

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 571

Short Title: Codify/Expand Renewal School System. (Public)

Sponsors: Senator Lee (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 7, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO CODIFY AND EXPAND THE RENEWAL SCHOOL SYSTEM OPTIONAL
3 PROGRAM FOR LOCAL SCHOOL ADMINISTRATIVE UNITS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 16 of Chapter 115C of the General Statutes is amended by
6 adding a new Part to read:

7 "Part 12. Renewal School Systems.

8 **"§ 115C-238.90. Definitions.**

9 The following definitions apply in this Part:

10 (1) Eligible local board of education. – A local board of education of a local
11 school administrative unit that meets one of the following criteria:

12 a. For data applicable to the 2017-2018 school year, the local school
13 administrative unit meets all of the following:

14 1. Greatest percentage of restart model schools in the State
15 approved by the State Board of Education pursuant to
16 G.S. 115C-105.37B(a)(2).

17 2. Eligible for low-wealth supplemental funding.

18 3. An average daily membership of more than 10,000 students.

19 b. For data applicable to the 2021-2022 school year, the local school
20 administrative unit meets all of the following:

21 1. Designated as located in a development tier two area as defined
22 in G.S. 143B-437.08.

23 2. Not eligible for low-wealth supplemental funding.

24 3. An average daily membership of more than 25,000 students.

25 4. Less than 50 schools located in the unit governed by the local
26 board.

27 (2) Renewal school system. – A local school administrative unit that is operating
28 under an approved renewal school system plan.

29 (3) Renewal school system plan. – A local school administrative unit renewal plan
30 approved by the State Board of Education pursuant to G.S. 115C-238.91.

31 **"§ 115C-238.91. Submission of renewal school system plans; purpose; approval by State**
32 **Board.**

33 (a) Application of Renewal School System Plans; Purpose. – An eligible local board of
34 education of a local school administrative unit may submit a renewal school system plan to the
35 State Board of Education to permit the eligible local board of education to decide all matters
36 related to the operation of the schools under its control within the local school administrative



1 unit, including use of State funds, curriculum, and operating procedures, except as otherwise
2 provided in this Part. The purpose of operating the local school administrative unit under a
3 renewal school system plan shall be for the eligible local board of education to design and create
4 a comprehensive, innovative strategic vision for sustainable school improvement and student
5 achievement through the delivery of instruction and resources tailored to the needs of the students
6 and the community.

7 (b) Review of the Renewal School System Plan. – An eligible local board of education
8 shall submit an application prior to July 1 to begin operation of the renewal school system plan
9 for the next school year. The State Board shall review, in consultation with the Superintendent
10 of Public Instruction, a renewal school system plan that meets the requirements of this section
11 and notify the board within 30 days of submission of the plan to the State Board. The eligible
12 local board of education shall include at least the following components in its renewal school
13 system plan:

- 14 (1) A resolution adopted by the eligible local board of education to implement the
15 plan in the local school administrative unit.
- 16 (2) A description of how the plan shall meet the purpose set forth in subsection
17 (a) of this section and an outline of strategic goals, including improving
18 student achievement and at least the following:
 - 19 a. Policies and support services that will enhance the ability of each
20 school in the local school administrative unit to achieve its own
21 strategic vision and plan within the context of the local school
22 administrative unit's vision.
 - 23 b. Strategies for attaining and retaining high quality instructional,
24 support, and administrative school personnel employed by the eligible
25 local board of education.
 - 26 c. Methods for the analysis of data to ensure the eligible local board of
27 education is meeting its strategic goals.

28 (c) State Board Approval. – The State Board may approve a renewal school system plan
29 that meets the requirements of this section upon a recommendation from the Superintendent of
30 Public Instruction. The State Board may also establish a proposed initial term of operation for
31 the plan with a schedule for extensions. In accordance with subsection (a) of this section, the
32 renewal school system shall be exempt from statutes and rules applicable to other local school
33 administrative units for the purpose of operating its schools, except as otherwise provided in this
34 Part. For the purposes of federal law and administration of State law, a renewal school system
35 shall be considered a local school administrative unit.

