

By: Taylor of Galveston

S.B. No. 1241

A BILL TO BE ENTITLED

AN ACT

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.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. 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;

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

3           (3) encourage innovation through shared resources and  
4 facilities.

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

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

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

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

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

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

19           (1) a resolution of a governing body; or

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

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

26           Sec. 12A.004. INNOVATION ZONE PLAN. (a) The establishment  
27 of an innovation zone or a request for inclusion of a campus in an

1 innovation zone must be based on a written innovation zone plan that  
2 includes:

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

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

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

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

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

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

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

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

27 (9) any other information required by local policy.

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

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

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

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

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

15               (1) grant the request;

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

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

23               (4) reject the request.

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

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

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

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

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

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

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

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

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

26           (b) A campus included in an innovation zone other than an  
27 open-enrollment charter school campus is subject only to

1 requirements imposed under this title that apply to an  
2 open-enrollment charter school.

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

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

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

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

18 (2) one or more campuses included in the innovation  
19 zone receives an unacceptable performance rating under Section  
20 39.054 for two consecutive school years.

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

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

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

27 (c) Unless the innovation zone is terminated by the

1 governing body or bodies before the commissioner takes action under  
2 this subsection, the commissioner shall terminate an innovation  
3 zone if one or more of the campuses included in the innovation zone  
4 receives an unacceptable performance rating under Section 39.054  
5 for three consecutive school years.

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

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

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

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

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

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

25 (b) The commissioner's rulemaking authority under this  
26 subchapter is limited to rules addressing reporting, federal  
27 program compliance, state and federal accountability, and funding.

1 Except as authorized by this subsection, the rules may not govern  
2 the local operations of an innovation zone.

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

7 SUBCHAPTER B. DISTRICTS OF INNOVATION

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

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

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

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

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

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

27 (b) At the conclusion of the public hearing or as soon as



1 possible after conclusion of the public hearing, the board of  
2 trustees may:

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

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

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

10 (b) A local innovation plan must:

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

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

16 (B) modifications to the school day or year;

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

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

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

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

26 Sec. 12A.054. LIMITATION OF PERMISSIBLE EXEMPTIONS. (a) A  
27 local innovation plan may not provide for the exemption of a

1 district designated as a district of innovation from the following  
2 provisions of this title:

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

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

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

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

13 (b) The commissioner shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

27           (f) A decision by the commissioner under this section is

1 final and may not be appealed.

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

4 Sec. 12A.057. AMENDMENT, RESCISSION, OR RENEWAL OF LOCAL  
5 INNOVATION PLAN. (a) Subject to approval by the commissioner, a  
6 local innovation plan may be amended, rescinded, or renewed if the  
7 action is approved by a vote of the district-level committee  
8 established under Section 11.251, or a comparable committee if the  
9 district is exempt from that section, and the board of trustees in  
10 the same manner as required for initial adoption of a local  
11 innovation plan under Section 12A.055.

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

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

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

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

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

26 (b) Instead of terminating a district's designation as  
27 authorized by Subsection (a), the commissioner may permit the

1 district to amend the district's local innovation plan to address  
2 concerns specified by the commissioner.

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

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

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

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

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

15 Sec. 12A.059. COMMISSIONER RULEMAKING. The commissioner  
16 may adopt rules to implement this subchapter.

17 SECTION 2. This Act takes effect September 1, 2015.