

# Legislative Analysis



## PUBLIC INNOVATIVE DISTRICTS AND PUBLIC INNOVATIVE SCHOOLS

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<http://www.house.mi.gov/hfa>

House Bills 6314 and 6315 (proposed H-2 substitutes)

Sponsor: Rep. Tim Kelly

Committee: Education Reform

Complete to 11-28-18

Analysis available at  
<http://www.legislature.mi.gov>

### BRIEF SUMMARY:

House Bill 6314 would amend the Revised School Code to allow the board of a school district to apply to the superintendent of public instruction for permission to operate as a public innovative district or for a school in the district to operate as a public innovative school. The bill outlines the application process, the responsibilities of the superintendent, and what requirements must be met by programs offered by a school district operating as an innovative district or a school operating as an innovative school. Additionally, the bill would create the Education Accountability Policy Commission, charged with selecting a statewide auditor to perform audits of all qualifying districts.

House Bill 6315 would exempt innovative districts and innovative schools from the general rules for determining the hours of pupil instruction or calculating the full-time equivalency of students (a term used to describe the school's membership, or student count) in the State School Aid Act.

The bills would take effect 90 days after enactment. House Bills 6314 and 6315 are tie-barred together, meaning that neither could take effect unless both bills were enacted.

### DETAILED SUMMARY:

#### House Bill 6314

##### Application and Renewal Process

The board of a school district applying to be an innovative district or to operate an innovative school would need to submit an application to the superintendent by March 1 of the school year immediately before its proposed first year as an innovative district or operating an innovative school. The application would have to include all of the following:

- A statement from the school board detailing the district's vision for a personalized, competency-based education and "any time, any place, any way, any pace" learning or any other innovative approaches to learning in the school district or school.
- A description of the instructional program that would be implemented.
- A description of the interest and support for partnerships between the school district or school, parents, and the community.
- A description of the expected benefits of the *innovative practices* for students. (*Innovative practices* would be defined in the bill as approaches to learning that are student-centered, learning-based, and not bound by measures of time or place.
- An explanation of how student performance in achieving specified outcomes would be measured, evaluated, and reported, using multiple measures of progress.

- A copy of the resolution to seek permission to operate as an innovative district or school passed by the board.

The superintendent and the Michigan Department of Education Innovative Council<sup>1</sup> would provide technical advice and assistance to the board of a school district completing an application to operate as an innovative district or operate an innovative school.

The superintendent would have to approve a complying application or deny a noncomplying application within 60 days of its receipt and notify the respective district board and the Education Accountability Policy Commission within 10 days of the decision.

If the application were denied, the Commission would hold a hearing on the application within 30 days of the notice of denial, giving representatives of the school district an opportunity to refute the basis of the denial. The commission would have to provide at least 30 days' notice of the hearing to the district board. The superintendent would then have up to 60 days after the hearing to approve, deny, or issue a conditional approval of the application. The district would be notified of the decision and, if required, of any conditions and deadlines that would need to be met. If the district failed to meet the conditions by the deadline, the application would be denied.

If the application were approved or conditionally approved, the district could operate as an innovative district or operate an innovative school starting in the school year after the approval. An approval would be valid for three school years and would be renewable every three years.

A renewal application would have to include at least evidence of all of the following:

- That the students in the district met the standards on the applicable state assessments, or alternative assessment, during the current period of operation as an innovative district or school.
- That the district has demonstrated improvement in its course completion rate during the current period of operation as an innovative district or school.
- Progress made by the district in achieving the goals, outcomes, and competencies described in the district's application.

The superintendent would approve or deny the renewal, depending on whether the district or school met the criteria, and then notify the district and the Commission within 10 days of that decision. If the renewal were denied, the Commission would hold a hearing to allow the district to refute the denial. Within 60 days of the hearing, the superintendent would approve, deny, or issue a conditional approval.

If the board of a school district applied to operate as an innovative district or to operate an innovative school, the board would have to send written notice of the application to the parents or legal guardians of each pupil enrolled in the school district. If the application were approved, the board would have to send written notice of the approval to the parents or legal guardians of each student enrolled in the school district.

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<sup>1</sup> The council was created by the Michigan Department of Education in July of 2015.  
[https://www.michigan.gov/mde/0,4615,7-140-81351\\_74275---,00.html](https://www.michigan.gov/mde/0,4615,7-140-81351_74275---,00.html)

The parent or guardian of a student enrolled, or intending to enroll, in a school that is approved to operate as an innovative school could, before the beginning of the school year, opt to enroll the student in another school in the same school district that offers an appropriate grade level. The board would have to ensure that the schools in the school district that are not operating as innovative schools enroll students seeking to enroll under these circumstances.

### **Operating as a Public Innovative District or a Public Innovative School**

A school district operating as an innovative school or a school operating as an innovative school would be required to develop or adopt, and implement, an instructional program that includes procedures for diagnosing pupil learning needs, methods and strategies for teaching that incorporate those needs, resource-based learning opportunities, techniques for evaluating student outcomes, and the provision for remedial instruction, as needed.

