

CHAPTER 122

SCHOOL DISTRICTS: FORMATION AND COOPERATION

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122.03 ASSIGNMENT OF IDENTIFICATION NUMBERS.

Subdivision 1. The commissioner of children, families, and learning shall, by order, assign an identification number to each district. The assignment shall be made so that each classified district has an identification number which is exclusive to it in its classification.

Subd. 2. Upon making the assignment of an identification number, the commissioner of children, families, and learning shall forthwith notify the clerk of the district and the county auditors of the counties in which any part of the district lies of the identification number assigned. A certified copy of the order may be recorded in the office of the county recorder to show the new legal name of the district.

[For text of subd 3, see M.S.1994]

Subd. 4. A number once assigned a district under section 122.02 or under any prior law, shall not be used again to identify any district in the same classification. As the need arises, and as required by law, as new districts are formed, the commissioner of children, families, and learning shall assign unused numbers as identification. When numbered districts are dissolved, the numbers assigned them will not be reassigned to any other district.

History: *1Sp1995 c 3 art 16 s 13*

122.21 DETACHMENT AND ANNEXATION OF LAND.

[For text of subds 1 to 3, see M.S.1994]

Subd. 4. Within six months of the time when the petition was filed, the county board shall issue its order either granting or denying the petition, unless all or part of the land area described in the petition is included in a plat for consolidation or combination which has been approved by the commissioner of children, families, and learning in which event, no order may be issued while consolidation or combination proceedings are pending. No order shall be issued which results in attaching to a district any territory not adjoining that district, as defined in subdivision 1(a). No order shall be issued which reduces the size of any district to less than four sections unless the district is not operating a school within the district. The order may be made effective at a deferred date not later than July 1 next following its issuance. If the petition be granted, the auditor shall transmit a certified copy to the commissioner. Failure to issue an order within six months of the filing of the petition or termination of proceedings upon an approved consolidation plat, whichever is later, is a denial of the petition.

[For text of subds 5 and 6, see M.S.1994]

History: *1Sp1995 c 3 art 6 s 2; art 16 s 13*

122.22 DISSOLUTION AND ATTACHMENT.

[For text of subds 1 to 8, see M.S.1994]

Subd. 9. (a) An order issued under subdivision 8, clause (b), shall contain the following:

(1) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(2) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(3) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(4) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(5) An effective date for the order. The effective date shall be July 1 of an odd-numbered year unless the school board and the exclusive representative of the teachers in each affected district agree to an effective date of July 1 of an even-numbered year. The agreement must be in writing and submitted to the commissioner of children, families, and learning; and

(6) Other information the county board may desire to include.

(b) The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

[For text of subs 11 to 21, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

122.23 CONSOLIDATION.

[For text of subs 1 to 2a, see M.S.1994]

Subd. 2b. Orderly reduction plan. As part of the resolution required by subdivision 2, the school board must prepare a plan for the orderly reduction of the membership of the board to six or seven members and a plan for the establishment or dissolution of election districts. The plan must be submitted to the secretary of state for review and comment.

[For text of subs 3 to 20, see M.S.1994]

History: *1995 c 8 s 1*

122.241 COOPERATION AND COMBINATION.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. Combination requirements. Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of children, families, and learning, of enrollment at least at that level for five years;

(2) at least two districts if either:

(i) both of the districts qualify for secondary sparsity revenue under section 124A.22, subdivision 6, and have an average isolation index over 23; or

(ii) the combined district qualifies for secondary sparsity revenue;

(3) at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district; or

(4) at least two districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district if either district is located on the border of the state.

A combination under clause (2), (3), or (4) must be approved by the commissioner of children, families, and learning. The commissioner shall disapprove a combination under

clause (2), (3), or (4) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

History: *1Sp1995 c 3 art 16 s 13*

122.242 COOPERATION AND COMBINATION PLAN.

Subdivision 1. Adoption and state board review. Each school board must adopt, by resolution, a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative resolutions for an item that will occur in more than three years. The plan must be submitted to the state board of education and the secretary of state for review and comment. Significant modifications and specific resolutions of items must be submitted to the state board for review and comment. In the official newspaper of each district proposed for combination, the school board must publish at least a summary of the adopted plans, each significant modification and resolution of items, and each state board review and comment.

