

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H

4

HOUSE BILL 1080  
Committee Substitute Favorable 6/1/16  
Senate Education/Higher Education Committee Substitute Adopted 6/24/16  
Fourth Edition Engrossed 6/28/16

Short Title: Achievement School District.

(Public)

Sponsors:

Referred to:

May 11, 2016

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 amended by  
5 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. – A qualifying school selected by the State Board of  
11 Education under the supervision of the Achievement School District.
- 12 (2) Achievement School District or ASD. – The statewide school unit established  
13 pursuant to this Article.
- 14 (3) Achievement school operator or AS operator. – An entity selected by the State  
15 Board of Education upon the recommendation of the ASD Superintendent to  
16 operate an achievement school. The Department of Public Instruction may not  
17 be selected as an AS operator.
- 18 (4) ASD Superintendent. – The superintendent of the ASD appointed by the State  
19 Board of Education in accordance with G.S. 115C-75.6(b).
- 20 (5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37,  
21 that meets one of the following criteria:
- 22 a. The school received a school performance score in the lowest five  
23 percent (5%) of all schools in the prior school year that meet all of the  
24 following requirements:
- 25 1. The school includes all or part of grades kindergarten through  
26 fifth.
- 27 2. The school did not exceed growth in at least one of the prior  
28 three school years and did not meet growth in at least one of the  
29 prior three school years.
- 30 3. One of the models established in G.S. 115C-105.37B for  
31 continually low-performing schools had not been adopted for  
32 that school for the immediately prior school year.
- 33 b. The school received a school performance score in the lowest ten  
34 percent (10%) of all schools that include all or part of grades



\* H 1 0 8 0 - V - 4 \*

1 kindergarten through fifth in the prior school year and has been  
2 designated by the local board of education for consideration by the State  
3 Board of Education as an achievement school.

4 **"§ 115C-75.6. Achievement School District.**

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

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

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

15 (2) One teacher or retired teacher.

16 (3) One principal or retired principal.

17 (4) One superintendent or retired superintendent.

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

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

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

29 **"§ 115C-75.7. Selection of achievement schools.**

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

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

48 (c) Local Board Response. – Upon notification by the ASD Superintendent of selection by  
49 the State Board of Education of the qualifying school as a prospective achievement school, the  
50 local board of education shall determine whether to (i) close the selected qualifying school or (ii)  
51 transfer the school into the ASD. The local board shall not be required to undertake the study

1 required by G.S. 115C-72 before closing the school. Before the adoption of a resolution, the local  
2 board of education shall provide for a public hearing in regard to the proposed transfer or closure,  
3 at which hearing the public shall be afforded an opportunity to express their views. No later than  
4 March 1, the local board of education shall adopt a resolution either (i) consenting to transfer of  
5 the selected qualifying school to the ASD as an achievement school or (ii) closing that school at  
6 the conclusion of that school year. The State Board of Education may delay the transfer of a  
7 selected school to the ASD for one year only upon the recommendation of the ASD  
8 Superintendent.

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

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

18 **"§ 115C-75.8. Selection of AS operators.**

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

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

25 (1) The entity has a record of results in improving performance of persistently  
26 low-performing schools or improving performance of a substantial number of  
27 persistently low-performing students within a school or schools operated by the  
28 entity in this State or other states.

29 (2) The entity has a credible and specific plan for dramatically improving student  
30 achievement in a low-performing school and provides evidence that the entity,  
31 or a contractual affiliate of such an entity, is either currently operating a school  
32 or schools in this State that provide students a sound, basic education or  
33 demonstrating consistent and substantial growth toward providing students a  
34 sound, basic education in the prior three school years.

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

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

42 (1) G.S. 115C-218.20 (Civil liability and insurance requirements).

43 (2) G.S. 115C-218.25 (Open meetings and public records).

44 (3) G.S. 115C-218.30 (Accountability; reporting requirements to State Board of  
45 Education).

46 (4) G.S. 115C-218.50 (Charter school nonsectarian).

47 (5) G.S. 115C-218.55 (Nondiscrimination in charter schools).

