



## **Districts of Innovation Frequently Asked Questions<sup>1</sup>**

### **What is a “district of innovation”?**

The district of innovation concept was passed into law in 2015 when the 84th Texas Legislature created Texas Education Code chapter 12A, Districts of Innovation.

The law allows traditional independent school districts to access most of the flexibilities available to Texas’ open enrollment charter schools. To access these flexibilities, a school district must adopt an innovation plan, as set forth in Chapter 12A and Texas Education Agency (TEA) rules.

### **What school districts are eligible to be districts of innovation?**

To be eligible for designation as a district of innovation, a school district’s most recent academic performance rating must be at least acceptable. A district with a preliminary accountability rating that is not acceptable will not be able to approve an innovation plan.

### **Why would a school district choose to pursue this option?**

A local school district may want to pursue specific innovations in curriculum, instruction, governance, parent or community involvement, school calendar, budgeting, or other ideas. An innovation plan also allows a school district to gain exemption from many Texas Education Code requirements.

Essentially, innovation plans are about local control. Each district pursues designation as a district of innovation for different reasons. Consequently, each innovation plan should be unique to the local school district. The experiences of other school districts can be informative, but may not directly relate to the purpose or progress of another district’s plan.

### **What legal requirements could a school district avoid by becoming a district of innovation?**

A district of innovation may adopt a plan that includes exemptions from most of the state laws that are not applicable to open enrollment charter schools. These laws could include:

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<sup>1</sup> An electronic version of this document is available on TASB School Law eSource at [tasb.org/Services/Legal-Services/TASB-School-Law-eSource/Governance/Districts-of-Innovation/documents/districts\\_of\\_innovation.pdf](http://tasb.org/Services/Legal-Services/TASB-School-Law-eSource/Governance/Districts-of-Innovation/documents/districts_of_innovation.pdf).

- Site-based decision making processes (to the extent required by state law)
- Uniform school start date
- Minimum minutes of instruction
- Class size and student/teacher ratio
- The 90 percent attendance rule (but compulsory attendance still applies)
- Student discipline provisions (with some key exceptions, like the requirement to have a code of conduct and restrictions on restraint and seclusion)
- Teacher certification (except as required by federal law or as applicable to charter schools)
- Teacher contracts
- Teacher benefits, including state minimum salary schedule, duty-free lunch, and planning periods
- Teacher and principal appraisal systems

**What legal requirements continue to apply to all school districts, including districts of innovation?**

An innovation plan cannot seek exemption from: a state or federal requirement applicable to open enrollment charter schools; certain parts of Texas Education Code, chapter 11, regarding school district governance; state requirements for curriculum and graduation; and academic and financial accountability standards. Laws from which a district of innovation cannot be exempt include statutes regarding:

- Elected boards of trustees
- Powers and duties of school boards, superintendents, and principals
- PEIMS
- Criminal history record checks and educator misconduct reporting
- Curriculum and graduation requirements
- Bilingual education
- Special education
- Prekindergarten
- Academic accountability, including student assessments
- Financial accountability and related reporting
- Reporting of improper relationships between employees and students
- Open meetings

- Public records
- Certain public purchasing requirements and conflicts of interest
- Nepotism
- Civil immunity under Texas Education Code, chapter 22, subchapter B
- Other state and federal laws outside of the Texas Education Code.

Districts also may not use an innovation plan to seek exemption from a requirement imposed by a state or federal grant program in which the district voluntarily participates. The TEA rules, available [here](#), include a detailed list of the statutes from which a district of innovation cannot claim an exemption.

### **What should a district consider when creating an innovation plan?**

Drafting an innovation plan is a complex process, and the final board-adopted plan will have significant legal effect for several years. Consequently, we advise school districts to work closely with a school attorney in drafting and implementing a plan. Innovation plans should be just that—innovative! Each aspect of the plan should articulate the innovative purpose and strategic goals related to the plan. Finally, we have collected a number of “do’s and don’ts” for plan adoption in our memo [\*Districts of Innovation: Tips for Plan Drafting and Implementation\*](#).

### **Do innovation plans have to be approved by the Texas Education Agency?**

No, but TEA has rulemaking authority regarding the implementation of districts of innovation. As described in more detail in the rules, a district that has proposed an innovation plan is required to notify TEA, and TEA is required to maintain information about the statutory exemptions adopted by districts in their innovation plans. TEA must then report to the legislature about school districts’ statutory exemptions.

