

Amend CSHB 1842 (senate committee printing) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Title 2, Education Code, is amended by adding Chapter 12A to read as follows:

CHAPTER 12A. INNOVATION ZONES AND DISTRICTS OF INNOVATION

SUBCHAPTER A. INNOVATION ZONES

Sec. 12A.001. DEFINITIONS. In this subchapter:

(1) "Governing body" means the board of trustees of a school district or the governing body of a home-rule school district under Subchapter B, Chapter 12, or an open-enrollment charter school under Subchapter D, Chapter 12.

(2) "School district" means an independent school district or a home-rule school district under Subchapter B, Chapter 12.

Sec. 12A.002. AUTHORIZATION. (a) Subject to approval by the commissioner, a governing body may establish a multiple-campus innovation zone in accordance with this subchapter to:

(1) encourage local community-based initiatives to improve educational outcomes with minimum state and local requirements;

(2) enable collaboration by multiple campuses, programs, and institutions of higher education; and

(3) encourage innovation through shared resources and facilities.

(b) Subject to Subsection (b-1), a governing body may:

(1) establish an innovation zone that includes only designated campuses under the authority of the governing body;

(2) establish, in cooperation with one or more other governing bodies, an innovation zone that includes one or more designated campuses under the authority of each governing body; or

(3) seek inclusion of one or more campuses under the authority of the governing body in an innovation zone established by one or more other governing bodies.

(b-1) A campus may be included in an innovation zone only if the most recent performance rating under Section 39.054 for the campus reflects at least acceptable performance.

(c) Establishment of an innovation zone or a request for inclusion of a campus in an existing zone may be initiated by:

(1) a resolution of a governing body; or

(2) a request submitted by the principal of a campus to the governing body with authority over the campus.

Sec. 12A.003. PARTICIPATION BY INSTITUTION OF HIGHER EDUCATION. An institution of higher education may participate in an innovation zone on terms acceptable to the governing board of the institution.

Sec. 12A.004. INNOVATION ZONE PLAN. (a) The establishment of an innovation zone or a request for inclusion of a campus in an innovation zone must be based on a written innovation zone plan that includes:

(1) a detailed description of the budget, staffing, and financial resources necessary to implement the plan, including resources to be provided by each individual campus and resources to be provided collectively by all participating campuses;

(2) a detailed description of the academic programs to be offered, including instructional methods, length of school day and year, credit and promotion criteria, and programs to serve special populations;

(3) a statement of the facilities to be used;

(4) the proposed term of the innovation zone, which may not exceed five years;

(5) a statement of the reasons that the establishment of the innovation zone or inclusion of the campus in the zone will promote the ability of the campuses to achieve their academic goals;

(6) a list of any local or state law, rule, or policy exemption necessary for successful operation of the innovation zone, subject to Section 12A.008;

(7) performance goals against which the success of the innovation zone may be measured;

(8) written comments from the campus-level committee established under Section 11.251, if applicable, and parents and teachers at each campus proposed for inclusion in the innovation zone; and

(9) any other information required by local policy.

(b) As requested by a governing body, a regional education service center shall provide assistance in the development and implementation of an innovation plan.

Sec. 12A.005. CONSIDERATION OF REQUEST BY PRINCIPAL.

(a) A request by a principal for the establishment of an innovation zone or inclusion of a campus in an innovation zone must be considered at a public meeting by the governing body with authority over the principal's campus.

(b) Parents of students enrolled at the campus and teachers and other staff assigned to the campus must be provided the opportunity to make comments regarding the request at the public meeting.

(c) After conducting the public meeting, the governing body may:

(1) grant the request;

(2) grant the request subject to approval by another governing body, if the request also involves a campus under the authority of another governing body;

(3) delay a decision on the request, pending resolution of suggestions or comments regarding the request made by the governing body or parents, teachers, or other staff at the campus; or

(4) reject the request.

(d) If the governing body approves a principal's request, the governing body shall:

(1) seek approval by the commissioner in accordance with Section 12A.007;

(2) adopt performance goals for the principal's campus; and

(3) exempt the campus from any local requirement identified in the innovation plan under Section 12A.004(a)(6) for the term of the innovation zone.

Sec. 12A.006. FORM OF AGREEMENT. An innovation zone that involves more than one governing body or that involves an institution of higher education may be governed by an agreement between the affected school districts, schools, and institutions in

the form of a contract.

