

1-1 By: Taylor of Galveston S.B. No. 1241
 1-2 (In the Senate - Filed March 11, 2015; March 17, 2015, read
 1-3 first time and referred to Committee on Education; April 23, 2015,
 1-4 reported favorably by the following vote: Yeas 8, Nays 1, 1 present
 1-5 not voting; April 23, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Taylor of Galveston	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell	X			
1-11 Garcia	X			
1-12 Huffines	X			
1-13 Kolthorst	X			
1-14 Rodríguez		X		
1-15 Seliger			X	
1-16 Taylor of Collin	X			
1-17 West				X

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to authority of school districts, home-rule school
 1-22 districts, and open-enrollment charter schools to establish
 1-23 innovation zones and the authority of school districts to obtain
 1-24 designation as districts of innovation.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-26 SECTION 1. Title 2, Education Code, is amended by adding
 1-27 Chapter 12A to read as follows:

1-28 CHAPTER 12A. INNOVATION ZONES AND DISTRICTS OF INNOVATION
 1-29 SUBCHAPTER A. INNOVATION ZONES

1-30 Sec. 12A.001. DEFINITIONS. In this subchapter:

1-31 (1) "Governing body" means the board of trustees of a
 1-32 school district or the governing body of a home-rule school
 1-33 district under Subchapter B, Chapter 12, or an open-enrollment
 1-34 charter school under Subchapter D, Chapter 12.

1-35 (2) "School district" means an independent school
 1-36 district or a home-rule school district under Subchapter B, Chapter
 1-37 12.

1-38 Sec. 12A.002. AUTHORIZATION. (a) Subject to approval by
 1-39 the commissioner, a governing body may establish a multiple-campus
 1-40 innovation zone in accordance with this subchapter to:

1-41 (1) encourage local community-based initiatives to
 1-42 improve educational outcomes with minimum state and local
 1-43 requirements;

1-44 (2) enable collaboration by multiple campuses,
 1-45 programs, and institutions of higher education; and

1-46 (3) encourage innovation through shared resources and
 1-47 facilities.

1-48 (b) A governing body may:

1-49 (1) establish an innovation zone that includes only
 1-50 designated campuses under the authority of the governing body;

1-51 (2) establish, in cooperation with one or more other
 1-52 governing bodies, an innovation zone that includes one or more
 1-53 designated campuses under the authority of each governing body; or

1-54 (3) seek inclusion of one or more campuses under the
 1-55 authority of the governing body in an innovation zone established
 1-56 by one or more other governing bodies.

1-57 (c) Establishment of an innovation zone or a request for
 1-58 inclusion of a campus in an existing zone may be initiated by:

1-59 (1) a resolution of a governing body; or

1-60 (2) a request submitted by the principal of a campus to
 1-61 the governing body with authority over the campus.

2-1 Sec. 12A.003. PARTICIPATION BY INSTITUTION OF HIGHER
2-2 EDUCATION. An institution of higher education may participate in
2-3 an innovation zone on terms acceptable to the governing board of the
2-4 institution.

2-5 Sec. 12A.004. INNOVATION ZONE PLAN. (a) The establishment
2-6 of an innovation zone or a request for inclusion of a campus in an
2-7 innovation zone must be based on a written innovation zone plan that
2-8 includes:

2-9 (1) a detailed description of the budget, staffing,
2-10 and financial resources necessary to implement the plan, including
2-11 resources to be provided by each individual campus and resources to
2-12 be provided collectively by all participating campuses;

2-13 (2) a detailed description of the academic programs to
2-14 be offered, including instructional methods, length of school day
2-15 and year, credit and promotion criteria, and programs to serve
2-16 special populations;

2-17 (3) a statement of the facilities to be used;

2-18 (4) the proposed term of the innovation zone, which
2-19 may not exceed five years;

2-20 (5) a statement of the reasons that the establishment
2-21 of the innovation zone or inclusion of the campus in the zone will
2-22 promote the ability of the campuses to achieve their academic
2-23 goals;

2-24 (6) a list of any local or state law, rule, or policy
2-25 exemption necessary for successful operation of the innovation
2-26 zone, subject to Section 12A.008;

2-27 (7) performance goals against which the success of the
2-28 innovation zone may be measured;

2-29 (8) written comments from the campus-level committee
2-30 established under Section 11.251, if applicable, and parents and
2-31 teachers at each campus proposed for inclusion in the innovation
2-32 zone; and

2-33 (9) any other information required by local policy.

