assume the remainder of the five-year contract and any
11 occupancy agreements or memorandums of understanding with the local board
12 of education at the beginning of the next academic year.

13 (2) Nonrenewal of contract based on performance. – If, by the end of the five-year
14 contract, the achievement school's average annual percentage growth during the
15 term of the contract does not exceed the average annual percentage growth of
16 other qualifying schools during the same term, the State Board of Education
17 shall not renew the contract of the AS operator and develop a transition plan to
18 return the school to the local school administrative unit.

19 (3) State Board of Education optional extension of contract for three years. – If, by
20 the end of the five-year contract, the achievement school remains a qualifying
21 school but has exceeded the average annual percentage growth of other
22 qualifying schools, the State Board of Education, upon the recommendation of
23 the ASD Superintendent in his or her discretion, may continue the contract with
24 the AS operator for an additional three-year term. The ASD Superintendent and
25 AS operator shall engage the school, the school community, and the school's
26 local board of education in developing a transition plan for the school to leave
27 the supervision of the ASD at the conclusion of the three-year extension of the
28 contract. If the State Board of Education does not elect to continue the contract,
29 the State Board of Education may do any of the following:

30 a. Select another AS operator for a three-year contract.

31 b. Close the school as provided in subdivision (2) of this subsection.

32 c. Develop a transition plan to return the school to the local school
33 administrative unit for the next school year.

34 (4) AS operator option to extend contract for three years. – If, by the end of the
35 five-year contract, the achievement school receives a grade of C or higher under
36 G.S. 115C-12(9)c1., the AS operator shall have the option to extend the
37 contract for another three-year term. The ASD Superintendent and AS operator
38 shall engage the school, the school community, and the school's local board of
39 education in developing a transition plan for the school to leave the supervision
40 of the ASD at the conclusion of the three-year extension of the contract.
41 Options at the conclusion of the contract shall include the following:

42 a. Conversion to charter. – If, in the development of the transition plan, a
43 local board of education indicates by resolution to the State Board of
44 Education that the local board of education elects to not receive the
45 transfer of the achievement school back to the local school
46 administrative unit, the AS operator may apply to convert the school to
47 a charter school under Article 14A of this Chapter. If a charter is
48 awarded, the charter board of directors may request to use the facility as
49 provided in G.S. 115C-218.35. If the AS operator does not seek
50 conversion to a charter school or fails to receive a charter, the State

1 Board of Education may close the school as provided in subdivision (2)
2 of this subsection.

3 b. Alternate as operator or return to local school administrative unit. – If
4 the AS operator does not elect to continue the contract, the State Board
5 of Education may select another AS operator for a three-year contract or
6 may develop a transition plan to return the school to the local school
7 administrative unit for the next school year.

8 (5) Termination of contract on other grounds. – The State Board of Education,
9 upon the recommendation of the ASD Superintendent, may terminate a contract
10 with an AS operator at any time during the contract for financial
11 mismanagement, noncompliance with federal or State laws, failure to comply
12 with the terms of the contract, or evidence of criminal activity. The State Board
13 of Education shall develop a transition plan to return the school to the local
14 school administrative unit.

15 (b) An achievement school shall remain under the supervision of the ASD for no more
16 than eight years.

17 (c) The State Board of Education shall make all decisions related to contracts for AS
18 operators no later than May 1, except as provided in subdivision (5) of subsection (a) of this
19 section.

20 **"§ 115C-75.13. Innovation zones.**

21 (a) If a local board of education transfers a qualifying school to the ASD, the local board
22 of education may ask the State Board of Education to be allowed to create an innovation zone for
23 up to three continually low-performing schools within its local school administrative unit. The
24 State Board of Education shall grant such requests for the creation of an innovation zone. The
25 State Board of Education shall also authorize the local board of education the flexibility to operate
26 the schools within the innovation zone with the same exemptions from statutes and rules as a
27 charter school authorized under Article 14A of this Chapter and with exemptions from local board
28 of education policies as needed to ensure autonomy under the guidance of the innovation zone
29 office for financial, programmatic, staffing, and time allocation decisions.

30 (b) The innovation zone created by a local board of education must include all of the
31 following:

32 (1) Development of a clear and specific plan for improving schools within the
33 innovation zone.

