§ 2564. Local school board districts. 1. The board of education of the city school district of the city of New York, by resolution duly adopted, shall divide the city school district into such number of local school board districts as such board in its discretion may determine. The board of education may from time to time alter the boundaries of such districts, consolidate two or more districts or parts thereof, or divide any such district or districts as it shall consider necessary. For the purposes of this section, a school decentralization demonstration project in existence on April first, nineteen hundred sixty-eight shall be deemed to be a local school board district.

2. Such board of education, upon the establishment of such local school board districts, shall have the power to appoint, or provide for the election of, and remove at its pleasure, a local school board for each such local school board district, which shall consist of such number of members as the board shall determine from time to time.

3. The board of education, with the approval of the regents, shall have the power to delegate to such local school boards any or all of its functions, powers, obligations and duties in connection with the operation of the schools and programs under its jurisdiction, and may modify or rescind any function, power, obligation and duty so delegated.

4. In accordance with rules and regulations to be promulgated by the board of education, each such local school board shall have the power to employ a local superintendent of schools upon such terms and conditions as such local school board shall determine. Such employment shall be by contract at an annual rate of compensation not in excess of thirty thousand dollars.