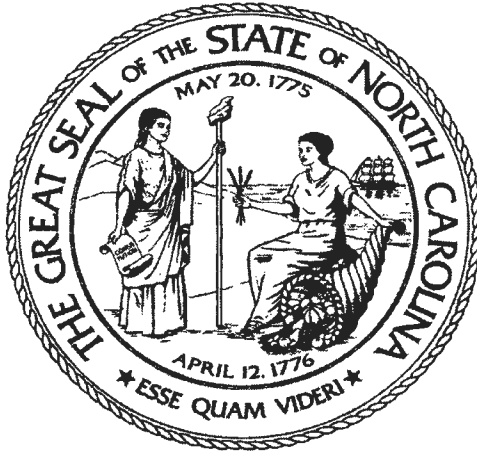


NORTH CAROLINA GENERAL ASSEMBLY



HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS

REPORT TO THE 2016 SESSION of the 2015 GENERAL ASSEMBLY OF NORTH CAROLINA

APRIL, 2016

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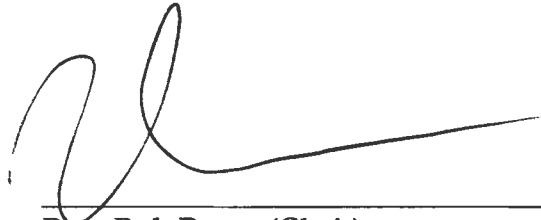
TRANSMITTAL LETTER

April 13, 2016

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TO THE MEMBERS OF THE 2016 REGULAR SESSION
OF THE 2015 GENERAL ASSEMBLY

The HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS, respectfully submits the following report to the 2016 Regular Session of the 2015 General Assembly.

A handwritten signature in black ink, appearing to be 'Rob Bryan', written over a horizontal line.

Rep. Rob Bryan (Chair)

COMMITTEE PROCEEDINGS

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The House Select Committee on Achievement School Districts met 3 times after the 2015 Regular Session.

January 27, 2016

Review of Legislative History

Kara McCraw, Staff Attorney, NCGA Legislative Analysis Division

DPI Presentation on Prior and Present Turnaround Strategy

Dr. Nancy Barbour

Pilot Achievement School Districts Bill Presentation

Representative Rob Bryan

March 30, 2016

Report on Tennessee Achievement School District

Dr. Gary T. Henry, Professor of Public Policy and Education, Vanderbilt University

Report on Tennessee Achievement School District

Dr. Joshua Glazer, Professor of Education Policy, George Washington University

Current Standing of Achievement School Districts in Tennessee

Malika Anderson, Superintendent, Achievement School District

Public Comment

Presentation from Carolina Can on Achievement School District Proposal

Marcus Brandon, Executive Director, CarolinaCan

Pilot Achievement School District Bill Presentation (Revisions)

Representative Rob Bryan

April 13, 2016

Review of Final Committee Report on Achievement School District Pilot

Representative Rob Bryan

Committee Discussion

Vote and Closing Remarks

SUMMARY OF COMMITTEE PROCEEDINGS

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This section of the report provides a brief summary of the Committee meetings. It is not intended to be a complete, official record of those meetings. However, there is an official record of the Committee's meetings, including minutes and handouts distributed to the Committee members, in the Legislative Library.

January 27, 2016

The House Select Committee on Achievement School District (Committee) met on January 27, 2016, at 10:00 am in the Legislative Office Building, with Chair Rep. Rob Bryan presiding. Rep. Bryan welcomed Committee members, introductions were made, and handouts were distributed to Committee members.

Kara McCraw, Staff Attorney for the Legislative Analysis Division, presented information on the current definition of "continually low-performing school" referencing definitions outlined in G.S. 115C-105.37A and 115C-105.37. In addition, she provided information on the four school turnaround models authorized in State law. These are: (i) Transformation Model, (ii) Restart Model, (iii) Turnaround Model, and (iv) School Closure Model.