34 (2) Establishment of an innovation zone office with a leader appointed by the local
35 board of education and approved by the State Board of Education to govern and
36 lead the schools in the innovation zone.

37 (3) Attraction of high-quality staff at schools in the innovation zone through the
38 use of incentives, favorable working conditions, and development of
39 partnerships to develop human capital.

40 (4) Accountability for those schools based on established benchmarks and goals for
41 student achievement and for support services provided by the local school
42 administrative unit based on metrics established by the innovation zone office
43 for effective and efficient delivery.

44 (5) Support for those schools by the innovation zone office to ensure priority in
45 services from the local school administrative unit, pursuit of outside funding,
46 and technical support, including support from external partners."

47 **SECTION 2.** G.S. 115C-105.37A is amended by adding a new subsection to read:

48 "(d) The State Board of Education shall report annually to the Superintendent of the
49 Achievement School District on any schools identified under this section as qualifying schools as
50 defined in G.S. 115C-75.5 for consideration to be selected as achievement schools in accordance
51 with Article 7A of this Chapter."

1 **SECTION 3.** G.S. 115C-105.37B reads as rewritten:

2 "**§ 115C-105.37B. Reform of continually low-performing schools.**

3 (a) Notwithstanding any other provision of this ~~Article~~, ~~Article~~ or Article 7A of this
4 Chapter, the State Board of Education is authorized to approve a local board of education's request
5 to reform any school in its administrative unit which the State Board of Education has identified as
6 (i) one of the continually low-performing schools in North Carolina or (ii) as a qualifying
7 school that is not selected as an achievement school under G.S. 115C-75.7.

8 If the State Board of Education approves a local board of education's request to reform a
9 school, the State Board of Education may authorize the local board of education to adopt one of
10 the following models in accordance with State Board of Education requirements:

- 11 (1) Transformation model, which would address the following four specific areas
12 critical to transforming a continually low-performing school:
13 a. Developing and increasing teacher and school leader effectiveness.
14 b. Comprehensive instructional reform strategies.
15 c. Increasing learning time and creating community-oriented schools.
16 d. Providing operational flexibility and sustained support.
- 17 (2) Restart model, in which the State Board of Education would authorize the local
18 board of education to operate the school with the same exemptions from
19 statutes and rules as a charter school authorized under Article 14A of this
20 Chapter, or under the management of an educational management organization
21 that has been selected through a rigorous review process. A school operated
22 under this subdivision remains under the control of the local board of education,
23 and employees assigned to the school are employees of the local school
24 administrative unit with the protections provided by Part 3 of Article 22 of this
25 Chapter.
- 26 (3) Turnaround model, which would involve, among other actions, replacing the
27 principal, if the principal has been in that position for at least three years, and
28 rehiring no more than fifty percent (50%) of the school's staff, adopting a new
29 governance structure at the school consistent with this Article, and
30 implementing an instructional program aligned with the Standard Course of
31 Study.
- 32 (4) School closure model, in which a local school administrative unit would close
33 the school consistent with G.S. 115C-72 and enroll the students who attended
34 the school in other, higher-achieving schools in the local school administrative
35 unit consistent with Article 25 of this Chapter.
- 36 (5) Principal turnaround model, which would require the following:
37 a. Replacing the current principal with a turnaround principal. The local
38 board of education, after consultation with the Superintendent of the
39 Achievement School District, shall select an individual with a proven
40 record of success as a principal or superintendent as a turnaround
41 principal. The local board of education's selection shall be approved by
42 the State Board of Education to serve as a turnaround principal.
43 b. Notwithstanding G.S. 115C-287.1, hiring the turnaround principal on a
44 five-year contract that shall include significant compensation and other
45 incentives, as determined by the local board of education. The
46 turnaround principal shall be required as a term of the contract to
47 develop a written plan with clear goals for dramatically improving
48 student achievement at the school, including empowering and equipping
49 teachers and school leaders to meet the goals and holding such teachers
50 and school leaders accountable to meet the goals.

