

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B 1080  
May 10, 2016  
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH30469-TCza-36 (01/26)

Short Title: Achievement School District. (Public)

Sponsors: Representatives Bryan, Brockman, and Bradford (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH THE ACHIEVEMENT SCHOOL DISTRICT, AS RECOMMENDED  
3 BY THE HOUSE SELECT COMMITTEE ON ACHIEVEMENT SCHOOL DISTRICTS.  
4 The General Assembly of North Carolina enacts:

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

7 "Article 7A.

8 "Achievement School District and Innovation Zones.

9 **§ 115C-75.5. Definitions.**

10 The following definitions apply in this Article:

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



\* D R H 3 0 4 6 9 - T C Z A - 3 6 \*

**"§ 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 an 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 or its designee 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 within the funds appropriated for this purpose. The Superintendent of the ASD shall have qualifications consistent with G.S. 115C-271(a) and report directly to the State Board.

(d) By January 15 annually, the State Board 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 Superintendent of the ASD, 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, (ii) transfer the school into the ASD, or (iii) request adoption of the principal turnaround reform model for the qualifying school, as provided in and subject to G.S. 115C-105.37B. 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

1 in regard to the proposed transfer, closure, or adoption of the principal turnaround reform model,  
2 at which hearing the public shall be afforded an opportunity to express their views. No later than  
3 March 1, the local board of education shall adopt a resolution either (i) consenting to transfer of  
4 the selected qualifying school to the ASD as an achievement school, (ii) closing that school at the  
5 conclusion of that school year, or (iii) requesting adoption of the principal turnaround reform  
6 model for the qualifying school. The State Board of Education may delay the transfer of a selected  
7 school to the ASD for one year upon the recommendation of the ASD Superintendent.

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

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

17 **"§ 115C-75.8. Selection of AS operators.**

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

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

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

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

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

38 **"§ 115C-75.9. Management of achievement schools.**

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

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

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

1 local board of education and AS operator, determine whether the reassignment of students  
2 impacting the achievement school may proceed.

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

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

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

13 (3) The AS operator shall have first priority in use of the facility for any purpose  
14 related to the operation of the achievement school. The local board of  
15 education, with the consent of the AS operator, may allow use of the facility by  
16 governmental, charitable, civic, or other organizations for activities within the  
17 community and may retain any funds received for such use.

18 For the purposes of this subsection, facility and capital expenditures includes routine  
19 maintenance and repair, and capital expenditures includes building repair and maintenance,  
20 furniture, furnishings, and equipment.

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

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

28 (1) Facility and capital expenditures.

29 (2) Transportation services.

30 (3) Services for Children with Disabilities.

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

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

38 (h) Achievement School Employees. – The AS operator shall select and hire the school  
39 principal for an achievement school. Within the limits of the school budget, the AS operator or its  
40 designee shall select staff members in accordance with guidance from the ASD Superintendent.  
41 Before finalizing staffing recommendations, the AS operator and the ASD Superintendent shall  
42 interview all existing staff members at the qualifying school and review student growth and  
43 performance data for those staff members for whom it is available. Notwithstanding Article 21A  
44 of this Chapter, the AS operator and the ASD Superintendent shall be permitted to examine  
45 personnel files of existing staff members for the qualifying school. The AS operator shall have the  
46 authority to decide whether any administrator, teacher, or staff member previously assigned to a  
47 qualifying school selected to become an achievement school shall continue as an employee of the  
48 achievement school. Any such employees retained shall become employees of the ASD. An  
49 employee hired to work in an achievement school shall be an employee of the ASD, and the  
50 employees shall be under the exclusive control of the ASD. All employees of the ASD shall be  
51 eligible for enrollment in the Teachers' and State Employees' Retirement System of North

1 Carolina, the State Health Plan, and other benefits available to State employees. The AS operator  
2 shall provide funds to the ASD in an amount sufficient to provide salary and benefits for  
3 employees of the ASD working in the achievement school based on the terms of employment  
4 established by the AS operator.

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

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

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

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

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

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

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

22 **"§ 115C-75.10. Achievement schools funds.**

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

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

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

30 a. An amount equal to the average per pupil allocation for average daily  
31 membership from the local school administrative unit allotments in  
32 which the achievement school was located for each child attending the  
33 achievement school except for the allocations for (i) children with  
34 disabilities, (ii) children with limited English proficiency, and (iii)  
35 transportation. The State Board shall provide the allocation for  
36 transportation to the local school administrative unit in which the  
37 achievement school is located.