As part of the presentation, examples of school turnaround districts currently in operation in other states were noted. These school districts included the Louisiana Recovery School District, the Tennessee Achievement School District, and the Michigan Education Achievement Authority.

Dr. Nancy Barbour, Director of District and School Transformation at the North Carolina Department of Public Instruction, spoke next with a presentation entitled *Transforming Lowest Achieving School Districts and Schools*. As part of the presentation, Dr. Barbour explained the effectiveness of district and school transformation over four years of services. She emphasized that of the 118 low-performing schools served, 70% met or exceeded growth. Student impact was discussed with Dr. Barbour mentioning that proficiency gains in elementary science and middle school math were larger in district and school transformation schools than in comparison schools. In summary, Dr. Barbour explained that the goal to improve school performance involves continuing improvement of student achievement in the lowest performing schools in North Carolina.

Rep. Bryan offered a summary overview of the Achievement School District (ASD) draft legislation that included: (i) an overview of current law as it relates to low-performing schools, (ii) the definition of ASD, (iii) how schools would be chosen to be a part of the ASD, (iv) how operators of schools within the ASD would be selected, (v) how schools in the ASD would be managed, and (vi) how funds would be allocated to achievement

schools in the ASD. Rep. Bryan facilitated Committee discussion and then offered closing remarks.

March 30, 2016

Malika Anderson, Superintendent, Tennessee Achievement School District (ASD), offered a history of the Tennessee ASD and successful collaborative efforts in working with ASD operators in Memphis, Chattanooga, and Nashville. Ms. Anderson stressed that an ASD is a governance model that uses interventions to compel action in ASD schools. In addition, she stated that the ASD should be a short term arrangement with the ultimate goal being to return ASD schools to local school districts. Ms. Anderson emphasized the nature of the change typically requires one to two years for results to maximize and she highlighted some charter schools with extremely high growth.

Dr. Gary T. Henry, Professor of Public Policy and Education, Vanderbilt University, presented on school turnaround models in Tennessee. He explained that "Priority" schools are the 5 percent of schools across the state with the lowest overall performance. These Priority schools were placed in: (i) the Achievement School District (ASD), (ii) an Innovation Zone (iZone), or (iii) a local school improvement plan. ASD schools are run either by the Tennessee ASD or by charter management organizations (CMOs). Dr. Henry stated that the main goal of the ASD in Tennessee was to move the bottom 5% of schools to the top 25% in five years. The main strategy initiated in Tennessee includes: (i) providing more school autonomy in regards to resources, staffing, and day-to-day operations, (ii) hiring talented staff and contracting with proven CMOs, and (iii) providing district support. Dr. Henry concluded by stating the following about Tennessee's Priority schools:

- iZone schools have large to moderate effects on reading, math, and science.
- ASD schools did not gain more or less than other Priority schools.
- ASD-run schools show some positive effects in math and science.
- CMO-run schools did not gain more or less than other Priority schools.

Dr. Joshua Glazer, Professor of Education Policy, George Washington University, presented on his research on the Tennessee ASD. Within his research Dr. Glazer emphasized that:

- Time is needed for an ASD to achieve results with low-performing schools.
- The details of ASD operation should be addressed through inter-agency cooperation.
- Coalitions should be built at both the local and state levels, and beyond the political majority.
- Time should be taken to involve various stakeholders in the formation and administration of an ASD.
- The ASD is a statewide research and development laboratory, not a panacea.

Matt Elinwood, Policy Analyst, Education and Law Project, NC Justice Center, expressed concern that the ASD bill in its current form does not provide adequate classroom interventions and that the formation of an ASD could exacerbate teacher turnover in ASD schools. Mr. Elinwood stated that he does not think that the ASD in the proposed draft bill would be able to solicit private investment for ASD schools as has been done in Tennessee.

Pamela Blizzard, Founder and Managing Director, Research Triangle High School, offered to the Committee that the State should move forward with an ASD pilot. She stated that there are successful charters all over the State serving unique student populations and demonstrating positive student outcomes. She further stated that some charter schools are specifically suited to address the challenges of low-performing students and that the State should allow those that have demonstrated success to aid other schools and student groups in North Carolina.