Sec. 12A.007. APPROVAL BY COMMISSIONER. (a) A governing body must obtain approval from the commissioner before the establishment or renewal of an innovation zone or the inclusion of a campus in an existing zone may become effective.

(b) If the commissioner approves the establishment or renewal of an innovation zone or the inclusion of a campus in an existing zone, the commissioner shall identify each requirement of state law, rule, or policy from which the campuses included in the zone are exempt.

(c) A decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.008. APPLICABILITY OF CERTAIN LAWS. (a) An open-enrollment charter school campus included in an innovation zone continues to be subject to the requirements of Subchapter D, Chapter 12.

(b) A campus included in an innovation zone other than an open-enrollment charter school campus is subject only to requirements imposed under this title that apply to an open-enrollment charter school.

(c) An innovation zone plan or other agreement governing an innovation zone may not conflict with the provisions of a home-rule school district charter under Subchapter B, Chapter 12.

Sec. 12A.009. ACCOUNTABILITY. The commissioner shall ensure that each campus included in an innovation zone is evaluated for academic and financial performance and that performance of each campus is attributed to the school district or open-enrollment charter school of which the campus is a part.

Sec. 12A.010. TERMINATION OR RENEWAL. (a) A governing body may terminate an innovation zone that contains only campuses under the governing body's authority or withdraw campuses from participation in an innovation zone that also contains campuses under the authority of another governing body if:

(1) the innovation zone fails to meet performance goals established for the zone under this subchapter; or

(2) one or more campuses included in the innovation zone receives an unacceptable performance rating under Section

39.054 for two consecutive school years.

(b) The commissioner may terminate an innovation zone if:

(1) the innovation zone fails to meet performance goals established for the zone under this subchapter; or

(2) one or more of the campuses included in the innovation zone receives an unacceptable performance rating under Section 39.054 for two consecutive school years.

(c) Unless the innovation zone is terminated by the governing body or bodies before the commissioner takes action under this subsection, the commissioner shall terminate an innovation zone if one or more of the campuses included in the innovation zone receives an unacceptable performance rating under Section 39.054 for three consecutive school years.

(d) Subject to the approval of the participating governing bodies and the commissioner, an innovation zone may be renewed automatically for successive terms not to exceed five years each if:

(1) the zone meets performance goals established for the zone under this subchapter; and

(2) each campus included in the zone meets the requirement imposed by Section 12A.002(b-1) at the time of renewal.

(e) A decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.011. FISCAL AGENT. If an innovation zone includes campuses under the authority of more than one governing body, the governing bodies may jointly designate the participating school district, school, or institution of higher education that will serve as the zone's fiscal agent for matters relating to employment, compliance, or reporting.

Sec. 12A.012. COMMISSIONER RULEMAKING. (a) Subject to Subsection (b), the commissioner may adopt rules implementing this subchapter.

(b) The commissioner's rulemaking authority under this subchapter is limited to rules addressing reporting, federal program compliance, state and federal accountability, and funding. Except as authorized by this subsection, the rules may not govern the local operations of an innovation zone.

Sec. 12A.013. COMMISSIONER'S AUTHORITY REGARDING ACCOUNTABILITY AND FEDERAL REQUIREMENTS. Notwithstanding any other provision of this subchapter, this subchapter does not limit the commissioner's authority under Chapter 39 or federal law.

SUBCHAPTER B. DISTRICTS OF INNOVATION

Sec. 12A.051. AUTHORIZATION. (a) Subject to Subsection (a-1), a school district may be designated as a district of innovation in accordance with this subchapter.

(a-1) A school district is eligible for designation as a district of innovation only if the district's most recent performance rating under Section 39.054 reflects at least acceptable performance.

(b) Consideration of designation as a district of innovation may be initiated by:

(1) a resolution adopted by the board of trustees of the district; or

(2) a petition signed by a majority of the members of the district-level committee established under Section 11.251.

Sec. 12A.052. PUBLIC HEARING. (a) Promptly after adopting a resolution under Section 12A.051(b)(1) or receiving a petition under Section 12A.051(b)(2), the board of trustees shall hold a public hearing to consider whether the district should develop a local innovation plan for the designation of the district as a district of innovation.

(b) At the conclusion of the public hearing or as soon as possible after conclusion of the public hearing, the board of trustees may:

(1) decline to pursue designation of the district as a district of innovation; or

(2) appoint a committee to develop a local innovation plan in accordance with Section 12A.053.