36 **"§ 115C-238.92. Applicability of certain statutes.**

37 (a) A renewal school system shall be subject to the following Articles and sections of this
38 Chapter:

- 39 (1) Article 1, Definitions and Preliminary Provisions.
- 40 (2) Article 5, Local Boards of Education, except for the following subdivisions of
41 G.S. 115C-47, Powers and duties generally:
 - 42 a. (5) [To Fix Time of Opening and Closing Schools].
 - 43 b. (10) [To Assure Appropriate Class Size].
 - 44 c. (11) [To Determine School Calendar].
 - 45 d. (13) [To Elect a Superintendent].
 - 46 e. (14) [To Supply an Office, Equipment and Clerical Assistance for the
47 Superintendent].
 - 48 f. (15) [To Prescribe Duties of Superintendent].
 - 49 g. (16) [To Remove a Superintendent, When Necessary].
 - 50 h. (17) [To Employ Assistant Superintendents and Supervisors].

- 1 i. (18a) [To Adopt Rules and Policies Limiting the Noninstructional
2 Duties of Teachers].
3 j. (21) [Employee Salary Schedules].
4 k. (32) [To Refer All Students Who Drop Out of the Public Schools to
5 Appropriate Services].
6 l. (32a) [To Establish Alternative Learning Programs and Develop
7 Policies and Guidelines].
8 m. (34a) [To Establish Work-Based Opportunities and Encourage High
9 School to Work Partnerships].
10 n. (35) [To Produce School Building Improvement Reports].
11 o. (38) [To Establish School Improvement Teams].
12 (3) Article 7, Organization of Schools.
13 (4) G.S. 115C-81.30, Reproductive health and safety education provided by local
14 school administrative units.
15 (5) G.S. 115C-81.65, Financial literacy.
16 (6) Part 1A, North Carolina Read to Achieve Program, and Part 1B of Article 8,
17 School Performance.
18 (7) Article 9, Education of Children With Disabilities.
19 (8) Part 3, Preliminary Scholastic Aptitude Test Opportunities Encouraged, and
20 Part 5, Career and College Readiness, of Article 10A.
21 (9) Article 8C, Local Safety Plans, except G.S. 115C-105.47A, Proposals to
22 establish alternative learning programs or alternative schools, and
23 G.S. 115C-105.48, Placement of students in alternative schools/alternative
24 learning programs.
25 (10) Subsections (c) through (e) of G.S. 115C-218.105, State and local funds for a
26 charter school.
27 (11) Part 9 of Article 16, Cooperative Innovative High School Programs.
28 (12) Part 2 of Article 17, Food Service.
29 (13) Article 21A, Privacy of Employee Personnel Records.
30 (14) G.S. 115C-325, System of employment for public school teachers, Part 6,
31 Criminal History Checks, and Part 8, Sexual Harassment Policies, of Article
32 22.
33 (15) Article 23, Employment Benefits.
34 (16) Article 25, Admission and Assignment of Students, except G.S. 115C-372,
35 Assignment to school bus.
36 (17) Article 25A, Special Medical Needs of Students.
37 (18) Article 25B, Mental Health Needs of Students.
38 (19) Article 26, Attendance.
39 (20) Article 27, Discipline.
40 (21) Article 28, Student Liability.
41 (22) Article 29, Protective Provisions and Maintenance of Student Records.
42 (23) Article 29A, Policy Prohibiting Use of Tobacco Products.
43 (24) Article 29D, Student Prayer and Religious Activity.
44 (25) Article 31, The School Budget and Fiscal Control Act, except G.S. 115C-438,
45 Provision for the disbursement of State money, and G.S. 115C-451, Reports
46 to State Board of Education; failure to comply with School Budget Act.
47 (26) Article 33, Assumption of School District Indebtedness by Counties.
48 (27) Article 34, Refunding and Funding Bonds of School Districts.
49 (28) Article 34B, Qualified Zone Academy Bonds and Qualified School
50 Construction Bonds.
51 (29) Article 35, Voluntary Endowment Fund for Public Schools.

1 (30) Article 36, Voted Tax Supplements for School Purposes.

2 (31) Article 37, School Sites and Property, except the class size requirements set
3 forth in G.S. 115C-521(a).

4 **"§ 115C-238.93. General operating requirements.**

5 (a) Course of Study. – The renewal school system shall provide at least the following as
6 part of the course of study:

7 (1) Provide instruction each year for at least 185 days or 1,025 hours over nine
8 calendar months.