Bruce Mildwurf, Associate Director, Governmental Relations, NC School Boards Association (NCSBA), stated that improved student outcomes with an ASD are necessary. He emphasized that the proposed bill would not offer ASD schools the same choice as is offered to current charter schools in North Carolina. Mr. Mildwurf stated that involving stakeholders would be vital in forming an ASD. A handout was provided to Committee members noting the possible liability issues with the proposed bill, according to the NCSBA.

Marcus Brandon, Executive Director, CarolinaCan, discussed his work helping students in schools improve their achievement through the accountability process. Mr. Brandon expressed his belief that students in Tennessee and New Orleans have made gains and valuable lessons have been learned through ASD models. He stated that North Carolina can take these lessons and craft a successful ASD that is tailored to North Carolina. Mr. Brandon stressed that for an ASD to be successful there needs to be meaningful community involvement throughout the entire process; that community support is imperative for success. He also emphasized that an ASD is needed to create or force change needed in other low-performing schools. Mr. Brandon stated that these schools have been continually low performing and doing the same things over and over will not work and that the ASD would have the added benefit in provoking other schools to change.

Rep. Rob Bryan explained the most recent changes to the ASD bill draft. He offered the Committee a chart that included an iZone as a possible route for low-performing schools. In conclusion Rep. Bryan facilitated Committee discussion and offered closing remarks.

April 13, 2016

The House Select Committee on Achievement School District (Committee) met on April 13, 2016, at 10:00 am in the Legislative Building, with Chair Rep. Rob Bryan presiding. The draft report was presented to the Committee, including review of recommended legislation. Following discussion, the report was adopted by the Committee.

FINDINGS AND RECOMMENDATIONS

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The Committee finds that, although significant efforts have been made to transform low-performing schools through coaching, professional development, and outside assessments, too many North Carolina public schools remain continually low-performing over multiple years. The Committee also finds that other states have begun trying new approaches to transforming continually low-performing schools that may serve as examples for North Carolina. One such approach is the creation of special districts identifying and working with continually low-performing schools and innovation zones to allow greater flexibility to address the needs of continually low-performing schools. Therefore, the Committee recommends that the General Assembly enact legislation to establish an Achievement School District, provide for innovation zones, and establish a new principal turnaround model for continually low-performing schools. **See attached legislative proposal 2015-TC-36.**

COMMITTEE MEMBERSHIP

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2015-2016

Speaker of the House of Representatives Appointments:

Rep. Rob Bryan (Chair)

Rep. Hugh Blackwell

Rep. Cecil Brockman

Rep. Tricia Ann Cotham

Rep. Jeffrey Elmore

Rep. Edward Hanes, Jr.

Rep. Jon Hardister

Rep. D. Craig Horn

Rep. Bert Jones

Rep. Chris Malone

Rep. Dennis Riddell

Rep. Rena W. Turner

COMMITTEE CHARGE/STATUTORY AUTHORITY

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Office of Speaker Tim Moore
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on Achievement School Districts (hereinafter "Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26(a) of the Rules of the House of Representatives of the 2015 General Assembly.

Section 2. The Committee consists of 12 members appointed by the Speaker of the House of Representatives. The membership of the Committee shall include legislators as specified below. Members serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives may dissolve the Committee at any time. Vacancies are filled by the Speaker of the House of Representatives. A Chair or other member of the Committee continues to serve until a successor is appointed.

Representative Rob Bryan, Chair
Representative Hugh Blackwell
Representative Cecil Brockman
Representative Tricia Ann Cotham
Representative Jeffrey Elmore
Representative Edward Hanes, Jr.
Representative Jon Hardister
Representative D. Craig Horn
Representative Bert Jones
Representative Chris Malone
Representative Dennis Riddell
Representative Rena Turner

HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS

Section 3. The Committee may study research on existing achievement school districts, integration within traditional K-12 school districts, and the current North Carolina Department of Public Instruction's district and school transformation program. The Committee also may examine any other issue it deems relevant to this study.