An innovative district or school could adopt and implement an alternative assessment of pupil progress that met the requirements of the federal Every Student Succeeds Act; operate a year-round program; utilize community experts in the educational process; and design courses based on the interests of individual students.

### **Extended Learning Opportunities**

A district operating as an innovative district or a school operating as an innovative school could offer *extended learning opportunities* (defined by the bill as learning programs that occur outside the school setting) that meet at least all of the following requirements:

- Include activities designed to provide credit or supplement regular academic courses.
- Include activities designed to promote the educational goals and objectives of the student and his or her school.
- Incorporate students in selecting, organizing, and implementing extended learning activities.
- Provide opportunities for students to acquire knowledge and skill development comparable to those offered in other courses at the school.
- Are available to all students.
- Include activities that supplement and enrich regular academic courses.
- Include activities that provide opportunities for social development.
- Include activities that encourage participation in the arts, athletics, and other cooperative groups.
- Include activities that encourage service to school and community.

A district operating as an innovative district or a school operating as an innovative school would be required to adopt a policy on extended learning opportunities that sets standards for administration and supervision of the opportunities, rigor of the curriculum, and credit granted for successful completion.

### **Tracking Student Progress**

An innovative district or school would be required to measure and track student competencies, rather than instructional hours, as the basis for awarding credit, and also to assign a mentor to each student.

### Auditing

The bill indicates that the legislature intends to appropriate funding for a statewide auditor to perform audits for each district operating as an innovative district or school operating as an innovative school. The Commission would select the auditor and ensure that the auditor had a background in both accounting and education. The auditor would replace the services provided by the auditor of the innovative district's or school's intermediate school district.

If an innovative district or school were subject to an audit performed by the statewide auditor, the board would be required to provide any information to the statewide auditor that the statewide auditor determined was necessary for the purpose of performing audits.

### Post-Labor Day School Start Date

Currently, districts may not begin before Labor Day unless they secure a waiver from the state superintendent or a collective bargaining agreement provides otherwise. The bill would exempt innovative districts and schools from those requirements.

### **Education Accountability Policy Commission**

The bill would create a 13-member Education Accountability Policy Commission, prescribe membership requirements, and provide for commission duties and powers. Membership would include the state superintendent or his or her designee, 1 member appointed by the Senate Majority Leader, 1 member appointed by the Speaker of the House of Representatives, 3 members appointed by the superintendent (1 representing PSAs, 1 representing school administrators, and 1 currently serving school board member), and 7 members appointed by the governor (3 representing organizations focused on college- and career-readiness, 1 representing urban school districts, 1 representing rural school districts, 1 representing parents and students, and 1 representing teachers).

Initial commission members would be appointed by July 1, 2019, and appointments would last for 4-year terms. Any vacancies on the commission would be filled with an individual that meets the criteria for the initial appointment. If a vacancy were being filled due to resignation or death, the new appointee would serve for the rest of the original term.

The governor could remove a member from the commission for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause. Members would serve without compensation, but could be reimbursed for expenses incurred in the performance of their official duties. A vote of a majority of the members present and serving would be required for the official action of the commission.

MCL 380.1284b; proposed MCL 380.1173 and 380.1173a

### **House Bill 6315**

House Bill 6315 would provide that the general provisions for determining student count and the hours of pupil instruction in the State School Aid Act would not apply to an innovative district or school. Already, the Act exempts cyber schools and students enrolled in dropout recovery programs from those requirements.

MCL 388.1701

## **FISCAL IMPACT:**

The bills would increase costs for the state and could increase costs for school districts that choose to apply and operate with public innovation status.

The Michigan Department of Education would incur additional costs to develop an application/evaluation process, provide technical advice and assistance to applicable districts applying to operate with public innovation status, and provide oversight and review of metrics for applicable districts that reapply. The bill provides legislative intent to appropriate funding for a statewide auditor to perform audits for each applicable district. MDE has noted that a 1.0 FTE auditor with a civil service classification of 12 would cost approximately \$150,000 (salary, benefits, and other related costs) for FY 2018-19, although an auditor would not be necessary until FY 2019-20 at the earliest.

The state could also incur additional costs to reimburse the Education Accountability Policy Commission for actual and necessary expenses incurred in the performance of their official duties as members of the commission.

By exempting applicable districts from requirements to meet 1,098 hours and 180 days when counting pupil memberships, the bills' increased flexibility could increase statewide pupil membership, thereby increasing State School Aid costs.

The bills could increase costs for applicable districts that choose to apply and operate with public innovation status. Costs to applicable districts would depend on the degree of change required to meet requirements of the bill including most notably the creation of an instructional program compliant with the bill, the provision of written notice to the parent or legal guardian of each pupil enrolled in the applicable district, the tracking of student competencies rather than instructional hours, and the assigning of a mentor to each student. Additionally, a district with a public innovation school could incur costs to accommodate the reconfiguration of pupils that would be allowed to enroll in another school in the district that offers an appropriate grade level.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.