[For text of subs 2 to 8, see M.S.1994]

Subd. 9. Finances. The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies, down payment levies under section 124.82, and referendum levies;

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, clause (1); and

(5) two- and five-year projections, prepared by the department of children, families, and learning upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

[For text of subs 10 and 11, see M.S.1994]

History: *1995 c 8 s 2; 1Sp1995 c 3 art 16 s 13*

122.243 STATE BOARD AND VOTER APPROVAL.

Subdivision 1. Commissioner approval. Before submitting the question of combining school districts to the voters at a referendum, the cooperating districts shall submit the proposed combination to the commissioner of children, families, and learning. The commissioner shall determine the date for submission and may require any information it determines necessary. The commissioner shall disapprove the proposed combination if it is educationally unsound, will not reasonably enable the combined district to fulfill statutory and rule requirements, or if the plan or modifications are incomplete. If disapproved by the commissioner, the referendum shall be postponed, but not canceled, by the school boards.

[For text of subd 2, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

122.247 LEVIES FOR DISTRICTS AT THE TIME OF COMBINATION.

[For text of subs 1 to 2a, see M.S.1994]

Subd. 3. Transitional levy. The board of the combined district, or the boards of combining districts that have received voter approval for the combination under section 122.243,

subdivision 2, may levy for the expenses of negotiation, administrative expenses directly related to the transition from cooperation to combination, and the cost of necessary new athletic and music uniforms. The board or boards may levy this amount over three or fewer years. All expenses must be approved by the commissioner of children, families, and learning.

History: *1Sp1995 c 3 art 16 s 13*

122.248 REPORTS TO DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.

Cooperating districts may submit joint reports and jointly provide information required by the department of children, families, and learning. The joint reports must allow information to be attributed to each district. A combined district must report and provide information as a single unit.

History: *1Sp1995 c 3 art 16 s 13*

122.32 REMAINING DISTRICTS, ACTION OF COUNTY BOARD; ELECTION.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. The results of the election shall be certified by the county auditor to the county board and within 45 days after such election the county board shall issue its order dissolving the district. The order shall also attach the dissolved district to a proper district as determined by the county board, and a copy of such order shall be filed with the commissioner of children, families, and learning. Title to all the property, real and personal, of the district dissolved passes to the district to which such dissolved district is attached. If a district is divided by virtue of the proceedings the county board shall issue its order providing for the division of the current assets and liabilities according to such terms as it may deem just and equitable. If the order of the county board attaches any land area to a district with bonded debt, the taxable property in such area assumes its proportionate share of the authorized and outstanding debt of the district to which it is attached.

History: *1Sp1995 c 3 art 16 s 13*

122.531 LEVY LIMITATIONS OF REORGANIZED DISTRICTS.

Subdivision 1. **Definitions.** The terms defined in chapters 124 and 124A have the same meaning when they are used in this section, unless otherwise clearly indicated.

[For text of subs 1a to 4a, see M.S.1994]

Subd. 5a. **Supplemental revenue.** (a) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a consolidation, the newly created district's 1991-1992 revenue and 1991-1992 actual pupil units are the sum of the 1991-1992 revenue and 1991-1992 pupil units, respectively, of the former districts comprising the new district.

(b) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a dissolution and attachment, a district's 1991-1992 revenue is the revenue of the existing district plus the result of the following calculation:

- (1) the 1991-1992 revenue of the dissolved district divided by
- (2) the dissolved district's 1991-1992 actual pupil units, multiplied by
- (3) the pupil units of the dissolved district in the most recent year before the dissolution allocated to the newly created or enlarged district.

(c) In the case of a dissolution and attachment, the department of children, families, and learning shall allocate the pupil units of the dissolved district to the newly enlarged district based on the allocation of the property on which the pupils generating the pupil units reside.

[For text of subd 6, see M.S.1994]

Subd. 9. **Levy for severance pay or early retirement incentives.** The school board of a newly created or enlarged district to which part or all of a dissolved district was attached

according to section 122.22 may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of children, families, and learning approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

History: 1995 c 212 art 4 s 64; 1Sp1995 c 3 art 16 s 13

122.5311 OBLIGATIONS UPON DISTRICT REORGANIZATION.

Subdivision 1. Capital loan obligations. If a district has a capital loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the capital loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment to the extent stated in the plan. Notwithstanding any contract to the contrary, if all of the taxable property in the newly created or enlarged district is taxable for the payment of the capital loan and until the capital loan is retired or canceled, the maximum effort debt service levy shall be recalculated annually by the department of children, families, and learning to be equal to the required debt service levy plus an additional amount. The additional amount shall be the greater of:

- (i) zero, or
- (ii) the maximum effort debt service levy of the preexisting district minus the required debt service levy of the preexisting district that received the capital loan.

