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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4488

03/16/2020 Authored by Sandell
The bill was read for the first time and referred to the Committee on Education Policy

1.1 A bill for an act
1.2 relating to education; allowing school district reorganization and establishing new
1.3 district reorganization plans; proposing coding for new law in Minnesota Statutes,
1.4 chapter 123A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [123A.80] VOTER-APPROVED DISTRICT REORGANIZATION.

1.7 Subdivision 1. Optional plans. A school district may, following voter approval in
1.8 accordance with section 123A.81, adopt one of the following reorganization plans:

1.9 (1) elected leadership district as provided in section 123A.84;

1.10 (2) decentralized district as provided in section 123A.85;

1.11 (3) county-partner district as provided in section 123A.86; or

1.12 (4) home rule district as provided in section 123A.87.

1.13 Subd. 2. Adoption or abandonment. A district may adopt or abandon a plan listed in
1.14 subdivision 1 in accordance with section 123A.81. Until a plan is adopted, the district must
1.15 continue to operate in accordance with its obligations under this chapter.

1.16 Sec. 2. [123A.81] REORGANIZATION ELECTION.

1.17 Subdivision 1. One plan per election. A school board may at its discretion submit to
1.18 the voters at a regular or special election the question of adoption by the district of a plan
1.19 listed in section 123A.80, subdivision 1. A school board must submit to voters a
1.20 reorganization plan if at least 15 percent of the voters who voted in the previous board
1.21 election petition the board for a reorganization election. Except as provided in section

2.1 123A.86, subdivision 3, only one plan may be submitted at any one election. No plan may  
2.2 be submitted in any district in which an optional plan is already adopted and in effect until  
2.3 the plan has been in effect for at least three years.

2.4 Subd. 2. **Form of ballot.** A ballot in an election under this section must state the proposals  
2.5 for adoption of optional plans substantially as follows:

2.6 (1) "Shall a plan for an elected leadership district, modifying the standard plan of district  
2.7 government by providing for the direct election of the board chair, be adopted for the  
2.8 district?";

2.9 (2) "Shall a plan for a decentralized district, providing for the district to establish delegate  
2.10 responsibility to its schools, be adopted for the district?";

2.11 (3) "Shall a plan for a county-partner district, permitting the district to contract with the  
2.12 County of ..... and/or other third parties to provide certain services to the district, be adopted  
2.13 for the district?"; or

2.14 (4) "Shall the district be governed pursuant to the terms of the district home rule plan  
2.15 approved by the board on [date]?".

2.16 Subd. 3. **Adoption.** If a majority of votes cast on the question of adoption of a plan listed  
2.17 in section 123A.80 is in favor of adoption, the plan voted upon shall be adopted in the district  
2.18 and, once placed into effect, shall remain in effect until abandoned by a similar majority at  
2.19 a subsequent election at which the question of abandonment or adoption of another optional  
2.20 plan is submitted.

2.21 Subd. 4. **Abandonment.** At any time more than three years after the adoption and placing  
2.22 into effect an optional plan in a district, the question of abandonment of the plan may be  
2.23 submitted to the voters in the same manner provided in this section for the submission of  
2.24 the question of adoption. If a majority of votes cast on the question is in favor of  
2.25 abandonment, the plan voted upon shall be abandoned and the standard plan of government  
2.26 shall be resumed in the district and all the provisions of law applicable to districts in which  
2.27 an optional plan is not in operation shall apply to the district.

2.28 Subd. 5. **Election procedure.** Except as provided in this section, an election on a question  
2.29 submitted under this section is subject to the law governing school district elections under  
2.30 chapter 205A. The district must promptly notify the county auditor, the commissioner, and  
2.31 secretary of state of the date of the election, the question submitted on the ballot, and results  
2.32 of the vote on the question for any question that is adopted under this section.

3.1 Sec. 3. [123A.82] APPLICABLE LAW.

3.2 Subdivision 1. **Consistent laws.** Except in the case of a county-partner district, all state  
3.3 laws applicable to a district before the adoption of an optional district plan and not  
3.4 inconsistent with the provisions relating to the plan apply to and govern the district after  
3.5 the adoption of an optional district plan.