9 (2) Design its programs to meet, at a minimum, the student performance standards
10 adopted by the State Board of Education and the student performance goals
11 contained in the plan.

12 (3) Conduct the student assessments required by G.S. 115C-174.11.

13 (b) Identification of Low-Performing Schools. – The State Board shall identify
14 low-performing schools located in the renewal school system on an annual basis.
15 Low-performing schools are those that earn an overall school performance grade of D or F and
16 a school growth score of "met expected growth" or "not met expected growth" as defined by
17 G.S. 115C-83.15. The State Board shall also identify continually low-performing schools in the
18 renewal school system on an annual basis. A continually low-performing school is a school that
19 has been designated by the State Board as low-performing for at least two of three consecutive
20 years.

21 (c) Transportation. – The renewal school system shall provide a system of transportation
22 to students in the local school administrative unit.

23 (d) Policy Against Bullying. – The renewal school system is encouraged to adopt a policy
24 against bullying or harassing behavior, including cyber-bullying, that is consistent with the
25 provisions of Article 29C of this Chapter. If the renewal school system adopts a policy to prohibit
26 bullying and harassing behavior, the unit shall, at the beginning of each school year, provide the
27 policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

28 (e) Reporting to the State Board. – The renewal school system shall comply with the
29 reporting requirements established by the State Board of Education in the Uniform Education
30 Reporting System. The renewal school system shall report at least annually to the State Board
31 any information required by the State Board.

32 (f) Driving Eligibility Certificates. – In accordance with rules adopted by the State
33 Board, the renewal school system shall direct the principal of each school in the renewal school
34 system to do all of the following regarding driving eligibility certificates:

35 (1) Sign driving eligibility certificates that meet the conditions established in
36 G.S. 20-11.

37 (2) Obtain the necessary written, irrevocable consent from parents, guardians, or
38 emancipated juveniles, as appropriate, in order to disclose information to the
39 Division of Motor Vehicles.

40 (3) Notify the Division of Motor Vehicles when a student who holds a driving
41 eligibility certificate no longer meets its conditions.

42 (g) Employees. – The renewal school system shall employ and establish the terms of any
43 new or renewed contract with necessary school administrators and teachers to perform the
44 particular service for which they are employed in the schools or in a central administrative role
45 for the renewal school system except for those teachers employed pursuant to G.S. 115C-325. At
46 least fifty percent (50%) of the teachers in a school shall hold teacher licenses. All teachers who
47 are teaching in the core subject areas of mathematics, science, social studies, and language arts
48 shall be college graduates. The renewal school system also may employ necessary employees
49 who are not required to hold teacher licenses to perform duties other than teaching and may
50 contract for other services.

51 **"§ 115C-238.94. State funds.**

1 (a) Calculation of Funds. – The Department of Public Instruction shall calculate the
2 amount of State funds to be allocated to the renewal school system on the same basis as other
3 local school administrative units and shall distribute those funds to the unit. The State Board of
4 Education shall establish a policy for converting guaranteed positions to a dollar equivalent for
5 the renewal school system. The funds allocated to the renewal school system shall be subject to
6 any restrictions as to use imposed by federal law, the conditions of federal or State grants, or as
7 provided through any rules that the State Board adopts to ensure compliance with federal
8 regulations. Use of these funds shall otherwise be unrestricted except as provided in this section.

9 (b) Provision for Disbursement of State Money. – The deposit of money in the State
10 treasury to the credit of the renewal school system shall be made as necessary for the operation
11 of the local school administrative unit.

12 The State Board of Education may withhold money to be distributed to the renewal school
13 system if any report required to be filed with State school authorities is more than 30 days
14 overdue.

15 Money in the State Public School Fund and State bond moneys shall be released only on
16 warrants drawn on the State Treasurer, signed by a local official as required by the State Board.

17 (c) State Budget Act Compliance. – The State Board shall have authority to require the
18 renewal school system to make reports as it may deem advisable with respect to the financial
19 operation of the schools located in the renewal school system. If the local board of education
20 willfully or negligently fails or refuses to comply with applicable laws and regulations of the
21 School Budget and Fiscal Control Act, the State Board shall issue a warning to the local board
22 of education and direct it to take remedial action. If the local board of education, after warning,
23 persists in willfully or negligently failing or refusing to comply with these laws and regulations,
24 the State Board shall by resolution assume control of the financial affairs of the local board of
25 education and shall appoint an administrator to exercise the powers assumed. The adoption of a
26 resolution shall have the effect of divesting the local board of education of its powers as to the
27 adoption of budgets, expenditure of money, and all other financial powers conferred upon the
28 local board of education by law.