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

40 c. An additional amount for children with limited English proficiency  
41 attending the achievement school, based on a formula adopted by the  
42 State Board.

43 (2) The local school administrative unit in which the achievement school is located  
44 shall transfer to the ASD for the achievement school an amount equal to the per  
45 pupil share of the local current expense fund of the local school administrative  
46 unit for the fiscal year. The per pupil share of the local current expense fund  
47 shall be transferred to the ASD for the achievement school within 30 days of  
48 the receipt of monies into the local current expense fund. The local school  
49 administrative unit and ASD may use the process for mediation of differences  
50 between the State Board and a charter school provided in G.S. 115C-218.95(d)  
51 to resolve differences on calculation and transference of the per pupil share of

1 the local current expense fund. The amount transferred under this subsection  
2 that consists of revenue derived from supplemental taxes shall be transferred  
3 only to an achievement school located in the tax district for which these taxes  
4 are levied and in which the student resides. The local school administrative unit  
5 shall also provide the ASD with all of the following information within the  
6 30-day time period provided in this subsection:

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

17 (c) Funding Memorandum of Understanding. – The AS operator, in consultation with the  
18 ASD Superintendent, may enter into a funding memorandum of understanding with the local  
19 board of education of the local school administrative unit where the achievement school is located  
20 for all student support and operational services and instructional services to be provided by the  
21 local board of education in the same manner and degree as in the prior school year or funding in  
22 an amount equivalent to the amount the local board of education would have expended on those  
23 services if provided. For the purposes of this subsection, student support and operational services  
24 include cafeteria services, custodial services, broadband and utilities, and student information  
25 services, and instructional services include alternative education, special education services, test  
26 administration services, textbooks, technology, media resources, instructional equipment, and  
27 other resources. The AS operator and local board of education shall finalize the funding  
28 memorandum of understanding within 30 days of the initial request for the memorandum by the  
29 AS operator. If the parties have not completed the funding memorandum of understanding within  
30 30 days, the State Board of Education shall resolve any issues in dispute.

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

34 **"§ 115C-75.11. Accountability and governance for achievement schools.**

35 (a) The AS operator shall set clear goals, empower and equip teachers and school leaders  
36 to meet the goals, and hold such teachers and school leaders accountable to meet the goals. The  
37 AS operator shall apply to the ASD Superintendent for appropriate waivers for the achievement  
38 school pursuant to G.S. 115C-75.7(d).

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

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

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

49 **"§ 115C-75.12. Term of supervision for an achievement school.**

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

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

13       (2) Closure of achievement school based on performance. – If, by the end of the  
14 five-year contract, the achievement school's average annual percentage growth  
15 during the term of the contract does not exceed the average annual percentage  
16 growth of other qualifying schools during the same term, the State Board of  
17 Education shall close the achievement school and develop a transition plan to  
18 return the school to the local school administrative unit.

19       (3) State board optional extension of contract for three years. – If, by the end of the  
20 five-year contract, the achievement school remains a qualifying school, but has  
21 exceeded the average annual percentage growth of other qualifying schools, the  
22 State Board of Education, upon the recommendation of the ASD  
23 Superintendent in his or her discretion, may continue the contract with the AS  
24 operator for an additional three-year term. The ASD Superintendent and AS  
25 operator shall engage the school, the school community, and the school's local  
26 board of education in developing a transition plan for the school to leave the  
27 supervision of the ASD at the conclusion of the three-year extension of the  
28 contract. If the State Board does not elect to continue the contract, the State  
29 Board may do any of the following:

30       a. Select another AS operator for a three-year contract.

31       b. Close the school as provided in subdivision (2) of this subsection.

32       c. Develop a transition plan to return the school to the local school  
33 administrative unit for the next school year.

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

42       a. Conversion to charter. – If, in the development of the transition plan, a  
43 local board of education indicates by resolution to the State Board of  
44 Education that the local board elects to not receive the transfer of the  
45 achievement school back to the local school administrative unit, the AS  
46 operator may apply to convert the school to a charter school under  
47 Article 14A of this Chapter. If a charter is awarded, the charter board of  
48 directors may request to use the facility as provided in  
49 G.S. 115C-218.35. If the AS operator does not seek conversion to a  
50 charter school or fails to receive a charter, the State Board may close the  
51 school as provided in subdivision (2) of this subsection.

1           b. Alternate as operator or return to local school administrative unit. – If  
2           the AS operator does not elect to continue the contract, the State Board  
3           may select another AS operator for a three-year contract or may develop  
4           a transition plan to return the school to the local school administrative  
5           unit for the next school year.