Section 4. The Committee shall meet upon the call of the Chair. A quorum of the Committee shall be a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

Section 5. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02.

Section 6. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1.

Section 7. The expenses of the Committee including per diem, subsistence, travel allowances for Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations. Individual expenses of \$5,000 or less, including per diem, travel, and subsistence expenses of members of the Committee, and clerical expenses shall be paid upon the authorization of the Chair of the Committee. Individual expenses in excess of \$5,000 shall be paid upon the written approval of the Speaker of the House of Representatives.

Section 8. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Committee.


Section 9. The Committee may meet at various locations around the State in order to promote greater public participation in its deliberations.

Section 10. The Committee may submit an interim report on the results of the study, including any proposed legislation, to the members of the House of Representatives at any time. The Committee may submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives prior to the convening of the 2017 General Assembly. Reports shall be submitted by filing a copy of the report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the

HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS

Legislative Library. The Committee terminates upon the convening of the 2017 General Assembly or upon the filing of its final report, whichever occurs first.

Effective this the 14th day of January, 2016.



Tim Moore
Speaker

LEGISLATIVE PROPOSALS

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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

D

BILL DRAFT 2015-TC-36 [v.9] (01/26)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

Short Title: Achievement School District.

(Public)

Sponsors: Representative Bryan.

Referred to:

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

1 **b.** Received a school performance score in the lowest ten percent
2 (10%) of all schools that include all or part of grades
3 kindergarten through fifth in the prior school year and has been
4 designated by the local board of education for consideration by
5 the State Board of Education as an achievement school.

6 **"§ 115C-75.6. Achievement School District.**

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

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

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

18 (2) One teacher or retired teacher.

19 (3) One principal or retired principal.

20 (4) One superintendent or retired superintendent.

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

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

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

33 **"§ 115C-75.7. Selection of achievement schools.**

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

41 (b) Selection Process. – The selection of qualifying schools shall be based on an
42 analysis of performance over the most recent three-year period. Prior to
43 recommendation of selection of a qualifying school, the ASD Superintendent shall
44 conduct an evaluation of the school to determine the factors contributing to the school's
45 performance and shall confer with the school principal, local board of education
46 members, the local school superintendent, and the local board of county commissioners

1 to share the findings of the evaluation. The school selection process shall also include a
2 public hearing to allow for parent and community input. The ASD Superintendent shall
3 evaluate and identify the qualifying schools to recommend for selection as prospective
4 achievement schools no later than November 15 prior to the initial school year in which
5 the school may operate as an achievement school, and shall notify the local boards of
6 education where prospective achievement schools are located by that date. The State
7 Board of Education shall select the prospective achievement schools no later than
8 January 15.

9 (c) Local Board Response. – Upon notification by the ASD Superintendent of
10 selection by the State Board of Education of the qualifying school as a prospective
11 achievement school, the local board of education shall determine whether to (i) close the
12 selected qualifying school, (ii) transfer the school into the ASD, or (iii) request adoption
13 of the principal turnaround reform model for the qualifying school, as provided in and
14 subject to G.S. 115C-105.37B. The local board shall not be required to undertake the
15 study required by G.S. 115C-72 before closing the school. Before the adoption of a
16 resolution, the local board of education shall provide for a public hearing in regard to
17 the proposed transfer, closure, or adoption of the principal turnaround reform model, at
18 which hearing the public shall be afforded an opportunity to express their views. No
19 later than March 1, the local board of education shall adopt a resolution either (i)
20 consenting to transfer of the selected qualifying school to the ASD as an achievement
21 school, (ii) closing that school at the conclusion of that school year, or (iii) requesting
22 adoption of the principal turnaround reform model for the qualifying school. The State
23 Board of Education may delay the transfer of a selected school to the ASD for one year
24 upon the recommendation of the ASD Superintendent.