- 1 c. Consideration by the local board of education of all recommendations of
 2 the turnaround principal made in collaboration with the superintendent
 3 with regard to personnel assigned to the school and, to the extent
 4 possible, implementation of those recommendations.
 5 d. Annually reporting by the turnaround principal on the principal's
 6 methods and the school's progress and performance to the local board of
 7 education. The turnaround principal's report shall be provided to the
 8 State Board of Education.
 9 e. Sharing of information with other turnaround principals on a regular
 10 basis. The Achievement School District shall also serve as a resource
 11 for turnaround principals.
 12 f. Provision of additional discretionary funds by the local board of
 13 education to the turnaround principal to address specific issues in the
 14 school, including, but not limited to, professional development,
 15 extended school days, or parent academies.
 16 g. Authorization by the State Board of Education to operate the school
 17 with the same exemptions from statutes and rules as a charter school
 18 authorized under Article 14A of this Chapter.

19 (a1) The State Board of Education shall authorize the adoption of the principal turnaround
 20 model in no more than 5 schools statewide.

21 "

22 **SECTION 4.** G.S. 115C-321(a) reads as rewritten:

23 "(a) All information contained in a personnel file, except as otherwise provided in this
 24 Chapter, is confidential and shall not be open for inspection and examination except to any of the
 25 following persons:

- 26 (1) The employee, applicant for employment, former employee, or his properly
 27 authorized agent, who may examine his own personnel file at all reasonable
 28 times in its entirety except for letters of reference solicited prior to employment.
 29 (2) The superintendent and other supervisory personnel.
 30 (3) Members of the local board of education and the board's attorney.
 31 (4) A party by authority of a subpoena or proper court order may inspect and
 32 examine a particular confidential portion of an employee's personnel file.
 33 (5) An achievement school operator and the Superintendent of the Achievement
 34 School District if the school where the individual is employed has been selected
 35 as an achievement school as provided in Article 7A of this Chapter."

36 **SECTION 5.** Evaluation of the Achievement School District and other Innovation
 37 Models. – The State Board of Education shall contract during the 2016-2017 school year with an
 38 independent research organization to evaluate the implementation and effectiveness of the
 39 following:

- 40 (1) The Achievement School District in turning around low-achieving schools
 41 beginning with the 2017-2018 school year through the 2021-2022 school year.
 42 The State Board of Education shall require AS operators to provide the
 43 independent research organization with requested data to conduct the
 44 evaluation. The independent research organization shall include an analysis on
 45 the impact of public versus private funding in the effectiveness of the
 46 Achievement School District.
 47 (2) Innovation zones in turning around low-achieving schools beginning with the
 48 2016-2017 school year through the 2021-2022 school year, including the
 49 innovation zones established in Sections 6 and 7 of this act. The State Board of
 50 Education shall require local boards of education granted innovation zones to

1 provide the independent research organization with requested data to conduct
2 the evaluation.

- 3 (3) Principal turnaround models in turning around low-achieving schools beginning
4 with the 2017-2018 school year through the 2021-2022 school year. The State
5 Board of Education shall require local boards of education granted the authority
6 to use a principal turnaround model to provide the independent research
7 organization with requested data to conduct the evaluation.

8 The independent research organization shall report its interim findings to the State
9 Board of Education annually no later than February 15, beginning in 2017, and shall submit a final
10 report no later than February 15, 2023. The State Board of Education shall provide the report of
11 the independent research commission, along with any recommended legislative changes, to the
12 Joint Legislative Education Oversight Committee annually no later than March 1, beginning in
13 2017 until submission of the final report in 2023.

14 **SECTION 6.** The State Board of Education shall authorize the
15 Charlotte-Mecklenburg (CMS) Board of Education to create an innovation zone among Project
16 LIFT schools and Beacon Initiative schools, as provided in G.S. 115C-75.13. Notwithstanding
17 G.S. 115C-75.13, the CMS innovation zone may include up to five low-performing schools. For
18 the purposes of this section, Project LIFT schools are those schools within the feeder area for West
19 Charlotte High School governed by the collaborative agreement between the CMS Board of
20 Education and Project Leadership and Investment for Transformation. Beacon Initiative schools
21 are those schools designated by the CMS Board of Education to participate in the Beacon
22 Initiative Partnership between the CMS Board of Education and the University of Virginia.