29 (d) Withholding for Retirement Contributions. – Upon notification by the Board of
30 Trustees of the Teachers' and State Employees' Retirement System to the State Treasurer and the
31 Office of State Budget and Management as to any default of the renewal school system, the State
32 Board shall withhold from any State appropriation due to the renewal school system an amount
33 equal to the sum of all delinquent contributions and payments due to the Retirement Systems
34 Division and shall transmit that amount to the Retirement Systems Division.

35 **"§ 115C-238.95. State Board of Education review; termination of plan; reporting.**

36 (a) Review of the Plan; Grounds for Termination. – The State Board shall conduct a
37 review of the operation and student performance of a renewal school system at least every three
38 years during the operation of a renewal school system plan to ensure that the renewal school
39 system is meeting the expected academic, financial, and governance strategic goals set forth in
40 the plan. The State Board may terminate a renewal school system plan after a review upon any
41 of the following grounds:

42 (1) Failure to meet the requirements for student performance contained in the
43 plan.

44 (2) The majority of schools in the renewal school system have been identified as
45 low-performing schools in the two school years immediately preceding the
46 review.

47 If the State Board determines that the renewal school system has failed to meet generally
48 accepted standards of fiscal management or violated State or federal law, the State Board may
49 terminate the renewal school system plan prior to any established term of operation in the plan.
50 In addition, if the Superintendent of Public Instruction finds that satisfactory progress is not being
51 made after reviewing the reports required to be submitted under subsection (b) of this section,

1 the Superintendent shall recommend to the State Board that the renewal school system plan be
2 terminated immediately. The State Board shall terminate the renewal school system plan if such
3 a recommendation is made by the Superintendent.

4 Upon termination of the renewal school system plan by the State Board, the State Board shall
5 develop a transition plan for the local board of education to revert to operating the local school
6 administrative unit in accordance with applicable State laws and regulations for other local school
7 administrative units.

8 (b) Reporting to Superintendent. – The renewal school system shall report to the
9 Superintendent of Public Instruction as follows:

10 (1) An annual report on the assessment instruments used pursuant to
11 G.S. 115C-174.11(a) and the student outcomes based on those assessments.

12 (2) An annual report on the number of classroom teacher and school administrator
13 vacancies, turnover, and use of long-term substitutes in filling vacancies for
14 both classroom teachers and school administrators. This report shall also
15 provide comparisons with the statewide data on these items. In addition, the
16 report shall also provide comparisons with the previous year's data on these
17 items both at the local school administrative unit level and statewide.

18 (3) An annual report on student absences. This data shall provide comparisons
19 with the previous year's data on these items.

20 (4) Any other reporting requirements deemed necessary by the Superintendent of
21 Public Instruction."

22 **SECTION 2.** Section 6 of S.L. 2018-32, as amended by Section 4(d) of S.L. 2019-82,
23 Section 3(f) of S.L. 2019-176, and Section 1(f) of S.L. 2020-7, is repealed.

24 **SECTION 3.** Beginning with the 2021-2022 school year, a local school
25 administrative unit operating under an approved renewal school system plan pursuant to Section
26 6 of S.L. 2018-32 as of the date this act becomes law shall continue to operate as a renewal school
27 system subject to Part 12 of Article 16 of Chapter 115C of the General Statutes, as enacted by
28 this act.

29 **SECTION 4.** There is appropriated from the General Fund to the Department of
30 Public Instruction the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for
31 the 2021-2022 fiscal year and five hundred thousand dollars (\$500,000) in nonrecurring funds
32 for the 2022-2023 fiscal year to be allocated to the local school administrative unit operating
33 under an approved renewal school system plan pursuant to Section 6 of S.L. 2018-32 as of the
34 date this act becomes law to be used for operating expenses of the unit.

35 **SECTION 5.** Sections 2 and 4 of this act become effective July 1, 2021. The
36 remainder of this act is effective when it becomes law and applies beginning with the 2021-2022
37 school year.