

## CHAPTER 40

## ( HB 37 )

AN ACT relating to districts of innovation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section and Section 2 of this Act.*
  - (a) *"District of innovation" means a district that has developed a plan of innovation in compliance with this section and has been approved by the Kentucky Board of Education to be exempted from certain administrative regulations and statutory provisions to improve the educational performance of students within the district;*
  - (b) *"Innovation" means a new or creative alternative to existing instructional and administrative practices intended to improve student learning and student performance of all students; and*
  - (c) *"School of innovation" means a school that voluntarily participates in a district of innovation plan to improve instruction, including waivers and exemptions from local board of education policies, selected provisions of Kentucky Administrative Regulations promulgated by the Kentucky Board of Education, and selected sections of the Kentucky Revised Statutes, as permitted under this section and Section 2 of this Act.*
- (2) *The Kentucky Board of Education is hereby authorized to approve districts of innovation for the purposes of improving students' educational performance. Districts of innovation shall be provided flexibility from selected Kentucky Administrative Regulations, Kentucky Revised Statutes, and local board of education policies for school administrators, teachers, and staff to meet the diverse needs of students. The initial approval of a district of innovation shall be for a five (5) year period. Each renewal of a district of innovation shall not exceed five (5) years and shall comply with administrative regulations promulgated by the board pursuant to subsection (4) of this section.*
- (3) *The Kentucky Board of Education shall promulgate administrative regulations to prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.*
- (4) *Administrative regulations promulgated by the board under subsection (3) of this section shall specify:*
  - (a) *The regulatory areas which may be exempted or modified if approved by the state board, except as provided in subsection (2) of Section 2 of this Act and in addition to those areas identified in subsection (3) of Section 2 of this Act;*
  - (b) *The application, plan review, approval, and amendment process for a district;*
  - (c) *Timelines for initial approval as a district of innovation, the renewal process, and on-going evaluative procedures required of the district;*
  - (d) *Acceptable documentation of a critical mass of parental, community, educator, and business support and capacity to effect a change;*
  - (e) *The approvals required of the plan by certain employees of a school;*
  - (f) *Evidence of teacher collaboration and shared leadership within the district and the schools to be designated as schools of innovation;*
  - (g) *The process of revocation of the designation of district of innovation or school of innovation;*
  - (h) *Reporting and oversight responsibilities of the district and the Kentucky Department of Education;*
  - (i) *The financial detail relating to budgets of schools and evidence of sound fiscal management practices;*
  - (j) *Acceptable areas of emphasis for innovation;*
  - (k) *Acceptable documentation of job-embedded professional development within the proposed innovation design; and*
  - (l) *Other components deemed necessary to implement this section and Section 2 of this Act.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1) *A district which is an applicant to be designated as a district of innovation under Section 1 of this Act shall:*
- (a) *Establish goals and performance targets for the district of innovation proposal, which may include:*
    1. *Reducing achievement gaps among groups of public school students by expanding learning experiences for students who are identified as academically low-achieving;*
    2. *Increasing pupil learning through the implementation of high, rigorous standards for pupil performance;*
    3. *Increasing the participation of students in various curriculum components and instructional components within selected schools to enhance students' preparation at each grade level;*
    4. *Increasing the number of students who are college and career-ready; and*
    5. *Motivating students at different grade levels by offering more curriculum choices and student learning opportunities to parents and students within the district;*
  - (b) *Identify changes needed in the district and schools to lead to better prepared students for success in life and work;*
  - (c) *Have a district-wide plan of innovation that describes and justifies which schools and innovative practices will be incorporated;*
  - (d) *Provide documentation of community, educator, parental, and the local board's support of the proposed innovations;*
  - (e) *Provide detailed information regarding the rationale of requests for waivers from Kentucky Revised Statutes and administrative regulations, and exemptions for selected schools regarding waivers of local board of education policies;*
  - (f) *Document the fiscal and human resources the board will provide throughout the term of the implementation of the innovations within its plan; and*
  - (g) *Provide other materials as required by the Kentucky Department of Education in compliance with the state board's administrative regulations and application procedures.*
- (2) *The district and all schools participating in a district's innovation plan shall:*
- (a) *Ensure the same health, safety, civil rights, and disability rights requirements as are applied to all public schools;*
  - (b) *Ensure students meet compulsory attendance requirements under KRS 158.030 and 158.100;*
  - (c) *Ensure that high school course offerings meet or exceed the minimum required under KRS 156.160 for high school graduation or meet early graduation requirements that may be enacted by the General Assembly;*
  - (d) *Ensure the student performance standards meet or exceed those adopted by the Kentucky Board of Education as required by KRS 158.685, including compliance with the statewide assessment system specified in KRS 158.6453;*
  - (e) *Adhere to the same financial audits, audit procedures, and audit requirements as are applied under KRS 156.265;*
  - (f) *Require state and criminal background checks for staff and volunteers as required of all public school employees and volunteers within the public schools and specified in KRS 160.380 and 161.148;*
  - (g) *Comply with open records and open meeting requirements under KRS Chapter 61;*
  - (h) *Comply with purchasing requirements and limitations under KRS Chapter 45A, 156.074, and 156.480;*
  - (i) *Provide overall instructional time that is equivalent to or greater than that required under KRS 158.070, but which may include on-site instruction, distance or virtual learning, and work-based learning on nontraditional school days or hours; and*