Many districts have worked with school attorneys to follow the required statutory procedure to establish innovation plans. TEA’s “Figure,” which the agency adopted as an exhibit to its rules implementing districts of innovation, is both the means by which districts will report their exemptions to TEA and an itemized list of possible exemptions. [19 Tex. Admin. Code § 102.1307\(d\)](#). The rules state, however, that the Figure is not intended to be a complete list of the possible exemptions. Rather, the Figure is provided for ease of reporting, and it is neither a guarantee nor a limitation on the possible statutory exemptions. Many districts have adopted innovation plans that either include exemptions from provisions not listed on the Figure or describe statutory exceptions more narrowly than the items are listed in the Figure. Any school district considering the adoption of an innovation plan should work closely with its school attorney as it drafts the list of exemptions in its innovation plan. For the sake of clarity and transparency, it is important that the exemptions in an innovation plan match the exemptions that a district selects in the Figure.

### **What impact could innovations have on school funding?**

School district funding remains substantially the same for districts of innovation. Unlike in other states with public school “innovation zones,” the Texas legislature did not create this statutory option to provide additional grant funding to participating districts. Depending on a district’s innovation plan, the district may have some flexibility in the use of compensatory education funds. Districts pursuing innovation status should consider how their flexibility choices, especially with respect to the school calendar and attendance, could impact funding calculations.

### **What impact could innovations have on school personnel?**

Possibly none. But depending on the choices a district includes in its local innovation plan, an innovation plan could provide for substantial changes to key employment policies related to employment contracts and benefits of employment. Districts of innovation transitioning to plans that include changes to employment practices should work with their school attorneys to honor existing contracts.

### **Can a district of innovation be created to respond to needs or opportunities at a particular subset of campuses?**

Chapter 12A does not specifically permit or prohibit adopting an innovation plan that proposes innovations at only a subset of district campuses, but some districts have opted to implement their plan in phases or at a specific campus or feeder pattern. These districts should note that TEA’s Figure includes a place to indicate whether a district’s exemptions apply districtwide, by campus, or “other.” In other states, innovation zones have started at a small number of campuses (like a single feeder pattern) before expanding to other campuses. In the alternative, a district may consider the option of a campus conversion charter for a single campus or group of campuses. Tex. Educ. Code § 12.0522.

### **What process is required to adopt an innovation plan?**

The process is initiated by either:

- a resolution of the board of trustees; or
- a petition signed by a majority of the members of the district-level advisory committee.

Promptly after the resolution or petition, the board must hold a public hearing to consider whether the district should develop an innovation plan. Under TEA’s rules, a board must hold the public hearing as soon as possible, but no later than 30 calendar days after adoption of the resolution, to consider whether the district should develop a local innovation plan. The board may outline the parameters around which the innovation committee may develop the plan, either in the resolution or at any other time during the process.

At the conclusion of the hearing or soon thereafter, the board may:

- decline to pursue the designation as a district of innovation; or
- appoint a committee to develop a plan.

The membership of the committee is not specified in statute, but as a practical matter, the members of the committee must be able to write a comprehensive plan with the elements specified below, clearly articulate the innovative purpose of the plan, and persuade the school community of the value of the plan. Even though the Figure is intended to be a reporting mechanism, not a complete list of available exemptions, the committee would be wise to consider how the district will fill out the Figure while developing the plan. Under TEA's rules, the district-level advisory committee (DAC) may serve as the committee that writes the plan. Through the innovation plan, a district may also choose to do away with the DAC and substitute a different committee to serve in an advisory role.

The plan must:

- provide for a comprehensive educational program for the district, which may include innovations in curriculum, instructional methods, community and parent involvement, campus governance, modifications to the school day or year, budgeting and sustainable funding, local accountability, and other innovations prescribed by the board; and
- identify the Texas Education Code provisions from which the district of innovation should be exempted, within the parameters described above.

The board cannot approve the plan until the final plan has been posted online for 30 calendar days, the commissioner has been notified, the DAC has held a public meeting to consider the final plan, and the DAC has approved the plan by a majority vote.

**Submission to TEA:** The deadline for notifying TEA of a proposed innovation plan is simply before the board votes to approve the final plan. As a best practice, we recommend that the district notify TEA of a proposed plan at the same time as the plan is posted on the district's website. Although the statute indicates that the board of trustees will notify TEA of the proposed plan, the board may delegate to the superintendent the administrative functions of posting the proposed plan and transmitting the plan to TEA. A district may send notices by email to [commissioner@tea.texas.gov](mailto:commissioner@tea.texas.gov) and cc [accred@tea.texas.gov](mailto:accred@tea.texas.gov). Alternatively, a district may mail notices to the commissioner's office at 1701 N. Congress, Austin, Texas 78701. Some districts, have used certified mail in order to document that the notice was provided.

