

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

HOUSE BILL 1080
RATIFIED BILL

AN ACT TO ESTABLISH THE ACHIEVEMENT SCHOOL DISTRICT.

The General Assembly of North Carolina enacts:

SECTION 1. Subchapter III of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 7A.

"Achievement School District and Innovation Zones.

"§ 115C-75.5. Definitions.

The following definitions apply in this Article:

- (1) Achievement school. – A qualifying school selected by the State Board of Education under the supervision of the Achievement School District.
- (2) Achievement School District or ASD. – The statewide school unit established pursuant to this Article.
- (3) Achievement school operator or AS operator. – An entity selected by the State Board of Education upon the recommendation of the ASD Superintendent to operate an achievement school. The Department of Public Instruction may not be selected as an AS operator.
- (4) ASD Superintendent. – The superintendent of the ASD appointed by the State Board of Education in accordance with G.S. 115C-75.6(b).
- (5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37, that meets one of the following criteria:
 - a. The school received a school performance score in the lowest five percent (5%) of all schools in the prior school year that meet all of the following requirements:
 1. The school includes all or part of grades kindergarten through fifth.
 2. The school did not exceed growth in at least one of the prior three school years and did not meet growth in at least one of the prior three school years.
 3. One of the models established in G.S. 115C-105.37B for continually low-performing schools had not been adopted for that school for the immediately prior school year.
 - b. The school received a school performance score in the lowest ten percent (10%) of all schools that include all or part of grades kindergarten through fifth in the prior school year and has been designated by the local board of education for consideration by the State Board of Education as an achievement school.

"§ 115C-75.6. Achievement School District.

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

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



- (1) Three members of the State Board of Education.
- (2) One teacher or retired teacher.
- (3) One principal or retired principal.
- (4) One superintendent or retired superintendent.
- (5) One parent of a student currently enrolled in a low-performing school, as defined in G.S. 115C-105.37.

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

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

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

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

(b) Selection Process. – The selection of qualifying schools shall be based on an analysis of performance over the most recent three-year period. Prior to recommendation of selection of a qualifying school, the ASD Superintendent shall conduct an evaluation of the school to determine the factors contributing to the school's performance and shall confer with the school principal, local board of education members, the local school superintendent, and the local board of county commissioners to share the findings of the evaluation. The school selection process shall also include a public hearing to allow for parent and community input. The ASD Superintendent shall evaluate and identify the qualifying schools to recommend for selection as prospective achievement schools no later than November 15 prior to the initial school year in which the school may operate as an achievement school and shall notify the local boards of education where prospective achievement schools are located by that date. The State Board of Education shall select the prospective achievement schools no later than January 15.

(c) Local Board Response. – Upon notification by the ASD Superintendent of selection by the State Board of Education of the qualifying school as a prospective achievement school, the local board of education shall determine whether to (i) close the selected qualifying school or (ii) transfer the school into the ASD. The local board shall not be required to undertake the study required by G.S. 115C-72 before closing the school. Before the adoption of a resolution, the local board of education shall provide for a public hearing in regard to the proposed transfer or closure, at which hearing the public shall be afforded an opportunity to express their views. No later than March 1, the local board of education shall adopt a resolution either (i) consenting to transfer of the selected qualifying school to the ASD as an achievement school or (ii) closing that school at the conclusion of that school year. The State Board of Education may delay the transfer of a selected school to the ASD for one year only upon the recommendation of the ASD Superintendent.

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

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

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

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

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

- (1) The entity has a record of results in improving performance of persistently low-performing schools or improving performance of a substantial number of persistently low-performing students within a school or schools operated by the entity in this State or other states.
- (2) The entity has a credible and specific plan for dramatically improving student achievement in a low-performing school and provides evidence that the entity, or a contractual affiliate of such an entity, is either currently operating a school or schools in this State that provide students a sound, basic education or demonstrating consistent and substantial growth toward providing students a sound, basic education in the prior three school years.

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

(d) The contract between the State Board of Education and AS operator shall require, as a minimum, that the AS operator meet the same requirements as established for charter schools in the following statutes:

- (1) G.S. 115C-218.20 (Civil liability and insurance requirements).
- (2) G.S. 115C-218.25 (Open meetings and public records).
- (3) G.S. 115C-218.30 (Accountability; reporting requirements to State Board of Education).
- (4) G.S. 115C-218.50 (Charter school nonsectarian).
- (5) G.S. 115C-218.55 (Nondiscrimination in charter schools).
- (6) G.S. 115C-218.60 (Student discipline).
- (7) G.S. 115C-218.65 (North Carolina School Report Cards).
- (8) G.S. 115C-218.75 (General operating requirements).
- (9) G.S. 115C-218.85 (Course of study requirements).