- (j) *Provide data to the Kentucky Department of Education as deemed necessary to generate school and district reports.*
- (3) (a) *Only schools that choose to be designated as schools of innovation shall be included in a district's application.*
- (b) *As used in this paragraph "eligible employees" means employees that are regularly employed at the school and those employees whose primary job duties will be affected by the plan.*
  - 1. *A vote shall be taken among eligible employees in a school to determine if the school shall be an applicant as a school of innovation in a district's proposal and to approve the school's plan of innovation before it is submitted to the district. At least seventy percent (70%) of those casting votes shall vote in the affirmative in order for the school to request inclusion in the district's plan and to approve the school's plan of innovation; and*
  - 2. *The school-based decision making council shall be responsible for conducting the vote provided for in subparagraph 1. of this paragraph, which shall be by secret ballot.*
- (c) *Notwithstanding the provisions of paragraph (a) of this paragraph, a local board of education may require a school that has been identified as a persistently low-achieving school under provisions of KRS 160.346 to participate in the district's plan of innovation.*
- (4) (a) *With approval of the state board, a school of innovation may request and be granted waivers from all or selected provisions of KRS 160.345 relating to school-based decision making.*
- (b) *To be exempt from KRS 160.345, a school-based decision making council shall vote by secret ballot to determine if it wishes to request a waiver from KRS 160.345 or specific provisions within that statute. Only a school that has seventy percent (70%) or more of the teachers and staff in the school voting to waive its rights and responsibilities under KRS 160.345 shall be eligible.*
- (c) *No local board of education or superintendent nor the Kentucky Board of Education may compel a school to waive its rights under KRS 160.345, except as provided in KRS 160.346.*
- (d) *Before the provisions of KRS 160.345 are waived by the Kentucky Board of Education for a specific school, there shall be assurances that teachers, parents, and staff in the affected school will be actively involved in the management and decision-making operations of the schools, including input into employment matters and selection of personnel.*
- (5) *Notwithstanding any statutes to the contrary, the Kentucky Board of Education may approve the requests of districts of innovation to:*
  - (a) *Use capital outlay funds for operational costs;*
  - (b) *Hire persons for classified positions in nontraditional school and district assignments who have bachelors and advanced degrees from postsecondary education institutions accredited by a regional accrediting association as defined in KRS 164.740;*
  - (c) *Employ teachers on extended employment contracts or extra duty contracts and compensate them on a salary schedule other than the single salary schedule;*
  - (d) *Extend the school days as is appropriate within the district with compensation for the employees as determined locally;*
  - (e) *Establish alternative education programs and services that are delivered in nontraditional hours and which may be jointly provided in cooperation with another school district or consortia of districts;*
  - (f) *Establish a virtual school within the district for delivering alternative classes to meet high school graduation requirements;*
  - (g) *Use a flexible school calendar;*
  - (h) *Convert existing schools into schools of innovation; and*
  - (i) *Modify the formula under KRS 157.360(2) for distributing support education excellence in Kentucky funds for students in average daily attendance in nontraditional programming time, including alternative programs and virtual programs. Funds granted to a district shall not exceed those that would have otherwise been distributed based on average daily attendance during regular instructional days.*

**Signed by Governor April 11, 2012.**