



# State of Tennessee

## PUBLIC CHAPTER NO. 1053

### SENATE BILL NO. 2557

By Taylor, Bowling, Lowe, Lamar

Substituted for: House Bill No. 2678

By White, Harris, Raper, Moody, Hardaway, Hurt, Cepicky

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 37; Title 49; Title 50; Title 66 and Title 67, relative to education.

WHEREAS, University Schools is a division of the University of Memphis and home to the State's largest training school compendium; and

WHEREAS, founded in 1912, the University of Memphis has been home to a public school compendium since its inception; and

WHEREAS, presently, as an internationally recognized, public research university preparing students for success in an innovative, global environment, the University of Memphis is one of Tennessee's three comprehensive doctoral-extensive institutions of higher learning, and the only one that is home to a public school compendium that includes pre-kindergarten; and

WHEREAS, the mission of University Schools is to provide children with educational experiences that enhance their development from birth to graduation and promote dynamic research, collaborative partnerships, and innovative practices; and

WHEREAS, it is fitting that higher education institutions with the resources and experience to provide high-quality instruction to students, and demonstrated success in the provision of high-quality instruction, should have the opportunity to replicate such successes by providing high-quality instruction to a greater number of students; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 8, is amended by adding the following as a new part:

#### **49-8-1501.**

This part is known and may be cited as the "Innovative School District Act."

#### **49-8-1502.**

As used in this part:

(1) "Innovative school district" means an LEA, as defined in § 49-1-103, authorized by this part that is composed of schools serving students in any of the grades pre-kindergarten through twelve (pre-K-12), as training schools operated by a public university that is approved by the department of education to operate an innovative school district; and

(2) "Training school" means a public school authorized under § 49-8-105 that serves students in any of the grades pre-kindergarten through twelve (pre-K-12) and that is affiliated with a public institution of higher education in this state, to pilot and model high-quality innovative educational practices and teacher training programs, to stimulate innovative educational programs, to promote robust educational research and practice, to provide opportunities for innovation in instruction, and to provide

avenues for delivering innovative course programs aligned to the needs of this state through model programs.

**49-8-1503.**

(a)(1) A public university in this state that is a comprehensive doctoral-extensive institution of higher learning and the home to a public training school compendium that includes pre-kindergarten (pre-K) through any of the grades nine through twelve (9-12), and that provides transfer student enrollment opportunities pursuant to § 49-2-128, may operate an innovative school district in a county in which the public university maintains a campus.

(2) The University of Memphis is authorized to operate the initial innovative school district. The department may approve additional public universities that meet the qualifications described in subdivision (a)(1) to operate an innovative school district based upon future state educational needs.

(b)(1) Notwithstanding § 49-2-203, the governing body for a public university that is approved by the department of education to operate an innovative school district shall serve as the local board of education for such innovative school district. The governing body may appoint from its membership a committee to perform the functions of a local board of education for the innovative school district. If the governing body appoints a committee to perform the functions of a local board of education for the innovative school district, then the committee is authorized to take any action that the governing body is authorized or required to take concerning the operation of the innovative school district.

(2) Notwithstanding a law to the contrary, the governing body for a public university that is approved by the department of education to operate an innovative school district has, at a minimum, the same authority and autonomy afforded to LEAs under state law regarding the procurement of goods and services, including, but not limited to, personal, professional, consulting, and social services. The governing body shall develop written procedures for the procurement of all goods and services in compliance with the expenditure thresholds for competitive bidding outlined or permitted in § 49-2-203.

(3) The governing body for a public university that is approved by the department of education to operate an innovative school district is authorized to exercise the authority with regard to schools in such innovative school district as a state college or university is authorized to exercise pursuant to § 49-8-105. A governing body for a public university that is approved by the department of education to operate an innovative school district is not required to contract with an LEA for the operation of a training school in order to exercise the authority authorized by this subdivision (b)(3).

(4) The governing body for a public university that is approved by the department of education to operate an innovative school district may, in the operation of such innovative school district, exercise the powers and duties authorized by § 49-8-203.