48 (6) G.S. 115C-218.60 (Student discipline).

49 (7) G.S. 115C-218.65 (North Carolina School Report Cards).

50 (8) G.S. 115C-218.75 (General operating requirements).

51 (9) G.S. 115C-218.85 (Course of study requirements).

1 "§ 115C-75.9. Management of achievement schools.

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

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

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

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

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

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

27 (3) The AS operator shall have first priority in use of the facility for any purpose  
28 related to the operation of the achievement school. The local board of education  
29 may allow use of the facility by governmental, charitable, civic, or other  
30 organizations for activities within the community and may retain any funds  
31 received for such use for any time the AS operator has not provided written  
32 notice to the local board of its use of the facility during that time for a purpose  
33 related to the operation of the achievement school.

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

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

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

44 (1) Facility and capital expenditures.

45 (2) Transportation services.

46 (3) Services for Children with Disabilities.

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

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

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

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

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

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

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

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

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

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

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

42 **"§ 115C-75.10. Achievement schools funds.**

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

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

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

50               a. An amount equal to the average per pupil allocation for average daily  
51 membership from the local school administrative unit allotments in

1 which the achievement school was located for each child attending the  
2 achievement school except for the allocations for (i) children with  
3 disabilities, (ii) children with limited English proficiency, and (iii)  
4 transportation. The State Board of Education shall provide the allocation  
5 for transportation to the local school administrative unit in which the  
6 achievement school is located.

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

9 c. An additional amount for children with limited English proficiency  
10 attending the achievement school, based on a formula adopted by the  
11 State Board of Education.

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

27 a. The total amount of monies the local school administrative unit has in  
28 each of the funds listed in G.S. 115C-426(c).

29 b. The student membership numbers used to calculate the per pupil share  
30 of the local current expense fund.

31 c. How the per pupil share of the local current expense fund was  
32 calculated.

33 d. Any additional records requested by the ASD from the local school  
34 administrative unit in order for the ASD to audit and verify the  
35 calculation and transfer of the per pupil share of the local current  
36 expense fund.

37 (c) Funding Memorandum of Understanding. – The AS operator, in consultation with the  
38 ASD Superintendent, may enter into a funding memorandum of understanding with the local  
39 board of education of the local school administrative unit where the achievement school is located  
40 for all student support and operational services and instructional services to be provided by the  
41 local board of education in the same manner and degree as in the prior school year or funding in  
42 an amount equivalent to the amount the local board of education would have expended on those  
43 services if provided. For the purposes of this subsection, student support and operational services  
44 include cafeteria services, custodial services, broadband and utilities, and student information  
45 services, and instructional services include alternative education, special education services, test  
46 administration services, textbooks, technology, media resources, instructional equipment, and  
47 other resources. The AS operator and local board of education shall finalize the funding  
48 memorandum of understanding within 30 days of the initial request for the memorandum by the  
49 AS operator. If the parties have not completed the funding memorandum of understanding within  
50 30 days, the State Board of Education shall resolve any issues in dispute.

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

4 **"§ 115C-75.11. Accountability and governance for achievement schools.**

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

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

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

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

21 **"§ 115C-75.12. Term of supervision for an achievement school.**

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

25           (1) Early termination of contract based on performance. – If, during the five-year  
26 contract, the achievement school's annual percentage growth does not exceed  
27 the average annual percentage growth of other qualifying schools for three  
28 consecutive years, the State Board of Education, upon the recommendation of  
29 the ASD Superintendent, may terminate the contract at the conclusion of the  
30 academic year and select another AS operator in accordance with  
31 G.S. 115C-75.8 to assume the remainder of the five-year contract and any  
32 occupancy agreements or memorandums of understanding with the local board  
33 of education at the beginning of the next academic year.

34           (2) Nonrenewal of contract based on performance. – If, by the end of the five-year  
35 contract, the achievement school's average annual percentage growth during the  
36 term of the contract does not exceed the average annual percentage growth of  
37 other qualifying schools during the same term, the State Board of Education  
38 shall not renew the contract of the AS operator and develop a transition plan to  
39 return the school to the local school administrative unit.