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

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

34 **"§ 115C-75.8. Selection of AS operators.**

35 (a) The State Board of Education may select an AS operator for a prospective
36 achievement school by January 15, and shall select an AS operator for a prospective
37 school no later than February 15.

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

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

45 (2) The entity has a credible and specific plan for dramatically improving
46 student achievement in a low-performing school and provides

1 evidence that the entity is currently operating a school or schools in
2 this State that provide a sound, basic education or has demonstrated
3 consistent and substantial growth towards providing a sound, basic
4 education in the prior three school years, or is a contractual affiliate of
5 such an entity.

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

10 **"§ 115C-75.9. Management of achievement schools.**

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

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

19 (c) Assignment to Achievement Schools. – All achievement schools shall remain
20 open to enrollment in the same manner with the same attendance zone as prior to
21 becoming an achievement school. If a local board of education's reassignment of
22 students within the local school administrative unit due to student population changes or
23 openings or closures of other schools impacts the achievement school, the AS operator
24 may appeal to the ASD Superintendent and request a hearing before the State Board of
25 Education regarding the reassignment. Notwithstanding G.S. 115C-366, the State Board
26 of Education shall, after hearing from both the local board of education and AS
27 operator, determine whether the reassignment of students impacting the achievement
28 school may proceed.

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

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

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

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

1 For the purposes of this subsection, facility and capital expenditures includes routine
2 maintenance and repair and capital expenditures includes building repair and
3 maintenance, furniture, furnishings, and equipment.

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

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

11 (1) Facility and capital expenditures.

12 (2) Transportation services.

13 (3) Services for Children with Disabilities.

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

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

22 (h) Achievement School Employees. – The AS operator shall select and hire the
23 school principal for an achievement school. Within the limits of the school budget, the
24 AS operator or its designee shall select staff members in accordance with guidance from
25 the ASD Superintendent. Before finalizing staffing recommendations, the AS operator
26 and the ASD Superintendent shall interview all existing staff members at the qualifying
27 school and review student growth and performance data for those staff members for
28 whom it is available. Notwithstanding Article 21A of this Chapter, the AS operator and
29 the ASD Superintendent shall be permitted to examine personnel files of existing staff
30 members for the qualifying school. The AS operator shall have the authority to decide
31 whether any administrator, teacher, or staff member previously assigned to a qualifying
32 school selected to become an achievement school shall continue as an employee of the
33 achievement school. Any such employees retained shall become employees of the ASD.
34 An employee hired to work in an achievement school shall be an employee of the ASD,
35 and the employees shall be under the exclusive control of the ASD. All employees of
36 the ASD shall be eligible for enrollment in the Teachers' and State Employees'
37 Retirement System of North Carolina, State Health Plan, and other benefits available to
38 State employees. The AS operator shall provide funds to the ASD in an amount
39 sufficient to provide salary and benefits for employees of the ASD working in the
40 achievement school based on the terms of employment established by the AS operator.

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

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

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

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

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

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

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

16 "**§ 115C-75.10. Achievement schools funds.**

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

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

24 (1) The State Board of Education shall allocate to the ASD for each
25 achievement school:

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

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

37 c. An additional amount for children with limited English
38 proficiency attending the achievement school, based on a
39 formula adopted by the State Board.

40 (2) The local school administrative unit in which the achievement school
41 is located shall transfer to the ASD for the achievement school an
42 amount equal to the per pupil share of the local current expense fund
43 of the local school administrative unit for the fiscal year. The per pupil
44 share of the local current expense fund shall be transferred to the ASD
45 for the achievement school within 30 days of the receipt of monies into
46 the local current expense fund. The local school administrative unit

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

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

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

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

40 **"§ 115C-75.11. Accountability and governance for achievement schools.**

41 (a) The AS operator shall set clear goals, empower and equip teachers and school
42 leaders to meet the goals, and hold such teachers and school leaders accountable to meet
43 the goals. The AS operator shall apply to the ASD Superintendent for appropriate
44 waivers for the achievement school pursuant to G.S. 115C-75.7(d).

