

PUBLIC INNOVATIVE DISTRICTS

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House Bills 6314 and 6315 (proposed H-1 substitutes)

Sponsor: Rep. Tim Kelly

Committee: Education Reform

Complete to 11-7-18

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 (PID). 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 a PID. 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 PIDs 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, 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 a PID would need to submit an application to the superintendent by March 1 of the school year immediately before its proposed first year as a PID. 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.
- A description of the instructional program that would be implemented.
- A description of the interest and support for partnerships between the school district, 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, competency-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 a PID passed by the board.

The superintendent and the Michigan Department of Education Innovative Council¹ would provide technical advice and assistance to a school district completing an application to operate as a PID.

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 a PID starting in the school year after the approval. An approval would be valid for 5 school years and would be renewable.

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 a PID.
- That the district has demonstrated improvement in its course completion rate during the current period of operation as a PID.
- 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 met the criteria, and then notify the district and the Education Accountability Policy 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.

Operating as a Public Innovative District

A school district operating as a PID 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.

A PID 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;

¹ 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

utilize community experts in the educational process; and design courses based on the interests of individual students.

Extended Learning Opportunities

A district operating as a PID 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 a PID 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

A PID 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 a PID. The Commission would select the auditor and ensure that the auditor has a background in both accounting and education. The auditor would supplement the services provided by the auditor of the PID's intermediate school district.

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 PIDs 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 PIDs. 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 as a PID.

The Michigan Department of Education (MDE) would incur additional costs to develop an application/evaluation process, provide technical advice and assistance to districts applying to operate as a PID, and provide oversight and review of metrics for districts that reapply. The bill provides legislative intent to appropriate funding for a statewide auditor to perform audits for each school district operating as a PID. 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 members of 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 districts that operate as a PID from requirements to meet 1,098 hours and 180 days when counting pupil memberships, the bills' increased flexibility could increase the number of statewide pupil memberships claimed, thereby increasing State School Aid costs.

The bill could increase costs for local school districts that choose to apply and operate as a PID. Costs to 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, tracking student competencies rather than instructional hours, and assigning a mentor to each student.

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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.