



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 15: ISD Changes and Capital Grant Clarification.

2017-2018 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 14, 2018
Introduced by:	Sens. J. Davis, Tillman	Prepared by:	Samantha Yarborough Staff Attorney
Analysis of:	PCS to Third Edition S15-CSBN-8		

OVERVIEW: *The 3rd Edition of Senate Bill 15 would do the following:*

- Allow schools that have adopted a reform model to be considered qualifying schools for the Innovative School District (ISD).
- Allow the ISD Superintendent to select up to two additional qualifying schools per year beginning with the 2021-2022 school year.
- Require the State Board of Education to select prospective innovative schools by November 15.
- Require local boards of education to submit a closure plan to the State Board of Education and adopt a resolution to transfer or close the school by December 15.
- Grant the innovative school operator (IS operator) first priority in the use of capital expenditures at the school.
- Change the timeline for memoranda of understanding between the IS operator and the local board to 45 days.
- Require the ISD Superintendent's approval of the innovative school principal.
- Allow teachers to retain career status if the school at which they teach becomes an innovative school.
- Allow, rather than require, low-performing schools in an innovation zone to become an innovative school.
- In Part II, allow local boards of education in certain counties and cities to contract with the spouse of the superintendent.

The PCS would replace Part II of the 3rd edition of Senate Bill 15 with a clarification of the definition of tier one areas for the purposes of the Needs-Based Public School Capital grants.

PART I

CURRENT LAW and BILL ANALYSIS:

The ISD was created in 2016 to supervise, manage, and operate schools as innovative schools. The State Board of Education is authorized to select, upon the recommendation of the ISD Superintendent, no more than five qualifying elementary schools to transfer to the ISD as innovative schools. The selection of

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate PCS 15

Page 2

qualifying schools is based on an analysis of performance over the most recent three-year period. Schools are transferred to the ISD for at least five consecutive years.

Section 1.(a)

Currently, if a low-performing school has adopted a reform model established in G.S. 115C-105.37B, it is not eligible to be considered as a qualifying school for recommendation to become an innovative school. Senate Bill 15 would remove this restriction.

Section 1.(b)

Currently, the State Board of Education may select no more than five qualifying elementary schools to transfer to the ISD as innovative schools.

Senate Bill 15 would allow the ISD superintendent to recommend up to two additional qualifying schools per school year for State Board approval beginning with the 2021-2022 school year, provided that the schools that have been in the ISD for three or more years have earned a grade of C or higher on the school report cards.

Section 1.(c)

Currently, the ISD Superintendent evaluates and identifies the qualifying schools to recommend for selection as prospective innovative schools no later than October 15 and the State Board of Education has until December 15 to select the prospective innovative schools.

Senate Bill 15 would adjust the timeline to require selection by the State Board by November 15.

Section 1.(d)

Currently, upon notification by the ISD Superintendent of selection by the State Board of Education of the qualifying school as a prospective innovative school, the local board of education must determine whether to close the selected qualifying school or transfer the school to the ISD. The local board is not required to study the impacts of closure. The local board must adopt a resolution to close or transfer the school by February 1.

Senate Bill 15 would require the local board to submit a plan to the State Board of Education that outlines the impact of closure, including information addressing the reassignment of students and staff, school bus travel time, and alternative enrollment options for students. The local board would be required to adopt a resolution to close or transfer the school by December 15.

Section 1.(e)

Currently, the IS operator has first priority in the use of the school facility that is transferred to the ISD.

Senate Bill 15 would explicitly include capital expenditures, including existing IT networks, hardware, computers, instructional technology, phones, and related cabling, as part of the facility transfer.

Section 1.(f)

Currently, if the IS operator chooses to use a memorandum of understanding (MOU) with the local board of education to provide alternate arrangements for facility and capital expenditures, transportation services, and services for Children with Disabilities, the parties have 30 days to finalize the MOU. If there are issues in dispute after 30 days, the State Board of Education resolves these issues.

Senate Bill 15 would allow the parties 45 days to finalize the MOU before the State Board of Education resolves any issues in dispute.

Senate PCS 15

Page 3

Section 1.(g)

Currently, the IS operator selects and hires the school principal for the innovative school. Senate Bill 15 would require the input and approval of the ISD Superintendent before a principal can be hired.

Currently, teachers employed with career status at a school transferred to the ISD who are hired by the ISD would not retain their career status if they later return to employment with the local school administrative unit. Senate Bill 15 would allow those teachers to return to the local school administrative unit with career status upon the end of employment at the innovative school.

Section 1.(h)

Currently, low-performing schools in an innovation zone are required to become innovative schools if the low-performing school does not exceed expected growth in the last two years of the five consecutive years in the innovation zone.

Senate Bill 15 would allow, rather than require, those schools to become innovative schools.

PART II

CURRENT LAW: S.L. 2017-57, Section 5.3.(e), as amended, defines the matching requirement from counties for needs-based public school capital grant funds awarded for the construction of new school buildings.

The matching requirements for recipient counties are as follows:

- Development tier one area: \$3 of grant funds for every \$1 of county funds, up to \$15,000,000 in grant funds
- Development tier two area: \$1 of grant funds for every \$1 of county funds, up to \$10,000,000 in grant funds

BILL ANALYSIS: The PCS would clarify that for the 2018-2019 fiscal year, a county is a development tier one area for the purpose of the matching requirement if that county (i) was designated a development tier one area by the Department of Commerce in either 2017 or 2018 and (ii) filed an application for a needs-based public school capital fund grant.

EFFECTIVE DATE: Part I of the PCS would become effective when it becomes law. Part II would become effective July 1, 2018.