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

1 (c) The AS operator shall enter into an agreement with the school principal
2 regarding specific goals for the achievement school related to higher academic
3 outcomes for students, safe and positive learning environments for children, parent and
4 community engagement, and the efficient and effective use of taxpayer dollars. The
5 agreement shall be made publically available on the ASD website.

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

9 **"§ 115C-75.12. Term of supervision for an achievement school.**

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

- 14 (1) Early Termination of Contract Based on Performance. – If during the
15 five-year contract, the achievement school's annual percentage growth
16 does not exceed the average annual percentage growth of other
17 qualifying schools for three consecutive years, the State Board of
18 Education, upon the recommendation of the ASD Superintendent, may
19 terminate the contract at the conclusion of the academic year and select
20 another AS operator in accordance with G.S. 115C-75.8 to assume the
21 remainder of the five-year contract and any occupancy agreements or
22 memorandums of understanding with the local board of education at
23 the beginning of the next academic year.
- 24 (2) Closure of Achievement School Based on Performance. – If by the end
25 of the five-year contract, the achievement school's average annual
26 percentage growth during the term of the contract does not exceed the
27 average annual percentage growth of other qualifying schools during
28 the same term, the State Board of Education shall close the
29 achievement school and develop a transition plan to return the school
30 to the local school administrative unit.
- 31 (3) State Board Optional Extension of Contract for Three Years. – If by
32 the end of the five-year contract, the achievement school remains a
33 qualifying school, but has exceeded the average annual percentage
34 growth of other qualifying schools, the State Board of Education, upon
35 the recommendation of the ASD Superintendent in his or her
36 discretion, may continue the contract with the AS operator for an
37 additional three-year term. The ASD Superintendent and AS operator
38 shall engage the school, the school community, and the school's local
39 board of education in developing a transition plan for the school to
40 leave the supervision of the ASD at the conclusion of the three-year
41 extension of the contract. If the State Board does not elect to continue
42 the contract, the State Board may do any of the following:
 - 43 a. Select another AS operator for a three-year contract.
 - 44 b. Close the school as provided in subdivision (2) of this
45 subsection.

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

3 (4) AS Operator Option to Extend Contract for Three Years. – If by the
4 end of the five-year contract, the achievement school receives a grade
5 of C or higher under G.S. 115C-12(9)c1., the AS operator shall have
6 the option to extend the contract for another three-year term. The ASD
7 Superintendent and AS operator shall engage the school, the school
8 community, and the school's local board of education in developing a
9 transition plan for the school to leave the supervision of the ASD at the
10 conclusion of the three-year extension of the contract. Options at the
11 conclusion of the contract shall include the following:

12 a. Conversion to Charter. – If, in the development of the transition
13 plan, a local board of education indicates by resolution to the
14 State Board of Education that the local board elects to not
15 receive the transfer of the achievement school back to the local
16 school administrative unit, the AS operator may apply to
17 convert the school to a charter school under Article 14A of this
18 Chapter. If a charter is awarded, the charter board of directors
19 may request to use the facility as provided in G.S. 115C-218.35.
20 If the AS operator does not seek conversion to a charter school
21 or fails to receive a charter, the State Board may close the
22 school as provided in subdivision (2) of this subsection.

23 b. Alternate AS Operator or Return to Local School
24 Administrative Unit. – If the AS operator does not elect to
25 continue the contract, the State Board may select another AS
26 operator for a three-year contract or may develop a transition
27 plan to return the school to the local school administrative unit
28 for the next school year.

29 (6) Termination of Contract on Other Grounds. – The State Board of
30 Education, upon the recommendation of the ASD Superintendent, may
31 terminate a contract with an AS operator at any time during the
32 contract for financial mismanagement, noncompliance with federal or
33 State laws, failure to comply with the terms of the contract, or
34 evidence of criminal activity. The State Board of Education shall
35 develop a transition plan to return the school to the local school
36 administrative unit.