For the purpose of the recalculation, additional bond issues after the date of the reorganization shall not impact the maximum effort debt service levy or the required debt service levy.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for a capital loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any capital loan obligation.

[For text of subd 2, see M.S.1994]

History: 1Sp1995 c 3 art 16 s 13

122.532 EMPLOYEES OF REORGANIZED DISTRICTS.

[For text of subds 1 to 3, see M.S.1994]

Subd. 3a. Interim contractual agreements. (a) Until a successor contract is executed between the new school board and the exclusive representative of the teachers of the new district, the school boards of both districts and the exclusive representatives of the teachers of both districts may agree:

- (1) to comply with the contract of either district with respect to all of the teachers assigned to the new district; or
- (2) that each of the contracts shall apply to the teachers previously subject to the respective contract.

(b) In the absence of an agreement according to paragraph (a), the following shall apply:

(1) if the effective date is July 1 of an even-numbered year, each of the contracts shall apply to the teachers previously subject to the respective contract and shall be binding on the new school board; or

(2) if the effective date is July 1 of an odd-numbered year, the contract of the district that previously employed the largest proportion of teachers assigned to the new district applies to all of the teachers assigned to the new district and shall be binding on the new school board. The application of this section shall not result in a reduction in a teacher's basic salary, payments for cocurricular or extracurricular assignments, district contributions toward insur-

ance coverages or tax-sheltered annuities, leaves of absence, or severance pay until a successor contract is executed between the new school board and the exclusive representative.

[For text of subd 4, see M.S.1994]

History: *1Sp1995 c 3 art 1 s 5*

122.533 EXPENSES OF TRANSITION.

The board of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the dissolution and attachment. Notwithstanding the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, and 124.918, the district may, in the year the dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

History: *1995 c 212 art 4 s 64*

122.535 AGREEMENTS FOR SECONDARY EDUCATION.

[For text of subds 1 to 3, see M.S.1994]

Subd. 4. Review and comment. After the hearing required by subdivision 3 and before entering into an agreement, the board shall submit the agreement to the commissioner of children, families, and learning for review and comment.

Subd. 5. Aid payments. A district entering into an agreement permitted in subdivision 2 of this section shall continue to count its resident pupils who are educated in other districts as resident pupils in the calculation of pupil units for the purposes of state aids, levy limitations, and any other purpose. A district may continue to provide transportation and collect transportation aid for its resident pupils. For purposes of aid calculations, the commissioner of children, families, and learning may adjust the cost per eligible pupil transported to reflect changes in cost resulting from the agreement, if any.

[For text of subd 6, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

122.541 INTERDISTRICT COOPERATION.

Subdivision 1. District requirements. The school boards of two or more districts may, after consultation with the department of children, families, and learning, enter into an agreement providing for:

(1) discontinuance by all districts except one of at least the 10th, 11th, and 12th grades; and

(2) instruction of the pupils in the discontinued grades in one of the cooperating districts. Each district shall continue to operate a school with at least three grades. Before entering into a final agreement, the boards shall provide a copy of this agreement to the commissioner of children, families, and learning.

[For text of subds 2 to 7, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

122.895 EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.

Subdivision 1. Definitions. For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Teacher" means a teacher as defined in section 125.12, subdivision 1, who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent.

(b) "Cooperative" means any district or center to which this section applies.

(c) "Withdrawal" means a school district's removal of its students from a program of instruction, counseling, or evaluation provided by a cooperative in order to provide the same educational services by other means.

(d) "Education support position" means a position not requiring a teaching license in which an employee assists a teacher by providing instructional, counseling, or evaluative support services directly to students.

(e) "Education support employee" means an employee holding an education support position.