Sec. 12A.053. LOCAL INNOVATION PLAN. (a) A local innovation plan must be developed for a school district before the district may be designated as a district of innovation.

(b) A local innovation plan must:

(1) provide for a comprehensive educational program for the district, which program may include:

(A) innovative curriculum, instructional methods, and provisions regarding community participation, campus governance, and parental involvement;

(B) modifications to the school day or year;

(C) provisions regarding the district budget and sustainable program funding;

(D) accountability and assessment measures that exceed the requirements of state and federal law; and

(E) any other innovations prescribed by the board of trustees; and

(2) identify requirements imposed by this code that inhibit the goals of the plan and from which the district should be exempted on adoption of the plan, subject to Section 12A.054.

Sec. 12A.054. LIMITATION OF PERMISSIBLE EXEMPTIONS. (a) A local innovation plan may not provide for the exemption of a district designated as a district of innovation from the following provisions of this title:

(1) a state or federal requirement applicable to an open-enrollment charter school operating under Subchapter D, Chapter 12;

(2) Subchapters A, C, D, and E, Chapter 11, except that a district may be exempt from Sections 11.1511(b)(5) and (14) and Section 11.162;

(3) state curriculum and graduation requirements adopted under Chapter 28; and

(4) academic and financial accountability and sanctions under Chapter 39.

(b) The commissioner shall:

(1) maintain a list of provisions of this title from which school districts designated as districts of innovation are exempt under this subchapter; and

(2) notify the legislature of each provision from which districts enrolling a majority of students in this state are exempt.

Sec. 12A.055. ADOPTION OF LOCAL INNOVATION PLAN; COMMISSIONER APPROVAL. (a) The board of trustees may not vote on adoption of a proposed local innovation plan unless:

(1) the final version of the proposed plan has been available on the district's Internet website for at least 30 days;

(2) the board of trustees has notified the commissioner of the board's intention to vote on adoption of the proposed plan; and

(3) the district-level committee established under Section 11.251 has held a public meeting to consider the final version of the proposed plan and has approved the plan by a majority vote of the committee members, provided that the meeting required by this subdivision may occur immediately before and on the same date as the meeting at which the board intends to vote on adoption of the proposed plan.

(b) A board of trustees may adopt a proposed local innovation plan by an affirmative vote of two-thirds of the membership of the board.

(c) On adoption of a proposed local innovation plan, the board of trustees shall submit the plan to the commissioner for approval.

(d) On approval by the commissioner of a local innovation plan submitted under Subsection (c):

(1) the district is designated as a district of innovation under this subchapter for the term specified in the plan, subject to Section 12A.056;

(2) the district shall begin operation in accordance with the plan; and

(3) the district is exempt from state requirements identified under Section 12A.053(b)(2).

(e) A district's exemption described by Subsection (d)(3) includes any subsequent amendment or redesignation of an identified state requirement, unless the subsequent amendment or redesignation specifically applies to a district of innovation.

(f) A decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.056. TERM. The term of a district's designation as a district of innovation may not exceed five years.

Sec. 12A.057. AMENDMENT, RESCISSION, OR RENEWAL OF LOCAL INNOVATION PLAN. (a) Subject to approval by the commissioner, a

local innovation plan may be amended, rescinded, or renewed if the action is approved by a vote of the district-level committee established under Section 11.251, or a comparable committee if the district is exempt from that section, and the board of trustees in the same manner as required for initial adoption of a local innovation plan under Section 12A.055.

(b) A decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.058. TERMINATION BY COMMISSIONER. (a) The commissioner may terminate a district's designation as a district of innovation if the district receives for two consecutive school years:

(1) an unacceptable academic performance rating under Section 39.054;

(2) an unacceptable financial accountability rating under Section 39.082; or

(3) an unacceptable academic performance rating under Section 39.054 for one of the school years and an unacceptable financial accountability rating under Section 39.082 for the other school year.

(b) Instead of terminating a district's designation as authorized by Subsection (a), the commissioner may permit the district to amend the district's local innovation plan to address concerns specified by the commissioner.

(c) The commissioner shall terminate a district's designation as a district of innovation if the district receives for three consecutive school years:

(1) an unacceptable academic performance rating under Section 39.054;

(2) an unacceptable financial accountability rating under Section 39.082; or

(3) any combination of one or more unacceptable ratings under Subdivision (1) and one or more unacceptable ratings under Subdivision (2).

(d) A decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.059. COMMISSIONER RULEMAKING. The commissioner

may adopt rules to implement this subchapter.