40           (3) State Board of Education optional extension of contract for three years. – If, by  
41 the end of the five-year contract, the achievement school remains a qualifying  
42 school but has exceeded the average annual percentage growth of other  
43 qualifying schools and has shown growth over the term of the contract, the  
44 State Board of Education, upon the recommendation of the ASD  
45 Superintendent in his or her discretion, may continue the contract with the AS  
46 operator for an additional three-year term. The ASD Superintendent and AS  
47 operator shall engage the school, the school community, and the school's local  
48 board of education in developing a transition plan for the school to leave the  
49 supervision of the ASD at the conclusion of the three-year extension of the  
50 contract. If the State Board of Education does not elect to continue the contract,  
51 the State Board of Education may do any of the following:

- 1           a.     Select another AS operator for a three-year contract.  
2           b.     Close the school as provided in subdivision (2) of this subsection.  
3           c.     Develop a transition plan to return the school to the local school  
4                 administrative unit for the next school year.  
5       (4)   AS operator option to extend contract for three years. – If, by the end of the  
6           five-year contract, the achievement school receives a grade of C or higher under  
7           G.S. 115C-12(9)c1., the AS operator shall have the option to extend the  
8           contract for another three-year term. The ASD Superintendent and AS operator  
9           shall engage the school, the school community, and the school's local board of  
10           education in developing a transition plan for the school to leave the supervision  
11           of the ASD at the conclusion of the three-year extension of the contract.  
12           Options at the conclusion of the contract shall include the following:  
13           a.     Conversion to charter. – If, in the development of the transition plan, a  
14                 local board of education indicates by resolution to the State Board of  
15                 Education that the local board of education elects to not receive the  
16                 transfer of the achievement school back to the local school  
17                 administrative unit, the AS operator may apply to convert the school to  
18                 a charter school under Article 14A of this Chapter. If a charter is  
19                 awarded, the charter board of directors may request to use the facility as  
20                 provided in G.S. 115C-218.35. If the AS operator does not seek  
21                 conversion to a charter school or fails to receive a charter, the State  
22                 Board of Education may close the school as provided in subdivision (2)  
23                 of this subsection.  
24           b.     Alternate as operator or return to local school administrative unit. – If  
25                 the AS operator does not elect to continue the contract, the State Board  
26                 of Education may select another AS operator for a three-year contract or  
27                 may develop a transition plan to return the school to the local school  
28                 administrative unit for the next school year.  
29       (5)   Termination of contract on other grounds. – The State Board of Education,  
30           upon the recommendation of the ASD Superintendent, may terminate a contract  
31           with an AS operator at any time during the contract for financial  
32           mismanagement, noncompliance with federal or State laws, failure to comply  
33           with the terms of the contract, or evidence of criminal activity. The State Board  
34           of Education shall develop a transition plan to return the school to the local  
35           school administrative unit.  
36       (b)   An achievement school shall remain under the supervision of the ASD for no more  
37       than eight years.  
38       (c)   The State Board of Education shall make all decisions related to contracts for AS  
39       operators no later than May 1, except as provided in subdivision (5) of subsection (a) of this  
40       section.  
41       **§ 115C-75.13. Innovation zones.**  
42       (a)   If a local board of education transfers a qualifying school to the ASD, the local board  
43       of education may ask the State Board of Education to be allowed to create an innovation zone for  
44       up to three continually low-performing schools within its local school administrative unit. The  
45       State Board of Education shall grant such requests for the creation of an innovation zone. The  
46       State Board of Education shall also authorize the local board of education the flexibility to operate  
47       the schools within the innovation zone with the same exemptions from statutes and rules as a  
48       charter school authorized under Article 14A of this Chapter and with exemptions from local board  
49       of education policies as needed to ensure autonomy under the guidance of the innovation zone  
50       office for financial, programmatic, staffing, and time allocation decisions.