3.6 Subd. 2. **Resolutions.** A resolution or policy in effect at the time of adoption of an  
3.7 optional district plan continues in effect until amended or repealed, notwithstanding adoption  
3.8 of the plan.

3.9 Subd. 3. **Rights and liability.** No valid and legally subsisting right or liability and no  
3.10 judicial proceeding shall be affected by any change of government, unless otherwise provided.

3.11 Sec. 4. [123A.83] TRANSITION RULE.

3.12 (a) If an elected leadership district plan is adopted in a district, the board must continue  
3.13 to elect its chair consistent with past practice until the next board election is held, at which  
3.14 time a board chair must be elected by voters in accordance with section 123A.84. The board  
3.15 chair must be elected in place of one of the other board member positions that would  
3.16 otherwise have been elected at that time, such that the size of the board remains the same  
3.17 as before the adoption of an elected leadership district plan except as provided in paragraph  
3.18 (b).

3.19 (b) In a district where one or more board members are elected by ward, the board may  
3.20 increase the size of the board by one member when adopting an elected leadership district  
3.21 plan.

3.22 Sec. 5. [123A.84] ELECTED LEADERSHIP DISTRICT.

3.23 Subdivision 1. **Board.** Under a district plan for an elected leadership and board chair,  
3.24 the size of the board is determined in accordance with section 123B.09 provided that one  
3.25 board member is directly elected by voters as board chair. The board chair retains all  
3.26 authorized duties under this chapter and chapter 123B. In an election for a board chair, the  
3.27 ballot must list candidates for board chair separately from candidates for any other board  
3.28 office to be elected. The election for board chair must appear above any other board offices  
3.29 listed on the election ballot. Election of a board chair is subject to the laws governing school  
3.30 district elections under chapter 205A.

3.31 Subd. 2. **Chair duties.** The elected board chair has the following duties:

3.32 (1) provide general policy leadership for the district and the board;

- 4.1 (2) provide for the development of an annual and long-range plan for the district;
- 4.2 (3) work in conjunction with the superintendent to develop an annual budget to be  
4.3 presented to the board for consideration and approval;
- 4.4 (4) act as the official spokesperson for the district;
- 4.5 (5) appoint all board committees and designate board members to serve in other  
4.6 appropriate capacities, including representatives to other organizations and associations in  
4.7 which the board participates;
- 4.8 (6) provide an annual report to the public concerning the state of the district;
- 4.9 (7) preside over all meetings of the board;
- 4.10 (8) collaborate with the superintendent to establish meeting agendas;
- 4.11 (9) perform other functions as determined by the board; and
- 4.12 (10) provide for oversight and evaluation of the superintendent.
- 4.13 Subd. 3. **Superintendent.** The board must employ a superintendent who is responsible  
4.14 for the administration of the district and has the authorities and duties set forth in section  
4.15 123B.143. The superintendent must attend all meetings of the board, and may participate  
4.16 in discussion at the meetings, but must not be an ex officio member of the board. The board  
4.17 may have an executive session during any board meeting during which the superintendent  
4.18 may be excused from the meeting. The superintendent has the following duties:
- 4.19 (1) visit and supervise the schools in the district and report and make recommendations  
4.20 about school conditions when advisable or upon request by the board;
- 4.21 (2) make recommendations to the board on employment or dismissal of teachers;
- 4.22 (3) annually evaluate each school principal assigned responsibility for supervising a  
4.23 school building within the district, consistent with section 123B.147, subdivision 3, paragraph  
4.24 (b);
- 4.25 (4) oversee school grading practices and examinations for promotions;
- 4.26 (5) make reports required by the commissioner;
- 4.27 (6) work with the board chair to prepare an annual budget for the district to be presented  
4.28 to the board for approval; and
- 4.29 (7) perform other duties as prescribed by the board.

