



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

# SENATE BILL 15: ISD and Local Board Contracting Changes.

2017-2018 General Assembly

<b>Committee:</b>	House Education - K-12	<b>Date:</b>	June 5, 2018
<b>Introduced by:</b>	Sens. J. Davis, Tillman	<b>Prepared by:</b>	Samantha Yarborough Staff Attorney
<b>Analysis of:</b>	PCS to Second Edition S15-CSBN-2		

**OVERVIEW:** *Senate Bill 15 would require additional classroom teacher allotments for geographically isolated schools meeting certain requirements. The PCS would remove the contents of the 2nd edition and replace them with the following:*

- *Allow schools that have adopted a reform model to be considered qualifying schools for the Innovation 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.*
- *Allow local boards of education in certain counties and cities to contract with the spouse of the superintendent.*

## **SECTION 1**

### **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 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.

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## **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.

The PCS 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.

The PCS 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.

The PCS 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.

The PCS 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.

The PCS 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.

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

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## **Section 1.(g)**

Currently, the IS operator selects and hires the school principal for the innovative school. The PCS 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. The PCS 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.

The PCS would allow, rather than require, those schools to become innovative schools.

## **SECTION 2**

### **CURRENT LAW:**

G.S. 14-234 makes it a Class 1 misdemeanor for a public officer or employee who is involved in making or administering a contract on behalf of a public agency to derive a direct benefit from the contract. An exception exists for employment relationships between public agencies and the spouses of elected or appointed public officials. Superintendents are considered employees of the local school administrative unit, rather than elected or appointed public officials.

### **BILL ANALYSIS:**

The PCS would create an exception to G.S. 14-234 for employment contracts of the spouses of superintendents of county local school administrative units located in counties having a population of 65,000 or fewer, and the spouses of superintendents of city local school administrative units located in cities having a population of 15,000 or fewer.

**EFFECTIVE DATE:** The PCS for Senate Bill 15 would become effective when it becomes law.