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

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

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

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

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

- (1) In addition to the transfer of funds as provided in G.S. 115C-75.10, the local board of education shall be responsible for facility and capital expenditures at the qualifying school.
- (2) All AS operators and local boards of education shall enter into an occupancy agreement establishing the terms of occupancy for the AS operator not otherwise addressed in statute. If the parties are unable to reach agreement, either party may petition the State Board of Education to resolve any issues in dispute.
- (3) The AS operator shall have first priority in use of the facility for any purpose related to the operation of the achievement school. The local board of education may allow use of the facility by governmental, charitable, civic, or

other organizations for activities within the community and may retain any funds received for such use for any time the AS operator has not provided written notice to the local board of its use of the facility during that time for a purpose related to the operation of the achievement school.

For the purposes of this subsection, facility and capital expenditures include routine maintenance and repair, and capital expenditures include building repair and maintenance, furniture, furnishings, and equipment.

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

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

- (1) Facility and capital expenditures.
- (2) Transportation services.
- (3) Services for Children with Disabilities.

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

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

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

(i) Criminal History Checks. – The State Board of Education shall require applicants for employment with the ASD to be checked for criminal histories using the process provided in G.S. 115C-297.1. The State Board of Education shall provide the criminal history it receives to the ASD Superintendent and AS operator.

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

- (1) Continue the employee's employment with the local board of education.
- (2) Dismiss the employee due to a reduction in force as provided in Article 22 of this Chapter.
- (3) Dismiss the employee as otherwise provided in Article 22 of this Chapter.

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

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

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

"§ 115C-75.10. Achievement schools funds.

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

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

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

- a. An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the achievement school was located for each child attending the achievement school except for the allocations for (i) children with disabilities, (ii) children with limited English proficiency, and (iii) transportation. The State Board of Education shall provide the allocation for transportation to the local school administrative unit in which the achievement school is located.
- b. An additional amount for each child attending the achievement school who is a child with disabilities.
- c. An additional amount for children with limited English proficiency attending the achievement school, based on a formula adopted by the State Board of Education.

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

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

(c) Funding Memorandum of Understanding. – The AS operator, in consultation with the ASD Superintendent, may enter into a funding memorandum of understanding with the local board of education of the local school administrative unit where the achievement school is located for all student support and operational services and instructional services to be provided by the local board of education in the same manner and degree as in the prior school year or funding in an amount equivalent to the amount the local board of education would have

expended on those services if provided. For the purposes of this subsection, student support and operational services include cafeteria services, custodial services, broadband and utilities, and student information services, and instructional services include alternative education, special education services, test administration services, textbooks, technology, media resources, instructional equipment, and other resources. The AS operator and local board of education shall finalize the funding memorandum of understanding within 30 days of the initial request for the memorandum by the AS operator. If the parties have not completed the funding memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

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

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

(a) The AS operator shall set clear goals related to higher academic outcomes for students, safe and positive learning environments for children, parent and community engagement, and the efficient and effective use of taxpayer dollars, empower and equip teachers and school leaders to meet the goals, and hold such teachers and school leaders accountable to meet the goals. The AS operator shall apply to the ASD Superintendent for appropriate waivers for the achievement school pursuant to G.S. 115C-75.7(e).

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

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

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

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

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

- (1) Early termination of contract based on performance. – If, during the five-year contract, the achievement school's annual percentage growth does not exceed the average annual percentage growth of other qualifying schools for three consecutive years, the State Board of Education, upon the recommendation of the ASD Superintendent, may terminate the contract at the conclusion of the academic year and select another AS operator in accordance with G.S. 115C-75.8 to assume the remainder of the five-year contract and any occupancy agreements or memorandums of understanding with the local board of education at the beginning of the next academic year.
- (2) Nonrenewal of contract based on performance. – If, by the end of the five-year contract, the achievement school's average annual percentage growth during the term of the contract does not exceed the average annual percentage growth of other qualifying schools during the same term, the State Board of Education shall not renew the contract of the AS operator and develop a transition plan to return the school to the local school administrative unit.
- (3) State Board of Education optional extension of contract for three years. – If, by the end of the five-year contract, the achievement school remains a qualifying school but has exceeded the average annual percentage growth of other qualifying schools and has shown growth over the term of the contract, the State Board of Education, upon the recommendation of the ASD Superintendent in his or her discretion, may continue the contract with the AS operator for an additional three-year term. The ASD Superintendent and AS operator shall engage the school, the school community, and the school's local board of education in developing a transition plan for the school to leave the supervision of the ASD at the conclusion of the three-year