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

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

15           (c) The State Board of Education shall make all decisions related to contracts for AS  
16           operators no later than May 1.

17           "§ 115C-75.13. Innovation zones.

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

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

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

31           (2) Establishment of an innovation zone office with a leader appointed by the local  
32           board of education and approved by the State Board of Education to govern and  
33           lead the schools in the innovation zone.

34           (3) Attraction of high-quality staff at schools in the innovation zone through the  
35           use of incentives, favorable working conditions, and development of  
36           partnerships to develop human capital.

37           (4) Accountability for those schools based on established benchmarks and goals for  
38           student achievement and for support services provided by the local school  
39           administrative unit based on metrics established by the innovation zone office  
40           for effective and efficient delivery.

41           (5) Support for those schools by the innovation zone office to ensure priority in  
42           services from the local school administrative unit, pursuit of outside funding,  
43           and technical support, including support from external partners."

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

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

49           SECTION 3. G.S. 115C-105.37B(a) reads as rewritten:

50           "(a) Notwithstanding any other provision of this ~~Article~~ Article or Article 7A of this  
51           Chapter, the State Board of Education is authorized to approve a local board of education's request



1 to reform any school in its administrative unit which the State Board of Education has identified as  
2 (i) one of the continually low-performing schools in North Carolina or (ii) as a qualifying  
3 school that is not selected as an achievement school under G.S. 115C-75.7.

4 If the State Board of Education approves a local board of education's request to reform a  
5 school, the State Board of Education may authorize the local board of education to adopt one of  
6 the following models in accordance with State Board of Education requirements:

- 7 (1) Transformation model, which would address the following four specific areas  
8 critical to transforming a continually low-performing school:
  - 9 a. Developing and increasing teacher and school leader effectiveness.
  - 10 b. Comprehensive instructional reform strategies.
  - 11 c. Increasing learning time and creating community-oriented schools.
  - 12 d. Providing operational flexibility and sustained support.
- 13 (2) Restart model, in which the State Board of Education would authorize the local  
14 board of education to operate the school with the same exemptions from  
15 statutes and rules as a charter school authorized under Article 14A of this  
16 Chapter, or under the management of an educational management organization  
17 that has been selected through a rigorous review process. A school operated  
18 under this subdivision remains under the control of the local board of education,  
19 and employees assigned to the school are employees of the local school  
20 administrative unit with the protections provided by Part 3 of Article 22 of this  
21 Chapter.
- 22 (3) Turnaround model, which would involve, among other actions, replacing the  
23 principal, if the principal has been in that position for at least three years, and  
24 rehiring no more than fifty percent (50%) of the school's staff, adopting a new  
25 governance structure at the school consistent with this Article, and  
26 implementing an instructional program aligned with the Standard Course of  
27 Study.
- 28 (4) School closure model, in which a local school administrative unit would close  
29 the school consistent with G.S. 115C-72 and enroll the students who attended  
30 the school in other, higher-achieving schools in the local school administrative  
31 unit consistent with Article 25 of this Chapter.
- 32 (5) Principal turnaround model, which would require the following:
  - 33 a. Replacing the current principal with a turnaround principal. The local  
34 board of education, after consultation with the Superintendent of the  
35 Achievement School District, shall select an individual with a proven  
36 record of success as a principal or superintendent as a turnaround  
37 principal. The local board of education's selection shall be approved by  
38 the State Board of Education to serve as a turnaround principal.
  - 39 b. Notwithstanding G.S. 115C-287.1, hiring the turnaround principal on a  
40 five-year contract that shall include significant compensation and other  
41 incentives, as determined by the local board of education. The  
42 turnaround principal shall be required as a term of the contract to  
43 develop a written plan with clear goals for dramatically improving  
44 student achievement at the school, including empowering and equipping  
45 teachers and school leaders to meet the goals, and holding such teachers  
46 and school leaders accountable to meet the goals.
  - 47 c. The local board of education shall consider all recommendations of the  
48 turnaround principal with regard to personnel assigned to the school and  
49 shall, to the extent possible, implement those recommendations.
  - 50 d. Annually reporting by the turnaround principal on the principal's  
51 methods and the school's progress and performance to the local board of

1                    education. The turnaround principal's report shall be provided to the  
2                    State Board of Education.

3                    e.                Sharing of information with other turnaround principals on a regular  
4                    basis. The Achievement School District shall also serve as a resource  
5                    for turnaround principals.