23 **SECTION 7.** The State Board of Education shall solicit applications for a three-year
24 pilot to authorize two local boards of education to each create an innovation zone, as provided in
25 G.S. 115C-75.13. Notwithstanding G.S. 115C-75.13, the local board of education shall not be
26 required to transfer a qualifying school to the ASD to be selected for the pilot, and the two pilot
27 innovation zones may include up to three low-performing schools. The State Board of Education
28 shall solicit applications no later than November 15, 2016, for a small district innovation zone, to
29 be awarded to a school district with less than 6,000 students, and a medium district innovation
30 zone, to be awarded to a school district with more than 6,001 and less than 20,000 students. The
31 State Board of Education shall select the two pilot innovation zones no later than January 15,
32 2017. The two pilot innovation zones shall begin operation with the 2017-2018 school year and
33 shall report annually to the State Board of Education on the required innovation zone
34 accountability metrics. The State Board of Education shall report to the Joint Legislative
35 Education Oversight Committee on the outcomes of the pilot innovation zones by March 15, 2020,
36 and shall include recommendations on continuation or expansion of the pilot.

37 **SECTION 8.** There is appropriated from the General Fund to the Department of
38 Public Instruction four hundred thousand dollars (\$400,000) in recurring funds for the 2016-2017
39 fiscal year for salary and benefits for the ASD Superintendent, staff, and other expenses associated
40 with the ASD. There is appropriated from the General Fund to the Department of Public
41 Instruction five hundred thousand dollars (\$500,000) for the 2016-2017 fiscal year to contract with
42 an independent research organization to conduct the evaluation required in Section 5 of this act.

43 **SECTION 9.** It is the intent of the General Assembly to appropriate to the Department
44 of Public Instruction three hundred seventy-five thousand dollars (\$375,000) for the 2017-2018
45 fiscal year and annually thereafter for principal turnaround reform model grants. Upon
46 appropriation of funds, the State Board of Education shall award principal turnaround reform
47 model grants of up to seventy-five thousand dollars (\$75,000) per fiscal year for five years to local
48 boards of education who (i) have been authorized to adopt the principal turnaround reform model
49 by the State Board of Education for a school and (ii) provide a dollar-for-dollar match with
50 non-State funding for the requested grant amount. Principal turnaround reform model grants shall
51 be used by local boards of education to provide substantial incentives for turnaround principals

1 and to provide additional discretionary funds for use by the turnaround principal to address
2 specific issues in the school.

3 **SECTION 10.** It is the intent of the General Assembly to appropriate to the
4 Department of Public Instruction four hundred fifty thousand dollars (\$450,000) for the 2017-2018
5 fiscal year and annually thereafter for innovation zone model grants. Upon appropriation of funds,
6 the State Board of Education shall award innovation zone model grants of up to one hundred fifty
7 thousand dollars (\$150,000) per fiscal year for five years to local boards of education who (i) have
8 been authorized to adopt the innovation zone model by the State Board of Education for up to
9 three schools and (ii) provide a dollar-for-dollar match with non-State funding for the requested
10 grant amount. Innovation zone model grants shall be directed by local boards of educations to the
11 innovation zone office to address specific issues in innovation zone schools.

12 **SECTION 11.** This act becomes effective only if funds are appropriated by the
13 Current Operations Appropriations Act of 2016 for the Achievement School District.

14 **SECTION 12.** This act is effective when it becomes law, and supervision of
15 achievement schools by the Achievement School District shall begin with the 2017-2018 school
16 year. In the discretion of the State Board of Education (i) the ASD Superintendent may not be
17 required during the 2016-2017 school year to recommend qualifying schools for inclusion in the
18 ASD for the 2017-2018 school year and (ii) the time line for selection of achievement schools for
19 the 2017-2018 school year provided in G.S. 115C-75.7 may be varied, but in no event may the
20 local board of education's decision occur later than April 1, 2017. The State Board of Education
21 may select up to five qualifying schools to transfer to the ASD beginning with the 2017-2018
22 school year but shall select at least two qualifying schools to transfer to the ASD no later than the
23 2018-2019 school year and shall have selected five qualifying schools for transfer to the ASD no
24 later than the 2019-2020 school year.