extension of the contract. If the State Board of Education does not elect to continue the contract, the State Board of Education may do any of the following:

- a. Select another AS operator for a three-year contract.
- b. Close the school as provided in subdivision (2) of this subsection.
- c. Develop a transition plan to return the school to the local school administrative unit for the next school year.

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

- a. Conversion to charter. – If, in the development of the transition plan, a local board of education indicates by resolution to the State Board of Education that the local board of education elects to not receive the transfer of the achievement school back to the local school administrative unit, the AS operator may apply to convert the school to a charter school under Article 14A of this Chapter. If a charter is awarded, the charter board of directors may request to use the facility as provided in G.S. 115C-218.35. If the AS operator does not seek conversion to a charter school or fails to receive a charter, the State Board of Education may close the school as provided in subdivision (2) of this subsection.
- b. Alternate as operator or return to local school administrative unit. – If the AS operator does not elect to continue the contract, the State Board of Education may select another AS operator for a three-year contract or may develop a transition plan to return the school to the local school administrative unit for the next school year.

(5) Termination of contract on other grounds. – The State Board of Education, upon the recommendation of the ASD Superintendent, may terminate a contract with an AS operator at any time during the contract for financial mismanagement, noncompliance with federal or State laws, failure to comply with the terms of the contract, or evidence of criminal activity. The State Board of Education shall develop a transition plan to return the school to the local school administrative unit.

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

(c) The State Board of Education shall make all decisions related to contracts for AS operators no later than May 1, except as provided in subdivision (5) of subsection (a) of this section.

"§ 115C-75.13. Innovation zones.

(a) If a local board of education transfers a qualifying school to the ASD, the local board of education may ask the State Board of Education to be allowed to create an innovation zone for up to three continually low-performing schools within its local school administrative unit. The State Board of Education shall grant such requests for the creation of an innovation zone. The State Board of Education shall also authorize the local board of education the flexibility to operate the schools within the innovation zone with the same exemptions from statutes and rules as a charter school authorized under Article 14A of this Chapter and with exemptions from local board of education policies as needed to ensure autonomy under the guidance of the innovation zone office for financial, programmatic, staffing, and time allocation decisions.

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

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

- (2) Establishment of an innovation zone office with a leader appointed by the local board of education and approved by the State Board of Education to govern and lead the schools in the innovation zone.
- (3) Attraction of high-quality staff at schools in the innovation zone through the use of incentives, favorable working conditions, and development of partnerships to develop human capital.
- (4) Accountability for those schools based on established benchmarks and goals for student achievement and for support services provided by the local school administrative unit based on metrics established by the innovation zone office for effective and efficient delivery.
- (5) Support for those schools by the innovation zone office to ensure priority in services from the local school administrative unit, pursuit of outside funding, and technical support, including support from external partners.

(c) A local board of education may maintain an innovation zone created as provided in subsection (a) for up to five consecutive years. The State Board of Education may terminate the innovation zone as follows:

- (1) Early termination of innovation zone based on performance. – If, during the five-year period, the average of the annual percentage growth of the schools within the innovation zone does not exceed the average annual percentage growth of other continually low-performing schools for three consecutive years, the State Board of Education, upon the recommendation of the ASD Superintendent, may terminate the innovation zone at the conclusion of the academic year.
- (2) Nonrenewal of innovation zone based on performance. – If, by the end of the five-year period, the average annual percentage growth of the schools within the innovation zone over the five-year period does not exceed the average annual percentage growth of other continually low-performing schools during the same term, the State Board of Education shall not permit the local board of education to continue the innovation zone.
- (3) State Board of Education optional extension of innovation zone for three years. – If, by the end of the five-year period, the schools within the innovation zone remain continually low-performing schools but have exceeded the average annual percentage growth of other continually low-performing schools, the State Board of Education, upon the recommendation of the ASD Superintendent in his or her discretion, may allow continuation of the innovation zone for an additional three years.
- (4) Local board of education option to extend innovation zone for three years. – If, by the end of the five-year period, the schools within the innovation zone receive a grade of C or higher under G.S. 115C-12(9)c1., the local board of education shall have the option to extend the innovation zone for another three years."