**DAC approval:** The public hearing and vote of the DAC may occur at the same meeting. Many districts have been uncertain about how to ensure that their DAC meeting would be considered a public hearing. To be a public hearing, the public must have had notice of the date, time, and place of the hearing, and the DAC must receive public comment, if any, on the proposed plan. The Texas Open Meetings Act does not necessarily apply to meetings of the DAC, but many districts have posted notice in accordance with the OMA to ensure that notice was adequate. After the public has had an opportunity to comment on the plan, the DAC may approve a proposed plan by a majority vote. Although the statute and TEA rules do not specify, we recommend that a proposed plan be approved by a majority of the total DAC members, not just a majority of those present and voting.

**Board approval:** The board of trustees may then vote to approve the plan. The vote must pass by a two-thirds majority vote. On adoption of the final plan, the district must notify the commissioner of approval of the plan and provide a list of the exemptions claimed in the innovation plan by completing TEA's [Figure](#). The district may then function in accordance with the plan and be exempt from the specified Texas Education Code mandates. Many districts have asked whether a board is permitted to make changes to a proposed plan between the time it is posted online and the board's final approval. In keeping with TEA's encouragement to foster transparency and communication in the process, we recommend that a board not add any substantive content (such as a new exemption) if the content has not been posted for the full 30 days. In other words, the board can do less, but not more, than the proposed plan. For guidance on whether changes to a proposed plan are substantive, please work closely with your school attorney.

**Website posting:** After becoming a district of innovation, a district must post and maintain a copy of the district's current local innovation plan in a prominent location on the district's website.

**Submission of plan to TEA:** Not later than the 15th day after the date on which the board of trustees adopts a plan, the district needs to provide a copy of the current local innovation plan to TEA. TEA must promptly post the current local innovation plan on the agency's website. An email attaching the final plan or providing a link to the final plan available on a district's website should be to the commissioner's inbox at [commissioner@tea.texas.gov](mailto:commissioner@tea.texas.gov) and cc [accred@tea.texas.gov](mailto:accred@tea.texas.gov).

Districts are encouraged to use an abundance of caution throughout the adoption process to adhere to Chapter 12A, TEA rules, and state laws regarding open meetings and open records. Questions will inevitably arise about the application of the Texas Open Meetings Act to committee meetings and meetings of the DAC. School districts should consult their school attorneys regularly and keep the process as transparent as possible to avoid legal challenges that could delay the implementation of an innovation plan.

### **How long does an innovation plan stay in effect?**

The plan may have a term of up to five years, and it may be amended, rescinded, or renewed, as described below. An exemption included in the plan is effective for five years from the date of the adoption of the plan. Delaying implementation of certain exemptions does not toll the five-year term of the exemption.

Districts may want to review the plan more frequently than at five-year intervals; for example, a district may choose to review its plan every two years to consider new legislation. TEA's rules indicate that a district may have only one innovation plan at a time.

If a district of innovation receives unacceptable academic and/or financial performance ratings for two consecutive years, the commissioner may terminate the innovation plan or require the district to amend its plan. If a district of innovation receives unacceptable academic and/or financial performance ratings for three consecutive years, the commissioner must terminate the innovation plan. Upon termination of an innovation plan, a district must return to compliance with all specified areas of the Texas Education Code by a date to be determined by the commissioner.

### **How do we amend or renew a plan?**

A district can amend or renew a district of innovation plan by a majority vote of the DAC (or comparable committee if district is exempt), a two-thirds majority vote of the board, and notice to TEA of the exemptions and approval dates. An amendment to an approved plan does not change the date of the term of designation as a district of innovation, and exemptions that were already formally approved need not be reviewed. During renewal, however, all sections of the plan and exemptions shall be reviewed and the district must follow all steps in [19 Texas Administrative Code section 102.1307](#) for adoption of local innovation plan, including posting the plan on the district's website for 30 days.

Not later than the 15th day after the date on which the board of trustees adopts an amendment or renews a plan, the district needs to provide a copy of the current local innovation plan to TEA for TEA to post on the agency's website.

### **How do we rescind plan?**

A district of innovation plan can be rescinded by a majority vote of the DAC (or comparable committee if district is exempt), a two-thirds majority vote of the board, and notice to TEA of the exemptions and approval dates. If a plan is rescinded, the district must notify TEA of the rescission within five business days and provide a date for compliance with all sections of the Texas Education Code, no later than the start of the following school year.

### **What impact could designation as a district of innovation have on district policy?**

A district of innovation will likely need to make changes to LOCAL policies and may need adjustments to LEGAL policies to reflect that some legal provisions may be affected by the district's innovation plan. TASB Policy Service and Legal Services are available to help each district of innovation evaluate necessary changes to the district's policy manual, which could vary greatly from district to district, depending on the extent of the district-wide exemptions included in the innovation plan. For information regarding local policies that may be impacted by specific exemptions, see [\*Districts of Innovation: Policy Guidance for After the Plan\*](#).

For more information on this and other school law topics,  
visit TASB School Law eSource online at [schoolawesource.tasb.org](http://schoolawesource.tasb.org).

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