2-34 (b) As requested by a governing body, a regional education
2-35 service center shall provide assistance in the development and
2-36 implementation of an innovation plan.

2-37 Sec. 12A.005. CONSIDERATION OF REQUEST BY PRINCIPAL.

2-38 (a) A request by a principal for the establishment of an
2-39 innovation zone or inclusion of a campus in an innovation zone must
2-40 be considered at a public meeting by the governing body with
2-41 authority over the principal's campus.

2-42 (b) Parents of students enrolled at the campus and teachers
2-43 and other staff assigned to the campus must be provided the
2-44 opportunity to make comments regarding the request at the public
2-45 meeting.

2-46 (c) After conducting the public meeting, the governing body
2-47 may:

2-48 (1) grant the request;

2-49 (2) grant the request subject to approval by another
2-50 governing body, if the request also involves a campus under the
2-51 authority of another governing body;

2-52 (3) delay a decision on the request, pending
2-53 resolution of suggestions or comments regarding the request made by
2-54 the governing body or parents, teachers, or other staff at the
2-55 campus; or

2-56 (4) reject the request.

2-57 (d) If the governing body approves a principal's request,
2-58 the governing body shall:

2-59 (1) seek approval by the commissioner in accordance
2-60 with Section 12A.007;

2-61 (2) adopt performance goals for the principal's
2-62 campus; and

2-63 (3) exempt the campus from any local requirement
2-64 identified in the innovation plan under Section 12A.004(a)(6) for
2-65 the term of the innovation zone.

2-66 Sec. 12A.006. FORM OF AGREEMENT. An innovation zone that
2-67 involves more than one governing body or that involves an
2-68 institution of higher education may be governed by an agreement
2-69 between the affected school districts, schools, and institutions in

3-1 the form of a contract.
 3-2 Sec. 12A.007. APPROVAL BY COMMISSIONER. (a) A governing
 3-3 body must obtain approval from the commissioner before the
 3-4 establishment or renewal of an innovation zone or the inclusion of a
 3-5 campus in an existing zone may become effective.
 3-6 (b) If the commissioner approves the establishment or
 3-7 renewal of an innovation zone or the inclusion of a campus in an
 3-8 existing zone, the commissioner shall identify each requirement of
 3-9 state law, rule, or policy from which the campuses included in the
 3-10 zone are exempt.
 3-11 (c) A decision by the commissioner under this section is
 3-12 final and may not be appealed.
 3-13 Sec. 12A.008. APPLICABILITY OF CERTAIN LAWS. (a) An
 3-14 open-enrollment charter school campus included in an innovation
 3-15 zone continues to be subject to the requirements of Subchapter D,
 3-16 Chapter 12.
 3-17 (b) A campus included in an innovation zone other than an
 3-18 open-enrollment charter school campus is subject only to
 3-19 requirements imposed under this title that apply to an
 3-20 open-enrollment charter school.
 3-21 (c) An innovation zone plan or other agreement governing an
 3-22 innovation zone may not conflict with the provisions of a home-rule
 3-23 school district charter under Subchapter B, Chapter 12.
 3-24 Sec. 12A.009. ACCOUNTABILITY. The commissioner shall
 3-25 ensure that each campus included in an innovation zone is evaluated
 3-26 for academic and financial performance and that performance of each
 3-27 campus is attributed to the school district or open-enrollment
 3-28 charter school of which the campus is a part.
 3-29 Sec. 12A.010. TERMINATION OR RENEWAL. (a) A governing
 3-30 body may terminate an innovation zone that contains only campuses
 3-31 under the governing body's authority or withdraw campuses from
 3-32 participation in an innovation zone that also contains campuses
 3-33 under the authority of another governing body if the innovation
 3-34 zone fails to meet performance goals established for the zone under
 3-35 this subchapter.
 3-36 (b) Subject to the approval of the participating governing
 3-37 bodies and the commissioner, an innovation zone may be renewed
 3-38 automatically for successive terms not to exceed five years each if
 3-39 the zone meets performance goals established for the zone under
 3-40 this subchapter.
 3-41 (c) A decision by the commissioner under this section is
 3-42 final and may not be appealed.
 3-43 Sec. 12A.011. FISCAL AGENT. If an innovation zone includes
 3-44 campuses under the authority of more than one governing body, the
 3-45 governing bodies may jointly designate the participating school
 3-46 district, school, or institution of higher education that will
 3-47 serve as the zone's fiscal agent for matters relating to
 3-48 employment, compliance, or reporting.
 3-49 Sec. 12A.012. COMMISSIONER RULEMAKING. (a) Subject to
 3-50 Subsection (b), the commissioner may adopt rules implementing this
 3-51 subchapter.
 3-52 (b) The commissioner's rulemaking authority under this
 3-53 subchapter is limited to rules addressing reporting, federal
 3-54 program compliance, state and federal accountability, and funding.
 3-55 Except as authorized by this subsection, the rules may not govern
 3-56 the local operations of an innovation zone.
 3-57 Sec. 12A.013. COMMISSIONER'S AUTHORITY REGARDING
 3-58 ACCOUNTABILITY AND FEDERAL REQUIREMENTS. Notwithstanding any
 3-59 other provision of this subchapter, this subchapter does not limit
 3-60 the commissioner's authority under Chapter 39 or federal law.
 3-61 SUBCHAPTER B. DISTRICTS OF INNOVATION
 3-62 Sec. 12A.051. AUTHORIZATION. (a) A school district may be
 3-63 designated as a district of innovation in accordance with this
 3-64 subchapter.
 3-65 (b) Consideration of designation as a district of
 3-66 innovation may be initiated by:
 3-67 (1) a resolution adopted by the board of trustees of
 3-68 the district; or
 3-69 (2) a petition signed by a majority of the members of

