

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1241  
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Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1241 enables public schools to apply for and create multi-campus innovation zones, which may include campuses from multiple districts or open-enrollment charters. The bill grants schools in an innovation zone the same flexibility as open-enrollment charters.

Innovation zones are created by resolution of a board or governing body and approved by the commissioner of education (commissioner). The plans may not exempt a campus or district from state or federal requirements applicable to an open-enrollment charter; state curriculum and graduation requirements; academic and financial accountability and sanctions; and state code governing provisions in Chapter 11 (School Districts), Education Code, for school districts, boards of trustees, and superintendents and principals.

Innovation zones may be authorized for a period of up to five years and may provide for termination for failure to meet performance measures, or approval for extensions if measures are met.

Academic and financial accountability of campuses in an innovation zone remain with the home district. S.B. 1241 grants rulemaking authority to the commissioner, limited to reporting, federal program compliance, state and federal accountability, and funding.

As proposed, S.B. 1241 amends current law relating to authority of school districts, home-rule school districts, and open-enrollment charter schools to establish innovation zones and the authority of school districts to obtain designation as districts of innovation.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Sections 12A.012 and 12A.059, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2, Education Code, by adding Chapter 12A, as follows:

#### CHAPTER 12A. INNOVATION ZONES AND DISTRICTS OF INNOVATION

##### SUBCHAPTER A. INNOVATION ZONES

Sec. 12A.001. DEFINITIONS. Defines “governing body” and “school district.”

Sec. 12A.002. AUTHORIZATION. (a) Provides that a governing body, subject to approval by the commissioner of education (commissioner), 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) Provides that 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.

(c) Provides that 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. Provides that 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) Requires that the establishment of an innovation zone or a request for inclusion of a campus in an innovation zone 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 (Planning and Decision-Making Process), 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) Requires that a regional education service center, as requested by a governing body, provide assistance in the development and implementation of an innovation plan.

Sec. 12A.005. CONSIDERATION OF REQUEST BY PRINCIPAL. (a) Requires that a request by a principal for the establishment of an innovation zone or inclusion of a campus in an innovation zone be considered at a public meeting by the governing body with authority over the principal's campus.

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

(c) Provides that the governing body, after conducting the public meeting, 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) Requires the governing body, if the governing body approves a principal's request, to:

(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. Provides that 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) Requires a governing body to 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) Requires the commissioner, if the commissioner approves the establishment or renewal of an innovation zone or the inclusion of a campus in an existing zone, to identify each requirement of state law, rule, or policy from which the campuses included in the zone are exempt.

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

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

(b) Provides that 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) Provides that 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. Requires the commissioner to 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) Provides that 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 the innovation zone fails to meet performance goals established for the zone under this subchapter.

(b) Provides that, 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 the zone meets performance goals established for the zone under this subchapter.

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

Sec. 12A.011. FISCAL AGENT. Provides that the governing bodies, if an innovation zone includes campuses under the authority of more than one governing body, 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) Authorizes the commissioner, subject to Subsection (b), to adopt rules implementing this subchapter.

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

Sec. 12A.013. COMMISSIONER'S AUTHORITY REGARDING ACCOUNTABILITY AND FEDERAL REQUIREMENTS. Provides that this subchapter, notwithstanding any other provision of 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) Provides that a school district may be designated as a district of innovation in accordance with this subchapter.

(b) Provides that 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) Requires the board of trustees, promptly after adopting a resolution under Section 12A.051(b)(1) or receiving a petition under Section 12A.051(b)(2), to 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) Provides that the board of trustees, at the conclusion of the public hearing or as soon as possible after conclusion of the public hearing, 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) Requires that a local innovation plan be developed for a school district before the district may be designated as a district of innovation.

(b) Requires that a local innovation plan:

(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) Provides that 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 (Open-Enrollment Charter School), Chapter 12;

(2) Subchapters A (School Districts), C (Board of Trustees of Independent School District—General Provisions), D (Powers and Duties of Board of Trustees of Independent School District), and E (Superintendents and Principals), Chapter 11 (School Districts), except that a district may be exempt from Sections 11.1511(b)(5) (requiring the board to adopt a policy to establish a district- and campus-level planning and decision-making process) and (14) (requiring the board to make

decisions relating to terminating the employment of district employees employed under a certain contract) and Section 11.162 (School Uniforms);

(3) state curriculum and graduation requirements adopted under Chapter 28 (Courses of Study; Advancement); and

(4) academic and financial accountability and sanctions under Chapter 39 (Public School System Accountability).

(b) Requires the commissioner to:

(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) Prohibits the board of trustees from voting 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) Authorizes a board of trustees to adopt a proposed local innovation plan by an affirmative vote of two-thirds of the membership of the board.

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

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

Sec. 12A.056. TERM. Prohibits the term of a district's designation as a district of innovation from exceeding five years.

Sec. 12A.057. AMENDMENT, RESCISSION, OR RENEWAL OF LOCAL INNOVATION PLAN. (a) Provides that a local innovation plan, subject to approval by the commissioner, 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) Provides that decision by the commissioner under this section is final and may not be appealed.

Sec. 12A.058. TERMINATION BY COMMISSIONER. (a) Provides that 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 (Methods and Standards for Evaluating Performance);

(2) an unacceptable financial accountability rating under Section 39.082 (Development and Implementation); 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) Provides that the commissioner, instead of terminating a district's designation as authorized by Subsection (a), may permit the district to amend the district's local innovation plan to address concerns specified by the commissioner.

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

Sec. 12A.059. COMMISSIONER RULEMAKING. Authorizes the commissioner to adopt rules to implement this subchapter.

SECTION 2. Effective date: September 1, 2015.