5.1 Subd. 4. **Limits on board powers.** Neither the board nor any of its members may dictate  
 5.2 the appointment of any person to office or employment by the superintendent, interfere in  
 5.3 any manner with the superintendent, or prevent the superintendent from exercising  
 5.4 independent judgment in the appointment of officers and employees. Except for the purpose  
 5.5 of inquiry, the board and its members must oversee the administrative services of the district  
 5.6 solely through the superintendent. Neither the board nor any of its members may give orders  
 5.7 to any subordinate of the superintendent, either publicly or privately.

5.8 Sec. 6. [123A.85] **DECENTRALIZED DISTRICT.**

5.9 Subdivision 1. **Authority.** A board of a district operating under a decentralized district  
 5.10 plan may approve an unlimited number of schools to operate within the district. The board  
 5.11 may request proposals for the types of schools or innovations the board seeks. A school-based  
 5.12 group may also submit a proposal to the board for consideration. A proposal may be based  
 5.13 on a model requested by the board or a model developed by a school-based group. Nothing  
 5.14 in this section limits the authority of a district to authorize a charter school under chapter  
 5.15 124E, or to create site-governed schools under section 123B.045.

5.16 Subd. 2. **Roles and responsibilities of self-governed schools.** (a) A school approved  
 5.17 by the board under this section has autonomy for the following responsibilities:

5.18 (1) create the governing arrangements for the school;

5.19 (2) determine the leadership model for the school, which may include a principal model,  
 5.20 a teacher professional practice model with school leadership functions performed by one  
 5.21 or more teachers or administrators at the school, or any other model;

5.22 (3) determine the budget for the school and the allocation and expenditure of the revenue  
 5.23 based on provisions of subdivision 4;

5.24 (4) determine the learning model and organization of the school;

5.25 (5) select and develop curriculum for the school and determine formative and summative  
 5.26 assessment practices;

5.27 (6) set policies for the school including student promotion, attendance, discipline,  
 5.28 graduation requirements, which may exceed the board standards, and other rules as approved  
 5.29 by the board consistent with the mission, goals, and learning program of the school;

5.30 (7) determine the length of the school day and school year;

5.31 (8) determine employee work rules covered by the terms and conditions of the  
 5.32 employment contract;

6.1 (9) select teachers and other staff consistent with current law and collective bargaining  
6.2 agreements and any applicable memoranda of understanding. The district is the legal  
6.3 employer of all staff at the school and all teachers and other employees may be required to  
6.4 sign an individual work agreement with the governing council committing themselves to  
6.5 the mission and learning program of the school and the requirements of the governing  
6.6 council; and

6.7 (10) fulfill other provisions as agreed to by the district.

6.8 (b) If a school created under this section is supervised by a principal, that principal must  
6.9 be licensed consistent with section 123B.147, subdivision 2.

6.10 Subd. 3. **Contract.** The district and any school must enter into a written school contract  
6.11 providing the terms and conditions by which the school will be governed, operated, and  
6.12 evaluated. The contract must address at a minimum all of the responsibilities under  
6.13 subdivision 2 and may address any other agreements between the school and the district.  
6.14 Any powers or duties not delegated remain with the board.

6.15 Subd. 4. **Revenue to self-governed school.** (a) Revenue allocated to a school includes  
6.16 all education revenue generated by students at the school from state, federal, local, and  
6.17 private sources, including referendum revenue.

6.18 (b) The district may retain a reasonable administrative fee for managing federal programs,  
6.19 private revenues, and general administrative functions including board, superintendent,  
6.20 district legal counsel, finance, accountability and school contract oversight, facilities  
6.21 maintenance, districtwide special education programs, unfunded special education costs,  
6.22 and other services as agreed to by the school and the board. The administrative fee must be  
6.23 specified in the contract.

6.24 (c) The district may provide services for the school, specify the fee for each service,  
6.25 retain the revenues for the amount of services, and specify those services and amounts in  
6.26 the contract between the school and the district. The formula or procedure for determining  
6.27 the amount of revenue to be allocated to the school annually must be consistent with this  
6.28 subdivision and incorporated into the school budget annually following a timeline and  
6.29 process in the contract between the school and the district.

6.30 (d) All unspent revenue at a school carries over to the following year for the sole use of  
6.31 the school.