4-1 the district-level committee established under Section [11.251](#).
4-2 Sec. 12A.052. PUBLIC HEARING. (a) Promptly after
4-3 adopting a resolution under Section 12A.051(b)(1) or receiving a
4-4 petition under Section 12A.051(b)(2), the board of trustees shall
4-5 hold a public hearing to consider whether the district should
4-6 develop a local innovation plan for the designation of the district
4-7 as a district of innovation.
4-8 (b) At the conclusion of the public hearing or as soon as
4-9 possible after conclusion of the public hearing, the board of
4-10 trustees may:
4-11 (1) decline to pursue designation of the district as a
4-12 district of innovation; or
4-13 (2) appoint a committee to develop a local innovation
4-14 plan in accordance with Section 12A.053.
4-15 Sec. 12A.053. LOCAL INNOVATION PLAN. (a) A local
4-16 innovation plan must be developed for a school district before the
4-17 district may be designated as a district of innovation.
4-18 (b) A local innovation plan must:
4-19 (1) provide for a comprehensive educational program
4-20 for the district, which program may include:
4-21 (A) innovative curriculum, instructional
4-22 methods, and provisions regarding community participation, campus
4-23 governance, and parental involvement;
4-24 (B) modifications to the school day or year;
4-25 (C) provisions regarding the district budget and
4-26 sustainable program funding;
4-27 (D) accountability and assessment measures that
4-28 exceed the requirements of state and federal law; and
4-29 (E) any other innovations prescribed by the board
4-30 of trustees; and
4-31 (2) identify requirements imposed by this code that
4-32 inhibit the goals of the plan and from which the district should be
4-33 exempted on adoption of the plan, subject to Section 12A.054.
4-34 Sec. 12A.054. LIMITATION OF PERMISSIBLE EXEMPTIONS. (a) A
4-35 local innovation plan may not provide for the exemption of a
4-36 district designated as a district of innovation from the following
4-37 provisions of this title:
4-38 (1) a state or federal requirement applicable to an
4-39 open-enrollment charter school operating under Subchapter D,
4-40 Chapter 12;
4-41 (2) Subchapters A, C, D, and E, Chapter 11, except that
4-42 a district may be exempt from Sections [11.1511](#)(b)(5) and (14) and
4-43 Section [11.162](#);
4-44 (3) state curriculum and graduation requirements
4-45 adopted under Chapter 28; and
4-46 (4) academic and financial accountability and
4-47 sanctions under Chapter 39.
4-48 (b) The commissioner shall:
4-49 (1) maintain a list of provisions of this title from
4-50 which school districts designated as districts of innovation are
4-51 exempt under this subchapter; and
4-52 (2) notify the legislature of each provision from
4-53 which districts enrolling a majority of students in this state are
4-54 exempt.
4-55 Sec. 12A.055. ADOPTION OF LOCAL INNOVATION PLAN;
4-56 COMMISSIONER APPROVAL. (a) The board of trustees may not vote on
4-57 adoption of a proposed local innovation plan unless:
4-58 (1) the final version of the proposed plan has been
4-59 available on the district's Internet website for at least 30 days;
4-60 (2) the board of trustees has notified the
4-61 commissioner of the board's intention to vote on adoption of the
4-62 proposed plan; and
4-63 (3) the district-level committee established under
4-64 Section [11.251](#) has held a public meeting to consider the final
4-65 version of the proposed plan and has approved the plan by a majority
4-66 vote of the committee members, provided that the meeting required
4-67 by this subdivision may occur immediately before and on the same
4-68 date as the meeting at which the board intends to vote on adoption
4-69 of the proposed plan.