6                    f.                Authority for the turnaround principal to select staff assigned to the  
7                    school.

8                    g.                Provision of additional discretionary funds by the local board of  
9                    education to the turnaround principal to address specific issues in the  
10                    school, including, but not limited to, professional development,  
11                    extended school days, or parent academies.

12                    h.                Authorization by the State Board of Education to operate the school  
13                    with the same exemptions from statutes and rules as a charter school  
14                    authorized under Article 14A of this Chapter.

15                    (a1)            The State Board of Education shall authorize the adoption of the principal turnaround  
16                    model in no more than 10 schools statewide."

17                    **SECTION 4.** G.S. 115C-321(a) reads as rewritten:

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

21                    (1) The employee, applicant for employment, former employee, or his properly  
22 authorized agent, who may examine his own personnel file at all reasonable  
23 times in its entirety except for letters of reference solicited prior to employment.

24                    (2) The superintendent and other supervisory personnel.

25                    (3) Members of the local board of education and the board's attorney.

26                    (4) A party by authority of a subpoena or proper court order may inspect and  
27 examine a particular confidential portion of an employee's personnel file.

28                    (5) An achievement school operator and the Superintendent of the Achievement  
29 School District if the school where the individual is employed has been selected  
30 as an achievement school as provided in Article 7A of this Chapter."

31                    **SECTION 5.** Evaluation of the Achievement School District. – The State Board of  
32 Education shall contract with an independent research organization to evaluate the implementation  
33 and effectiveness of the Achievement School District in turning around low-achieving schools at  
34 the conclusion of the initial five-year contracts in 2022. The independent research organization  
35 shall include an analysis on the impact of public versus private funding in the effectiveness of the  
36 Achievement School District. The independent research organization shall report its findings to  
37 the State Board of Education no later than February 15, 2023. The State Board of Education shall  
38 provide the report of the independent research commission to the Joint Legislative Education  
39 Oversight Committee no later than March 1, 2023, along with any recommended legislative  
40 changes. It is the intent of the General Assembly to appropriate funding for the evaluation of the  
41 Achievement School District in 2022.

42                    **SECTION 6.** There is appropriated from the General Fund to the Department of  
43 Public Instruction four hundred thousand dollars (\$400,000) for the 2016-2017 fiscal year for  
44 salary and benefits for the ASD Superintendent, staff, and other expenses associated with the  
45 ASD. It is the intent of the General Assembly to appropriate to the Department of Public  
46 Instruction four hundred thousand dollars (\$400,000) for the 2017-2018 fiscal year and annually  
47 thereafter for salary and benefits for the ASD Superintendent, staff, and other expenses associated  
48 with the ASD.

49                    **SECTION 7.** It is the intent of the General Assembly to appropriate to the Department  
50 of Public Instruction three hundred seventy-five thousand dollars (\$375,000) for the 2017-2018  
51 fiscal year and annually thereafter for principal turnaround reform model grants. Upon

1 appropriation of funds, the State Board of Education shall award principal turnaround reform  
2 model grants of up to seventy-five thousand dollars (\$75,000) per fiscal year for five years to local  
3 boards of education who (i) have been authorized to adopt the principal turnaround reform model  
4 by the State Board for a school and (ii) provide a dollar-for-dollar match with non-State funding  
5 for the requested grant amount. Principal turnaround reform model grants shall be used by local  
6 boards of education to provide substantial incentives for turnaround principals and to provide  
7 additional discretionary funds for use by the turnaround principal to address specific issues in the  
8 school.

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

18         **SECTION 9.** This act becomes effective only if funds are appropriated by the Current  
19 Operations Appropriations Act of 2016 for the Achievement School District.

20         **SECTION 10.** This act is effective when it becomes law, and supervision of  
21 achievement schools by the Achievement School District shall begin with the 2017-2018 school  
22 year. In the discretion of the State Board of Education (i) the ASD Superintendent may not be  
23 required during the 2016-2017 school year to recommend qualifying schools for inclusion in the  
24 ASD for the 2017-2018 school year and (ii) the time line for selection of achievement schools for  
25 the 2017-2018 school year provided in G.S. 115C-75.7 may be varied, but in no event may the  
26 local board of education's decision occur later than April 1, 2017. The State Board of Education  
27 may select up to five qualifying schools to transfer to the ASD beginning with the 2017-2018  
28 school year but shall select at least two qualifying schools to transfer to the ASD no later than the  
29 2018-2019 school year and shall have selected five qualifying schools for transfer to the ASD no  
30 later than the 2019-2020 school year.