7.1 Subd. 5. Exemption from statutes and rules. Except as outlined in this section, a school  
 7.2 established under this section is exempt from and subject to the same laws and rules as a  
 7.3 charter school under chapter 124E.

7.4 Subd. 6. Performance standards. (a) The contract between the school and the district  
 7.5 under subdivision 3 must address performance standards and expectations, including at least  
 7.6 the following:

7.7 (1) student achievement targets on multiple indicators, including either a growth model  
 7.8 or value-added growth model, and alternative measures of student achievement as agreed  
 7.9 upon;

7.10 (2) the criteria and process to be followed if it is determined that the school fails to  
 7.11 comply with district oversight and accountability requirements in the contract; and

7.12 (3) other performance provisions as agreed upon.

7.13 Subd. 7. Board termination of self-governed school authority. The board may terminate  
 7.14 the contract between the school and the district for one or more of the following reasons:

7.15 (1) failure of the school to comply with the terms of the contract;

7.16 (2) violations of law; or

7.17 (3) other good cause shown.

7.18 **Sec. 7. [123A.86] COUNTY-PARTNER DISTRICT.**

7.19 Subdivision 1. Authority. A district organized under a county-partner district plan may  
 7.20 contract with the county in which the district or any portion thereof is located, with another  
 7.21 third party that is a not-for-profit entity, or with another governmental unit as defined in  
 7.22 section 471.59, subdivision 1, to provide any noninstructional support functions or services  
 7.23 necessary to operate the district. The functions that may be contracted include but are not  
 7.24 limited to transportation, buildings and grounds, food service, social and health services for  
 7.25 students, child care, purchasing, or any other noninstructional functions of the district.  
 7.26 Except as otherwise provided in law, a district may not contract for or otherwise delegate  
 7.27 the responsibility for the development of educational curriculum or the delivery of  
 7.28 instructional service to students.

7.29 Subd. 2. Contract. The district must enter into a written contract defining the scope of  
 7.30 services to be provided to the district; the method by which the county, third party, or  
 7.31 governmental unit will be reimbursed for services; the length of the contract; the manner  
 7.32 in which legal liability will be allocated among the parties; who will procure liability

8.1 insurance related to the services; and any other terms or conditions typical for a contract  
8.2 for services. The contract must be approved by the board of the district.

8.3 Subd. 3. **Combined options.** A district may combine a reorganization plan under this  
8.4 section with another plan authorized under section 123A.80, subdivision 1, and any combined  
8.5 options shall be submitted to the voters under section 123A.81, with the form of ballot to  
8.6 be appropriately revised to reflect the combined options.

8.7 **Sec. 8. [123A.87] HOME RULE DISTRICT.**

8.8 Subdivision 1. **Home rule task force.** The board may establish a home rule task force  
8.9 to advise the board on the merits of establishing home rule governance of the district. The  
8.10 composition and number of task force members must be determined by the board and must  
8.11 include representatives of the board, teachers, administrative staff, parents, and community  
8.12 members. The task force must report to the board concerning the merits of establishing the  
8.13 district as a home rule district and, if requested by the board, must prepare a proposed home  
8.14 rule charter for consideration by the board. The proposed home rule charter is subject to  
8.15 revision and approval by the board. If approved, the home rule charter must be submitted  
8.16 for voter approval as provided in this section.

8.17 Subd. 2. **Home rule charter.** A home rule charter may provide for any governance  
8.18 structure for the district not inconsistent with the constitution, including the method by  
8.19 which the board will be elected and the manner in which the district and its schools will be  
8.20 administered. The home rule charter must comply with the minimum requirements of a  
8.21 charter school under chapter 124E, and may include any additional provisions consistent  
8.22 with this chapter and chapter 124E.

8.23 Subd. 3. **Approval.** A proposed home rule charter must first be approved by the board.  
8.24 A board-approved home rule charter must be submitted to the voters for approval as provided  
8.25 in section 123A.81. If approved by the voters, the district must be governed by the home  
8.26 rule charter until the home rule charter is abandoned under section 123A.81, subdivision 4.  
8.27 A copy of the approved home rule charter must be included in the filing made under section  
8.28 123A.81, subdivision 5.