5-1 (b) A board of trustees may adopt a proposed local
5-2 innovation plan by an affirmative vote of two-thirds of the
5-3 membership of the board.

5-4 (c) On adoption of a proposed local innovation plan, the
5-5 board of trustees shall submit the plan to the commissioner for
5-6 approval.

5-7 (d) On approval by the commissioner of a local innovation
5-8 plan submitted under Subsection (c):

5-9 (1) the district is designated as a district of
5-10 innovation under this subchapter for the term specified in the
5-11 plan, subject to Section 12A.056;

5-12 (2) the district shall begin operation in accordance
5-13 with the plan; and

5-14 (3) the district is exempt from state requirements
5-15 identified under Section 12A.053(b)(2).

5-16 (e) A district's exemption described by Subsection (d)(3)
5-17 includes any subsequent amendment or redesignation of an identified
5-18 state requirement, unless the subsequent amendment or
5-19 redesignation specifically applies to a district of innovation.

5-20 (f) A decision by the commissioner under this section is
5-21 final and may not be appealed.

5-22 Sec. 12A.056. TERM. The term of a district's designation as
5-23 a district of innovation may not exceed five years.

5-24 Sec. 12A.057. AMENDMENT, RESCISSION, OR RENEWAL OF LOCAL
5-25 INNOVATION PLAN. (a) Subject to approval by the commissioner, a
5-26 local innovation plan may be amended, rescinded, or renewed if the
5-27 action is approved by a vote of the district-level committee
5-28 established under Section 11.251, or a comparable committee if the
5-29 district is exempt from that section, and the board of trustees in
5-30 the same manner as required for initial adoption of a local
5-31 innovation plan under Section 12A.055.

5-32 (b) A decision by the commissioner under this section is
5-33 final and may not be appealed.

5-34 Sec. 12A.058. TERMINATION BY COMMISSIONER. (a) The
5-35 commissioner may terminate a district's designation as a district
5-36 of innovation if the district receives for two consecutive school
5-37 years:

5-38 (1) an unacceptable academic performance rating under
5-39 Section 39.054;

5-40 (2) an unacceptable financial accountability rating
5-41 under Section 39.082; or

5-42 (3) an unacceptable academic performance rating under
5-43 Section 39.054 for one of the school years and an unacceptable
5-44 financial accountability rating under Section 39.082 for the other
5-45 school year.

5-46 (b) Instead of terminating a district's designation as
5-47 authorized by Subsection (a), the commissioner may permit the
5-48 district to amend the district's local innovation plan to address
5-49 concerns specified by the commissioner.

5-50 (c) A decision by the commissioner under this section is
5-51 final and may not be appealed.

5-52 Sec. 12A.059. COMMISSIONER RULEMAKING. The commissioner
5-53 may adopt rules to implement this subchapter.

5-54 SECTION 2. This Act takes effect September 1, 2015.

5-55 * * * * *