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

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

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

- 21       **(1)** Early termination of innovation zone based on performance. – If, during the  
22 five-year period, the average of the annual percentage growth of the schools  
23 within the innovation zone does not exceed the average annual percentage  
24 growth of other continually low-performing schools for three consecutive years,  
25 the State Board of Education, upon the recommendation of the ASD  
26 Superintendent, may terminate the innovation zone at the conclusion of the  
27 academic year.  
28       **(2)** Nonrenewal of innovation zone based on performance. – If, by the end of the  
29 five-year period, the average annual percentage growth of the schools within  
30 the innovation zone over the five-year period does not exceed the average  
31 annual percentage growth of other continually low-performing schools during  
32 the same term, the State Board of Education shall not permit the local board of  
33 education to continue the innovation zone.  
34       **(3)** State Board of Education optional extension of innovation zone for three years.  
35 – If, by the end of the five-year period, the schools within the innovation zone  
36 remain continually low-performing schools but have exceeded the average  
37 annual percentage growth of other continually low-performing schools, the  
38 State Board of Education, upon the recommendation of the ASD  
39 Superintendent in his or her discretion, may allow continuation of the  
40 innovation zone for an additional three years.  
41       **(4)** Local board of education option to extend innovation zone for three years. – If,  
42 by the end of the five-year period, the schools within the innovation zone  
43 receive a grade of C or higher under G.S. 115C-12(9)c1., the local board of  
44 education shall have the option to extend the innovation zone for another three  
45 years."

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

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

51       **SECTION 3.** G.S. 115C-321(a) reads as rewritten:

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

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

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

- 18       (1) The Achievement School District in turning around low-performing schools  
19       beginning with the 2017-2018 school year through the 2021-2022 school year,  
20       including the innovation zone established in Section 4.5 of this act. The State  
21       Board of Education shall require AS operators to provide the independent  
22       research organization with requested data to conduct the evaluation. The  
23       independent research organization shall include an analysis on the impact of  
24       public versus private funding in the effectiveness of the Achievement School  
25       District.
- 26       (2) Innovation zones in turning around low-performing schools beginning with the  
27       2016-2017 school year through the 2021-2022 school year. The State Board of  
28       Education shall require local boards of education granted innovation zones to  
29       provide the independent research organization with requested data to conduct  
30       the evaluation.

31       The independent research organization shall report its interim findings to the State  
32 Board of Education annually no later than February 15, beginning in 2017, and shall submit a final  
33 report no later than February 15, 2023. The State Board of Education shall provide the report of  
34 the independent research commission, along with any recommended legislative changes, to the  
35 Joint Legislative Education Oversight Committee annually no later than March 1, beginning in  
36 2017 until submission of the final report in 2023.

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

47       **SECTION 5.** There is appropriated from the General Fund to the Department of  
48 Public Instruction four hundred thousand dollars (\$400,000) in recurring funds for the 2016-2017  
49 fiscal year for salary and benefits for the ASD Superintendent, staff, and other expenses associated  
50 with the ASD. There is appropriated from the General Fund to the Department of Public

1 Instruction five hundred thousand dollars (\$500,000) for the 2016-2017 fiscal year to contract with  
2 an independent research organization to conduct the evaluation required in Section 4 of this act.

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

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

14 **SECTION 8.** This act is effective when it becomes law and supervision of  
15 achievement schools by the Achievement School District shall begin with the 2017-2018 school  
16 year. In the discretion of the State Board of Education (i) the ASD Superintendent may not be  
17 required during the 2016-2017 school year to recommend qualifying schools for inclusion in the  
18 ASD for the 2017-2018 school year and (ii) the time line for selection of achievement schools for  
19 the 2017-2018 school year provided in G.S. 115C-75.7 may be varied, but in no event may the  
20 local board of education's decision occur later than April 1, 2017. The State Board of Education  
21 may select up to five qualifying schools to transfer to the ASD beginning with the 2017-2018  
22 school year but shall select at least two qualifying schools to transfer to the ASD no later than the  
23 2018-2019 school year and shall have selected five qualifying schools for transfer to the ASD no  
24 later than the 2019-2020 school year.