(5) The governing body for a public university that is approved by the department of education to operate an innovative school district may delegate to the chief executive officer of the public university authorization to designate a university employee to serve as the director of schools for the innovative school district. Notwithstanding this chapter or another law to the contrary, and except as otherwise provided in this part, the governing body for a public university that is approved to operate an innovative school district shall employ the university employee to serve as the director of schools for the innovative school district. Except as otherwise provided in this part, the university employee selected to serve as the director of schools for an innovative school district is authorized and required to perform the functions of a director of schools for the innovative school district, including, but not limited to, performing the duties outlined in § 49-2-301. If the governing body for a public university that is approved by the department of education to operate an innovative school district appoints a committee to perform the functions of a local board of education for the innovative school district pursuant to subdivision (b)(1), then the university employee selected to serve as the director of schools for the innovative school district shall serve as an ex officio, nonvoting member of the established committee and liaison between the board and the schools.

**49-8-1504.**

(a) Schools in an innovative school district must provide sequential instruction to students and educate students using curricula and educational programming aligned to the state academic standards adopted by the state board of education and that generate new and innovative educational models to advance early childhood literacy and workforce-aligned education.

(b) An innovative school district, in collaboration with the department of education, shall annually determine the research, practice, and professional development goals for the innovative school district, in addition to the professional development requirements for all other LEAs and as established in this title.

**49-8-1505.**

Programs for special education, as defined in § 49-10-102, offered by an innovative school district must be informed by the research and evaluation goals of the district.

**49-8-1506.**

(a) An innovative school district may receive, control, and expend local and state funding for schools in its jurisdiction, and may seek, receive, expend, manage, and retain federal funding and grant funding and otherwise seek, obtain, expend, manage, and retain funding with the same authority as other LEAs.

(b) Schools in an innovative school district may receive all appropriate allocations of federal funds as other LEAs under federal law or regulation, including, but not limited to, Title I, IDEA, and other ESEA funds. All funding allocations and disbursements must be made in accordance with procedures developed by the department of education.

(c) An innovative school district may receive donations of money, property, or securities from any source for the benefit of the innovative school district and the schools in the innovative school district. All such funds must, in good faith, be disbursed in accordance with any conditions applicable to the gifts.

(d) Alumni associations, foundations, and booster associations affiliated with a public university that is approved by the department of education to operate an innovative school district may donate, dedicate, or otherwise allocate funds received by the organization to one (1) or more schools in the innovative school district. A school in the innovative school district may receive supplemental revenue from organizations, including, but not limited to, alumni associations, foundations, parent-teacher associations, and booster associations, if the governing body of the respective organization recommends the expenditure of funds collected by the organization for the benefit of the school. Notwithstanding this part to the contrary, the president of a public university that is approved to operate an innovative school district may override any proposed donation, dedication, allocation, or expenditure of funds from one (1) or more of the organizations described in this subsection (d) for one (1) or more of the schools in the innovative school district, if the donation, dedication, allocation, or expenditure would violate a state or federal law or if the president determines that the donation, dedication, allocation, or expenditure is not in the best interest of the innovative school district.

**49-8-1507.**

(a) Except as otherwise provided in this part, the director of schools for an innovative school district serves as the chief executive officer of the innovative school district and is responsible for overseeing the education, research, and evaluation, and other goals of the district.

(b) The director of schools for an innovative school district shall employ a principal for each school in the district. Except as otherwise provided in this part, a school principal for a school in an innovative school district is authorized and required to perform the functions of a school principal for the principal's assigned school in the innovative school district, including, but not limited to, performing the duties assigned to the school principal by the director of schools and the duties required of a school principal in § 49-2-303. A school principal for a school in an innovative school district must comply with all requirements for school principals established by law.

(c) Faculty employed by the governing body for a public university that is approved by the department of education to operate an innovative school district may serve as educators at schools in the innovative school district while also serving as a full-time faculty member.

(d) A faculty member of a public university that is approved by the department of education to operate an innovative school district who serves as an educator at one (1) or more schools in the innovative school district must meet the certification requirements of § 49-5-101 and is subject to evaluation pursuant to § 49-1-302(d)(2).

**49-8-1508.**

Beginning January 15 following one (1) full school year of operation of an innovative school district and each January 15 thereafter, the local board of education for an innovative school district shall provide a report to the department of education. The report must include:

(1) Findings and recommendations based on the research goals developed pursuant to § 49-8-1504(b); and

(2) Compliance data for the practice and professional development goals developed pursuant to § 49-8-1504(b).