[For text of subs 2 to 7, see M.S.1994]

Subd. 8. Nonlicensed employees upon dissolution. (a) A nonlicensed employee who is terminated by a cooperative that dissolves shall be appointed by a district that is a member of the dissolved cooperative to a position that is created within 36 months of the dissolution of the cooperative and is created as a result of the dissolution of the cooperative. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

(b) When an education support employee is terminated by a cooperative that dissolves, a district that is a member of the dissolved cooperative shall appoint the employee to an education support position if the position is created within 36 months of the dissolution of the cooperative as a result of the dissolution. An education support position shall be offered to an education support employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

(c) An employee appointed according to this subdivision shall receive credit for the employee's:

(1) continuous years of service with the cooperative on the appointing district's compensation schedule and seniority list; and

(2) unused sick leave accumulated while employed by the cooperative.

(d) Notwithstanding section 179A.12 or Minnesota Rules, part 5510.0510, subparts 1 to 4, a representation petition seeking the exclusive representation of a unit of education support employees employed by a district formerly a member of a dissolved cooperative may be considered by the commissioner of the bureau of mediation services at any time within 11 months of the dissolution of the cooperative.

Subd. 9. Nonlicensed employees upon withdrawal. (a) A nonlicensed employee of a cooperative whose active employment is discontinued or reduced as a result of the withdrawal of a member district from the cooperative shall be appointed by the withdrawing member district to a position that is created within 36 months of the withdrawal and is created as a result of the withdrawal of the member district. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

(b) When an education support employee of a cooperative has active employment discontinued or reduced as a result of the withdrawal of a member district from the cooperative, the withdrawing member district shall appoint the employee to an education support position if the position is created within 36 months of the withdrawal as a result of the withdrawal of the member district. An education support position shall be offered to an education support employee, who meets the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

(c) An employee appointed according to this subdivision shall receive credit for the employee's:

(1) continuous years of service with the cooperative on the appointing district's compensation schedule and seniority list; and

(2) unused sick leave accumulated while employed by the cooperative.

(d) Notwithstanding section 179A.12 or Minnesota Rules, part 5510.0510, subparts 1 to 4, a representation petition seeking the exclusive representation of a unit of education support employees employed by a member district which has withdrawn from a cooperative may be considered by the commissioner of the bureau of mediation services at any time within 11 months of the district's withdrawal from the cooperative.

[For text of subd 10, see M.S.1994]

History: *1Sp1995 c 3 art 6 s 3-5*

122.91 EDUCATION DISTRICT ESTABLISHMENT.

Subdivision 1. **Purpose.** The purpose of an education district is to increase educational opportunities for learners by increasing cooperation and coordination among school districts, other governmental units, and post-secondary institutions, and to replace other existing cooperative structures.

Subd. 2. **Agreement.** School boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. Once established, cities, counties, and other governmental units as defined in section 471.59, may become members of the education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.

Subd. 2a. **Agreement; special provisions.** The education district agreement may contain a special provision adopted by the vote of a majority of the full membership of each of the boards of the member school districts to allow a post-secondary institution or cities, counties, and other governmental units to become a member of the education district.

[For text of subds 3 to 6, see M.S.1994]

History: *1Sp1995 c 3 art 9 s 13-15*

122.92 EDUCATION DISTRICT BOARD.

Subdivision 1. **School district representation.** The education district board shall be composed of at least one representative appointed by the school board or governing board of each member. Each representative must be a member of the appointing school or governing board. Each representative shall serve at the pleasure of the appointing board and may be recalled by a majority vote of the appointing board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt bylaws for the conduct of its business. The board may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present.

[For text of subd 2, see M.S.1994]

History: *1Sp1995 c 3 art 9 s 16*

122.93 POWERS AND DUTIES OF THE BOARD.

Subdivision 1. **Coordination.** An education district board shall coordinate the programs and services of the education district according to the terms of the written agreement. The board shall implement the agreement for delivering educational services defined in section 123.582, subdivisions 7 and 8, needed in the education district.

[For text of subds 2 to 8, see M.S.1994]

History: *1Sp1995 c 3 art 9 s 17*

122.94 EDUCATION DISTRICT AGREEMENT.

Subdivision 1. **Establishment.** An education district board shall adopt a comprehensive agreement for continuous learning. The agreement must address methods to improve the educational opportunities available in the education district. The education district board shall review the agreement annually and propose necessary amendments to the member districts.

[For text of subds 4 and 5, see M.S.1994]

History: *1Sp1995 c 3 art 9 s 18*