SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 489

(SENATE AUTHORS: BONOFF, Rest and Torres Ray) **OFFICIAL STATUS** DATE D-PG

02/28/2011 Introduction and first reading 306

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Referred to Education

1.1	A bill for an act
1.2	relating to education finance; requiring the Department of Education to hire a
1.3	consultant to work with districts to share services; creating a competition among
1.4	school districts; creating an incentive for districts to share services; appropriating
1.5	money.

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

Section 1. SHARED SERVICES CONSULTATION SERVICES.

The commissioner of education shall enter into a three-year contract with a consultant to study specific services or activities across school districts and charter schools to make recommendations about combining services and activities in order to promote improved service delivery, efficiency, and economy of operation. The commissioner of education shall require the consultant to develop an implementation plan for all school districts to participate in shared services. The consultant must work cooperatively with school districts, charter schools, regional service cooperatives, regional management information centers, and their employees to develop this plan. The department must contract with a consultant that agrees to receive payment as a percentage of shared services savings as measured under section 2, subdivision 2. The percentage must not exceed five percent of the savings computed according to section 2, subdivision 2, in fiscal years 2012, 2013, and 2014.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. SHARED SERVICES.

Subdivision 1. Shared services arrangement. School districts, charter schools, and their employees may work with a shared services consultant intermediate school district, a

Sec. 2. 1

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regional service cooperative, or a regional management information ce	nter to create and
implement a plan that maximizes the benefits of shared services.	

Subd. 2. Savings measurement. School districts and charter schools that develop a shared services arrangement under subdivision 1 are encouraged to work with their employees and a shared services consultant to develop a method for measuring school district or charter school savings as a result of utilizing shared services under this section. This method must calculate savings for each individual district or charter school. The savings must be allocated to classroom education in each school district or charter school. Each school district and charter school must annually report the savings calculated under this section to the commissioner of education by January 15, 2013; January 15, 2014; and January 15, 2015.

Subd. 3. Report. The commissioner of education must annually report by February 15, 2013; February 15, 2014; and February 15, 2015, to the education finance committees of the legislature on the savings that shared services generate for the state's school districts and charter schools. In addition, the report shall evaluate the total savings per adjusted average daily membership within each economic development region under Minnesota Statutes, section 462.385, in the state. The report shall identify the economic development region that generated the largest savings per adjusted average daily membership. Savings per adjusted average daily membership must be calculated as the total savings of participating school districts and charter schools divided by the adjusted average daily membership of participating school districts and charter schools.

Sec. 3. SHARED SERVICES DEDUCTION.

(a) Notwithstanding Minnesota Statutes, section 126C.13, subdivision 4, for fiscal years 2012, 2013, and 2014 only, a school district's or charter school's general education aid must equal the amount computed under Minnesota Statutes, section 126C.13, subdivision 4, minus five percent of the savings computed under section 2, subdivision 2.

(b) Notwithstanding paragraph (a), the deduction under this section shall be equal to the contracted percentage under section 1 between the Department of Education and the consultant. The department must reduce the deduction under this section if the department and the consultant agree to a contract under section 1, in which the consultant is paid as a percentage of savings that is less than five percent.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. SAVINGS ALLOCATION.

Sec. 4. 2

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3.1	Notwithstanding section 2, in fiscal years 2012, 2013, and 2014 only, savings
3.2	computed according to section 2, subdivision 2, minus the contracted percentage paid to
3.3	the shared services consultant under section 1 must be allocated to classroom education
3.4	in each school district or charter school.
3.5	EFFECTIVE DATE. This section is effective the day following final enactment.
3.6	Sec. 5. SHARED SERVICES COMPETITION.
3.7	(a) School districts within each economic development region under Minnesota
3.8	Statutes, section 462.385, are encouraged to work together to share services to maximize
3.9	the savings generated per adjusted average daily membership. For fiscal years 2012,
3.10	2013, and 2014, the school districts and charter schools in each economic development
3.11	region with the most shared services savings in each year are eligible for a shared services
3.12	savings grant under paragraph (b).
3.13	(b) The commissioner shall award a shared services grant to the participating
3.14	school districts and charter schools of the economic development region that generates
3.15	the most savings per adjusted average daily membership, as reported according to section
3.16	2, subdivision 3. The shared services grants shall be equal per adjusted average daily
3.17	membership among all participating school districts and charter schools, and may be up to
3.18	\$500 per adjusted average daily membership. The total grant per year may not exceed
3.19	\$5,000,000 each year.
3.20	Sec. 6. <u>APPROPRIATION; SHARED SERVICES CONSULTANT.</u>
3.21	For fiscal years 2012 and 2013, the amount deducted from general education aid
3.22	under section 3 is appropriated to the Department of Education for the costs of the contract
3.23	associated with shared services consultation under section 1.
3.24	Sec. 7. APPROPRIATION.
3.25	Subdivision 1. Department of Education. The sums indicated in this section are
3.26	appropriated from the general fund to the Department of Education for the fiscal years
3.27	designated.
3.28	Subd. 2. Shared services grants.
3.29	<u>\$</u> <u>5,000,000</u> <u></u> <u>2012</u>
3.30	<u>\$</u> <u>5,000,000</u> <u></u> <u>2013</u>
3.31	The base appropriation is \$5,000,000 for fiscal year 2014 and \$0 for fiscal year 2015.

Sec. 7. 3