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

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

SECTION 3. 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 4. Evaluation of the Achievement School District and Other Innovation Models. – The State Board of Education shall contract during the 2016-2017 school year with an independent research organization to evaluate the implementation and effectiveness of the following:

- (1) The Achievement School District in turning around low-performing schools beginning with the 2017-2018 school year through the 2021-2022 school year, including the innovation zone established in Section 4.5 of this act. The State Board of Education shall require AS operators to provide the independent research organization with requested data to conduct the evaluation. The independent research organization shall include an analysis on the impact of public versus private funding in the effectiveness of the Achievement School District.
- (2) Innovation zones in turning around low-performing schools beginning with the 2016-2017 school year through the 2021-2022 school year. The State Board of Education shall require local boards of education granted innovation zones to provide the independent research organization with requested data to conduct the evaluation.

The independent research organization shall report its interim findings to the State Board of Education annually no later than February 15, beginning in 2017, and shall submit a final report no later than February 15, 2023. The State Board of Education shall provide the report of the independent research commission, along with any recommended legislative changes, to the Joint Legislative Education Oversight Committee annually no later than March 1, beginning in 2017 until submission of the final report in 2023.

SECTION 4.5 The State Board of Education shall authorize the Charlotte-Mecklenburg (CMS) Board of Education to create an innovation zone among Project LIFT schools and Beacon Initiative schools, as provided in G.S. 115C-75.13, for the 2017-2018 through 2021-2022 school years. Notwithstanding G.S. 115C-75.13, the CMS innovation zone may include up to five low-performing schools. For the purposes of this section, Project LIFT schools are those schools within the feeder area for West Charlotte High School governed by the collaborative agreement between the CMS Board of Education and Project Leadership and Investment for Transformation. Beacon Initiative schools are those schools designated by the CMS Board of Education to participate in the Beacon Initiative Partnership between the CMS Board of Education and the University of Virginia.

SECTION 5. There is appropriated from the General Fund to the Department of Public Instruction four hundred thousand dollars (\$400,000) in recurring funds for the 2016-2017 fiscal year for salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD. There is appropriated from the General Fund to the Department of Public Instruction five hundred thousand dollars (\$500,000) for the 2016-2017 fiscal year to contract with an independent research organization to conduct the evaluation required in Section 4 of this act.

SECTION 6. It is the intent of the General Assembly to appropriate to the Department of Public Instruction four hundred fifty thousand dollars (\$450,000) for the 2017-2018 fiscal year and annually thereafter for innovation zone model grants. Upon appropriation of funds, the State Board of Education shall award innovation zone model grants of up to one hundred fifty thousand dollars (\$150,000) per fiscal year for five years to local boards of education who (i) have been authorized to adopt the innovation zone model by the State Board of Education for up to three schools and (ii) provide a dollar-for-dollar match with non-State funding for the requested grant amount. Innovation zone model grants shall be directed by local boards of education to the innovation zone office to address specific issues in innovation zone schools.

SECTION 7. This act becomes effective only if funds are appropriated by the Current Operations Appropriations Act of 2016 for the Achievement School District.

SECTION 8. This act is effective when it becomes law and supervision of achievement schools by the Achievement School District shall begin with the 2017-2018 school year. In the discretion of the State Board of Education (i) the ASD Superintendent may not be required during the 2016-2017 school year to recommend qualifying schools for inclusion in the ASD for the 2017-2018 school year and (ii) the time line for selection of achievement schools for the 2017-2018 school year provided in G.S. 115C-75.7 may be varied, but in no event may the local board of education's decision occur later than April 1, 2017. The State Board of Education may select up to five qualifying schools to transfer to the ASD beginning with the 2017-2018 school year but shall select at least two qualifying schools to transfer to the ASD no later than the 2018-2019 school year and shall have selected five qualifying schools for transfer to the ASD no later than the 2019-2020 school year.

In the General Assembly read three times and ratified this the 30th day of June, 2016.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Pat McCrory
Governor

Approved _____ .m. this _____ day of _____, 2016