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State of Minnesota HOUSE OF REPRESENTATIVES

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SESSION

HOUSE FILE No. **751**

February 12, 2009

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The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight

1.1 A bill for an act
1.2 relating to education; authorizing school districts to create site-governed schools;
1.3 appropriating money; proposing coding for new law in Minnesota Statutes,
1.4 chapter 123B.

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

1.6 Section 1. **[123B.045] DISTRICT-CREATED SITE-GOVERNED SCHOOLS.**

1.7 Subdivision 1. **Authority.** (a) A school board may create site-governed schools
1.8 under this section by requesting self-governing school proposals. The request for
1.9 proposals must include what types of schools the board intends to create. A proposal must
1.10 address the requirements of this section and any additional requirements included in the
1.11 request. A current school site or a group of district staff proposing to create a new school
1.12 may submit a proposal. The group submitting the proposal must include parents or other
1.13 community members who participated in developing the proposal.

1.14 (b) The board and the applicable unions representing district employees must agree
1.15 to enter into memoranda of understanding modifying applicable sections of current
1.16 contracts which enable the provisions of subdivision 2, clause (10), to be implemented.

1.17 (c) Parties developing proposals may submit the proposal to the commission on New
1.18 Schools Minnesota as defined in section 124D.099 for review and comment prior to
1.19 submitting it to the district board. New Schools Minnesota shall complete its review and
1.20 comment within 30 days of receipt. The site shall include the review and comment along
1.21 with its application to the board.

1.22 (d) Within 45 days of receipt of the application, the board shall determine whether to
1.23 approve, disapprove, or return the application to the applicants for further information or
1.24 development.

2.1 Subd. 2. **Autonomy of site-governed schools.** Site-governed schools approved by
2.2 the board have the following autonomy and responsibilities:

2.3 (1) to determine the learning model and organization of the school consistent with
2.4 the application approved by the board;

2.5 (2) to create a 501(c)(3) organization under the applicable laws and rules of the
2.6 United States Department of the Internal Revenue Service;

2.7 (3) to enter into a contract with the district board setting forth the terms of its
2.8 operation including the provisions of this section;

2.9 (4) to create the board of the nonprofit organization that shall be the governing board
2.10 of the school site and includes teachers, administrators, parents, community members,
2.11 students if appropriate, and other representatives of the community as determined by
2.12 the site governing board;

2.13 (5) to include teachers currently working at the site as a majority of the board;

2.14 (6) to select and develop its curriculum and formative assessment practices;

2.15 (7) to determine the professional development plan for staff which may include the
2.16 purchase of staff development from the district or other organizations;

2.17 (8) to set policies for the site including student promotion, attendance, discipline,
2.18 graduation requirements which may exceed the board standards, length of school day and
2.19 year, employee work rules, and other rules approved by the district board consistent with
2.20 the mission, goals, and learning program of the school site;

2.21 (9) to develop and implement the parental involvement programs under section
2.22 124D.895;

2.23 (10) to determine the budget for the school based on the provisions of subdivision 3.
2.24 The allocation of the revenue shall be under the control of the site;

2.25 (11) to determine the leadership model for the school including: selecting a
2.26 principal, operating as a teacher professional practices model with school leadership
2.27 functions performed by one or more teachers or administrators at the school, or other
2.28 model determined by the site;

2.29 (12) to select and deselect a principal with the approval of the superintendent;

2.30 (13) to select and deselect teachers and other staff including teachers not employed
2.31 by the district consistent with current law and collective bargaining agreements and
2.32 memoranda of understanding provided for in subdivision 1, paragraph (c). The board
2.33 of the district shall be the legal employer of all staff at the site and all teachers and
2.34 other staff members shall be represented by the applicable unions. Teachers and other
2.35 employees may be required to sign an individual work agreement with the site-governed

school committing themselves to the mission and learning program of the school and the requirements of the site board; and

(14) to fulfill other provisions as agreed to by the district and site boards.

Subd. 3. **Revenue to site-governed school.** A minimum of 85 percent of the general education revenue generated by the students at the site from state and local sources, 85 percent of the federal revenue, and 100 percent of the private revenue raised by the site shall be allocated to the site, less an indirect cost charged by the district. All unspent revenue shall be carried over to following years. The site and district may enter into an agreement for the district to provide specific services and retain revenue for those services. The district may specify which services the site will be required to purchase and the specific amount to be paid for each service, including district governance and superintendent, district legal counsel, finance, accountability and site-governed school contract oversight, debt service, facilities maintenance, and districtwide special education programs.

Subd. 4. **Exemption from statutes and rules.** Schools established under this section are exempt from and subject to the same laws and rules as are chartered schools under section 124D.10.

Subd. 5. **Performance agreement between board and site.** (a) A performance agreement shall be developed between the board and the site which shall include at least the following:

(1) a description of the learning model to be used at the school;

(2) student achievement targets on multiple indicators and other performance expectations determined by the district board;

(3) the district accountability and oversight practices to be followed including the criteria for continuing or terminating the agreement with the site;

(4) the formula or procedures for determining the amount of revenue to be allocated to the site each year;

(5) the provisions of subdivisions 2 and 3; and

(6) other provisions as agreed to.

(b) All agreements shall be filed with the commissioner and New Schools Minnesota. The agreement shall be for up to three years, shall be reviewed annually, and may be renewed by the district board for additional three-year terms based on the performance of the school.

Subd. 6. **Board termination of site-governed school authority.** (a) The district board may terminate the agreement for one or more of the following reasons:

(1) failure of the site to meet the performance agreement in subdivision 5;

(2) violations of law; or

(3) other good cause shown.

(b) Site-governed schools that are terminated or not renewed for reasons other than for cause may convert to charter school status as provided for in section 124D.10 without the approval of the district board. The site-governed school may not convert to chartered school status for any other reason unless agreed to by the district board. In those situations, the chartered school would become the owner of all materials, supplies, and equipment purchased during the time the school was a site-governed school.

Subd. 7. **State assistance, approval, and funding.** (a) New Schools Minnesota shall provide assistance to districts and sites to become site-governed under this section.

(b) The board of the district may submit a request for a planning grant for each site-governed school it intends to develop. New Schools Minnesota shall develop the planning grant application, review the requests submitted, and make recommendations to the commissioner who shall have final decision-making authority.

(c) Following approval of the site-governed school by the district board, the board shall file the application with New Schools Minnesota, which shall make recommendations to the commissioner who shall have final decision-making authority.

(d) Following approval by the commissioner, when the site-governed school becomes operational the school site shall receive \$500 per pupil with a minimum of \$50,000 for the first two years of operation.

Sec. 2. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **New Schools Minnesota.** For New Schools Minnesota under Minnesota Statutes, section 124D.099:

\$ 2010

\$ 2011

The 2010 and 2011 appropriations include \$..... for planning grants. The 2011 appropriation includes \$..... for sites that become operational.