

SESSION OF 2013

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2319**

As Agreed to April 3, 2013

Brief*

HB 2319 would create the Coalition of Innovative Districts Act, the purpose of which would be to allow up to ten percent of the state's school districts, at any one time, to opt out of most state laws and rules and regulations in order to improve student achievement. Detailed provisions are explained in the following sections.

***Establishment of Public Innovative Districts
(Sections 3 and 5)***

The bill would authorize a process whereby a school district board of education could apply for authority to operate as a "public innovative district." The bill would limit the number of public innovative districts to no more than ten percent of the state's school districts at any time. The application and approval requirements would differ based on the application queue, as follows:

- For the first two school districts, a request for approval (containing the same information as the application) would go first to the Governor and the chairpersons of the Senate and House education committees. If a majority of these individuals approves the request, the district may submit an application to the State Board of Education (State

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Board), which would be required to review and approve the application within 90 days, if it included the required contents (see below). Requirements regarding notification of both approval and denial are contained in the bill. If an application is denied, the district would have an opportunity to submit an amended application.

- For the remaining districts, the request for approval would go first to the Coalition Board, which would be created by the bill (see below). The Coalition Board would have sole discretion to approve or deny the request and may make recommendations to the requesting school district to modify the request. Modifications could then be considered by the Coalition Board prior to making a final decision. If the request is approved, the district may submit the application to the State Board. The same review and notification requirements would apply.

The application would be required to contain a description of the educational programs of the public innovative district, a description of parental and community interest and support, the specific goals and measurable pupil outcomes to be obtained, and an explanation of how pupil performance in achieving the specified outcomes will be measured, evaluated, and reported.

Requirements and Exemptions for Public Innovative Districts (Section 3)

In addition to complying with its own stated goals, a public innovative district would be required to:

- Participate in all applicable Kansas math and reading assessments or an alternative assessment determined by the local board of education;

- Abide by all financial and auditing requirements applicable to school districts, except a public innovative district would be permitted to use generally accepted accounting principles;
- Comply with all applicable health, safety and access laws; and
- Be subject to the Special Education for Exceptional Children Act, the Virtual School Act, the School District Finance and Quality Performance Act, capital outlay requirements (KSA 72-8801 *et seq.*), all laws governing the issuance of general obligation bonds by districts, laws governing public employee retirement (KSA 74-4901 *et seq.*), laws governing school board elections, the Kansas Open Records Act, and the Kansas Open Meetings Act.

A public innovative district could not charge tuition for any pupils residing in the district's boundaries.

Unless otherwise required by the Act or decided by the board of education of the public innovative district, public innovative districts would be exempt from all laws and rules and regulations applicable to school districts.

***Coalition of Innovative Districts; Coalition Board
(Section 4, unless otherwise noted)***

The bill would establish the Coalition of Innovative Districts, the duties and functions of which would be carried out by a Coalition Board. The Coalition Board would consist of one representative of each public innovative district as designated by the board of education of the public innovative district.

The bill would require the chairperson of the Coalition Board be appointed in a unanimous decision by the Governor

and the chairpersons of the House and Senate education committees. The Coalition Board chairperson would serve a five-year term, and a vacancy would be filled in the same method as a regular appointment.

The Coalition Board would be required to carry out the duties and functions of the coalition, including the following:

- The Coalition Board would be required to conduct the initial review of all but the first two prospective public innovative districts, and have the sole discretion to approve or deny a district's request to become a public innovative district. (If the Coalition Board approves the request, the district's petition to become a public innovative district may proceed to the State Board.) As part of the initial review, the Coalition Board would be permitted to make recommendations to modify the request and may subsequently consider the modifications prior to making a final decision. (Section 5)
- If a public innovative district fails to meet any of the specified renewal criteria (see "Performance-Related Provisions," below), the Coalition Board would be permitted to petition the State Board to request the public innovative district's authority be revoked. (Section 7)
- The Coalition Board would be required to report annually to the Legislature regarding pupil performance in the public innovative districts, the laws and rules and regulations deemed problematic by the Coalition Board, and any other information regarding success or problems experienced by the public innovative districts during the previous year.

The Coalition Board would have latitude to meet as often as, and wherever, deemed appropriate. The Coalition Board would be allowed to form subcommittees.