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

39 (c) The State Board of Education shall make all decisions related to contracts for
40 AS operators no later than May 1."

41 "**§ 115C-75.13. Innovation Zones**

42 (a) If a local board of education transfers a qualifying school to the ASD, the
43 local board of education may ask the State Board of Education to be allowed to create
44 an innovation zone for up to three continually low-performing schools within its local
45 school administrative unit. The State Board of Education shall grant such requests for
46 the creation of an innovation zone. The State Board of Education shall also authorize

1 the local board of education the flexibility to operate the schools within the innovation
2 zone with the same exemptions from statutes and rules as a charter school authorized
3 under Article 14A of this Chapter and with exemptions from local board of education
4 policies as needed to ensure autonomy under the guidance of the innovation zone office
5 for financial, programmatic, staffing, and time allocation decisions.

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

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

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

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

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

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

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

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

30 **SECTION 3.** G.S. 115C-105.37B(a) reads as rewritten:

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

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

41 (1) Transformation model, which would address the following four
42 specific areas critical to transforming a continually low-performing
43 school:

44 a. Developing and increasing teacher and school leader
45 effectiveness.

46 b. Comprehensive instructional reform strategies.

1 c. Increasing learning time and creating community-oriented
2 schools.

3 d. Providing operational flexibility and sustained support.

4 (2) Restart model, in which the State Board of Education would authorize
5 the local board of education to operate the school with the same
6 exemptions from statutes and rules as a charter school authorized
7 under Article 14A of this Chapter, or under the management of an
8 educational management organization that has been selected through a
9 rigorous review process. A school operated under this subdivision
10 remains under the control of the local board of education, and
11 employees assigned to the school are employees of the local school
12 administrative unit with the protections provided by Part 3 of Article
13 22 of this Chapter.

14 (3) Turnaround model, which would involve, among other actions,
15 replacing the principal, if the principal has been in that position for at
16 least three years, and rehiring no more than fifty percent (50%) of the
17 school's staff, adopting a new governance structure at the school
18 consistent with this Article, and implementing an instructional
19 program aligned with the Standard Course of Study.

20 (4) School closure model, in which a local school administrative unit
21 would close the school consistent with G.S. 115C-72 and enroll the
22 students who attended the school in other, higher-achieving schools in
23 the local school administrative unit consistent with Article 25 of this
24 Chapter.

25 (5) Principal Turnaround model, which would require the following:

26 a. Replacing the current principal with a turnaround principal. The
27 local board of education, after consultation with the
28 Superintendent of the Achievement School District, shall select
29 an individual with a proven record of success as a principal or
30 superintendent as a turnaround principal. The local board of
31 education's selection shall be approved by the State Board of
32 Education to serve as a turnaround principal.

33 b. Notwithstanding G.S. 115C-287.1, hiring the turnaround
34 principal on a five year contract that shall include significant
35 compensation and other incentives, as determined by the local
36 board of education. The turnaround principal shall be required
37 as a term of the contract to develop a written plan with clear
38 goals for dramatically improving student achievement at the
39 school, including empowering and equipping teachers and
40 school leaders to meet the goals, and holding such teachers and
41 school leaders accountable to meet the goals.

42 c. The local board of education shall consider all
43 recommendations of the turnaround principal with regard to
44 personnel assigned to the school, and shall, to the extent
45 possible, implement those recommendations.

- d. Annually reporting by the turnaround principal on the principal's methods and the school's progress and performance to the local board of education. The turnaround principal's report shall be provided to the State Board of Education.
- e. Sharing of information with other turnaround principals on a regular basis. The Achievement School District shall also serve as a resource for turnaround principals.
- f. Authority for the turnaround principal to select staff assigned to the school.
- g. Provision of additional discretionary funds by the local board of education to the turnaround principal to address specific issues in the school, including but not limited to professional development, extended school days, or parent academies.
- h. Authorization by the State Board of Education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Article 14A of this Chapter.