**49-8-1509.**

Notwithstanding chapter 13 of this title, the innovative school district shall not authorize public charter schools.

**49-8-1510.**

Except as otherwise provided in this part or another law, an innovative school district has the same rights and responsibilities as an LEA with an elected school board. The state and political subdivisions of the state shall provide an innovative school district with the same benefits as an LEA with an elected school board.

SECTION 2. Tennessee Code Annotated, Section 49-8-105(b), is amended by adding the following between the first and second sentences in the subsection:

The governing body for a public university that is approved by the department of education to operate an innovative school district pursuant to part 15 of this chapter is not required to have a contract with a local school board in order to operate a training school that is part of the innovative school district.

SECTION 3. Tennessee Code Annotated, Section 49-8-105, is amended by adding the following as a new subsection:

(e) Notwithstanding chapter 2, part 5 of this title, § 49-2-140, or another law to the contrary, an institution that maintains a training school authorized by this part, and that is approved by the department of education to operate an innovative school district under § 49-8-1503, may receive public funds for the operation of the training school. The commissioner of education shall ensure that a training school that is operated by an innovative school district receives all state, local, and federal funds that would otherwise be received by the local board of education for the operation of the training school, including TISA allocations and any other funds that may be allocated for the operation of public schools of this state. School funds collected by the county for current operation and maintenance purposes must be apportioned by the county trustee to the innovative school district in the same manner as school funds are apportioned to other LEAs in the county. Training schools that are operated by innovative school districts are eligible to receive grants and other funds in the same manner as the public schools in this state. If a training school transitions from being operated pursuant to a contract between an LEA and a state college or university to being operated as part of an innovative school district pursuant to part 15 of this chapter, then the LEA shall, for the first school year that the training school is operated as part of the innovative school district, provide the governing body for a public university that operates the innovative school district with the same level of support for the operation of the training school as the LEA provided to the state college or university under the contract.

SECTION 4. Tennessee Code Annotated, Section 49-2-201, is amended by adding the following as a new subsection:

(e) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 5. Tennessee Code Annotated, Section 49-2-202, is amended by adding the following as a new subsection:

(h) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 6. Tennessee Code Annotated, Section 49-2-204, is amended by designating the existing language as subsection (a) and adding the following as a new subsection:

(b) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 7. Tennessee Code Annotated, Section 49-2-205, is amended by designating the existing language as subsection (a) and adding the following as a new subsection:

(b) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 8. Tennessee Code Annotated, Section 49-2-206, is amended by adding the following as a new subsection:

(c) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 9. Tennessee Code Annotated, Section 49-2-207, is amended by adding the following as a new subsection:

(g) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 10. Tennessee Code Annotated, Section 49-2-208, is amended by adding the following as a new subsection:

(h) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 11. Tennessee Code Annotated, Section 49-2-209, is amended by adding the following as a new subsection:

(j) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 12. Tennessee Code Annotated, Section 49-2-210, is amended by adding the following as a new subsection:

(d) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 13. Tennessee Code Annotated, Section 49-2-212, is amended by adding the following as a new subsection:

(d) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 14. Tennessee Code Annotated, Section 49-2-213, is amended by adding the following as a new subsection:

(f) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 15. Tennessee Code Annotated, Section 49-2-304, is amended by adding the following as a new subsection:

(c) This section does not apply to an innovative school district as defined in § 49-8-1502.

SECTION 16. Tennessee Code Annotated, Section 49-5-104, is amended by designating the existing language as subsection (a) and adding the following as a new subsection:

(b) This section does not apply to a director of schools for an innovative school district as defined in § 49-8-1502.

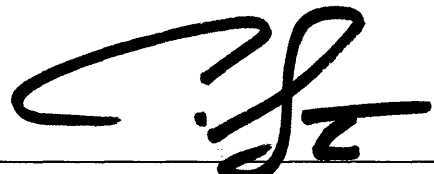
SECTION 17. The state board of education shall promulgate rules to effectuate this act, including, but not limited to, rules to establish the process for determining this state's future educational needs for purposes of § 49-8-1503(a)(2). The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 18. This act takes effect upon becoming a law, the public welfare requiring it, and applies to the 2024-2025 school year and each school year thereafter.

SENATE BILL NO. 2557

PASSED: April 24, 2024

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 28<sup>th</sup> day of May 2024

  
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BILL LEE, GOVERNOR