***Operational Time Limit; Performance-Related Provisions;
Petition for Revocation of Authority (Sections 6-8)***

Under the bill, a public innovative district would be granted authority to operate as such for a period of five school years. At least 90 days prior to expiration of this period, a public innovative district would be authorized to submit an application to renew its authority to the State Board, and if the application is complete, the State Board would be required to approve the application within 60 days of submission, with related notification deadlines. The renewal application must contain:

- Evidence that the public innovative district has met the standards on the designated math and reading state or alternative assessments during the five-year period;
- Evidence that the public innovative district has shown improvement in its completion percentage during the same period;
- Demonstrated progress that the public innovative district is achieving the goals and outcomes described in its application; and
- A description of compliance with the requirements of the Act.

However, if a public innovative district fails to meet any of the renewal criteria for two or more consecutive years, either the public innovative district itself may petition the State Board for a release from its public innovative district status, or the Coalition Board may submit a petition to the State Board requesting the public innovative district's authority to operate as such be revoked. The State Board would be required to honor any such petition request originating from the public innovative district itself, and release from the authority to operate under the Act would be effective for the school year immediately following the grant of the petition. In the case of

a Coalition Board-initiated petition, the public innovative district would be provided the opportunity to have a hearing on the matter. A time frame for the hearing request and subsequent decision are provided in the bill. If the petition is granted, the authority to operate as a public innovative district would be revoked beginning with the school year immediately following the grant of the petition.

The bill would require the superintendents of the public innovative districts to meet at least monthly to discuss the success or failure of educational programs.

Additional Duties of the State Board (Sections 9 and 10)

The bill would require the State Board to provide technical advice and assistance in preparing an application for authority to operate as a public innovative district, upon the request of a prospective school district. Additionally, the State Board would be required to adopt rules and regulations as deemed necessary to implement the Act.

Conference Committee Action

The Conference Committee agreed to the Senate amendments to the bill. The Committee also agreed to add a requirement that public innovative districts be subject to the Kansas Open Records Act and the Kansas Open Meetings Act.

Background

As introduced, HB 2319 was identical to the original SB 176. The two bills were amended differently in their chambers of origin. The Senate Committee on Education amended HB 2319 to be substantially identical to SB 176 as it left the Senate, with minor technical adjustments.

At the Senate Committee hearing on HB 2319, no testimony was received. (For additional detail on testimony, see the Background section of the supplemental note to HB 2319 as amended by the House Committee on Education.)

Regarding SB 176, the bill was introduced by the Senate Committee on Ways and Means. At the hearing before the Senate Committee on Education, proponents of the bill included representatives of: the Kansas Association of School Boards; McPherson Unified School District 418; Kansas City, Kansas Public Schools; and the Kansas Policy Institute. The individual school district representatives indicated their school districts were granted waivers from the U.S. Department of Education's regulations related to the No Child Left Behind (NCLB) federal legislation and, as a result, the school district representatives believed their districts were better able to innovate in order to improve student achievement. The other conferees also supported granting school districts greater flexibility in meeting student achievement needs.

Neutral testimony was provided by a representative of the United School Administrators of Kansas.

Opponents of the bill included representatives of the Kansas National Education Association (KNEA) and the Kansas PTA. Concerns mentioned included that the bill would allow districts to reject collective bargaining and might affect the adequate funding of the traditional K-12 system.

The Senate Committee on Education amended the bill by inserting the petition for revocation requirements, clarifying the Coalition Board has sole initial discretion to approve or deny the request of any school district applying to operate as a public innovative district after authority is granted for the first two, making a clarification that the State Board must act on an application within the specified 90-day time period, and making a number of technical changes.

The Senate Committee of the Whole amendments:

- Change the cap on the number of public innovative districts from ten districts to ten percent of the state's school districts;
- Require the Coalition Board to submit an annual report to the Legislature; and
- Allow the Coalition Board to form subcommittees.

The Division of the Budget fiscal note on the original bill indicates passage of the bill would require approximately \$47,000 in additional money from the State General Fund to finance a half-time employee to fulfill the State Board of Education's obligations in the bill.

Education; Coalition of Innovative Districts Act

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