(a1) The State Board of Education shall authorize the adoption of the principal turnaround model in no more than 10 schools statewide."

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

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

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

SECTION 5. Evaluation of the Achievement School District. – The State Board of Education shall contract with an independent research organization to evaluate the implementation and effectiveness of the Achievement School District in turning around low-achieving schools at the conclusion of the initial five-year contracts in 2022. The independent research organization shall include an analysis on the impact of public versus private funding in the effectiveness of the Achievement School District. The independent research organization shall report its findings to the State Board of Education no later than February 15, 2023. The State Board of Education shall provide the report of the independent research commission to the Joint Legislative Education Oversight Committee no later than March 1, 2023, along with any recommended

1 legislative changes. It is the intent of the General Assembly to appropriate funding for
2 the evaluation of the Achievement School District in 2022.

3 **SECTION 6.** There is appropriated from the General Fund to the Department
4 of Public Instruction four hundred thousand dollars (\$400,000) for the 2016-2017 fiscal
5 year for salary and benefits for the ASD Superintendent, staff, and other expenses
6 associated with the ASD. It is the intent of the General Assembly to appropriate to the
7 Department of Public Instruction four hundred thousand dollars (\$400,000) for the
8 2017-2018 fiscal year and annually thereafter for salary and benefits for the ASD
9 Superintendent, staff, and other expenses associated with the ASD.

10 **SECTION 7.** It is the intent of the General Assembly to appropriate to the
11 Department of Public Instruction three hundred seventy five thousand (\$375,000) for
12 the 2017-2018 fiscal year and annually thereafter for principal turnaround reform model
13 grants. Upon appropriation of funds, the State Board of Education shall award principal
14 turnaround reform model grants of up to seventy five thousand (\$75,000) per fiscal year
15 for five years to local boards of education who (i) have been authorized to adopt the
16 principal turnaround reform model by the State Board for a school, and (ii) provide a
17 dollar-for-dollar match with non-State funding for the requested grant amount. Principal
18 turnaround reform model grants shall be used by local boards of education to provide
19 substantial incentives for turnaround principals and to provide additional discretionary
20 funds for use by the turnaround principal to address specific issues in the school.

21 **SECTION 8.** It is the intent of the General Assembly to appropriate to the
22 Department of Public Instruction four hundred fifty thousand dollars (\$450,000) for the
23 2017-2018 fiscal year and annually thereafter for innovation zone model grants. Upon
24 appropriation of funds, the State Board of Education shall award innovation zone model
25 grants of up to one hundred fifty thousand (\$150,000) per fiscal year for five years to
26 local boards of education who (i) have been authorized to adopt the innovation zone
27 model by the State Board for up to three schools, and (ii) provide a dollar-for-dollar
28 match with non-State funding for the requested grant amount. Innovation zone model
29 grants shall be directed by local boards of education to the innovation zone office to
30 address specific issues in innovation zone schools.

31 **SECTION 9.** This act becomes effective only if funds are appropriated by
32 the Current Operations Appropriations Act of 2016 for the Achievement School
33 District.

34 **SECTION 10.** This act is effective when it becomes law, and supervision of
35 achievement schools by the Achievement School District shall begin with the
36 2017-2018 school year. In the discretion of the State Board of Education (i) the ASD
37 Superintendent may not be required during the 2016-2017 school year to recommend
38 qualifying schools for inclusion in the ASD for the 2017-2018 school year and (ii) the
39 timeline for selection of achievement schools for the 2017-2018 school year provided in
40 G.S. 115C-75.7 may be varied, but in no event may the local board of education's
41 decision occur later than April 1, 2017. The State Board of Education may select up to
42 five qualifying schools to transfer to the ASD beginning with the 2017-2018 school
43 year, but shall select at least two qualifying schools to transfer to the ASD no later than
44 the 2018-2019 school year and shall have selected five qualifying schools for transfer to
45 the ASD no later than the 2019-2020 school year.

