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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **3685**

March 17, 2010

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education finance; establishing a shared services grant program for
1.3 school districts and charter schools; appropriating money.

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

1.5 Section 1. **SHARED SERVICES GRANTS.**

1.6 Subdivision 1. **Eligibility.** For fiscal years 2011 to 2013, a group of five or more
1.7 school districts or charter schools that have established a pilot program to collaboratively
1.8 share administrative or business services are eligible to receive shared services grants
1.9 under this section. To be eligible, a group of school districts or charter schools must have
1.10 entered into a joint powers agreement and formed a joint powers board, under Minnesota
1.11 Statutes, section 471.59, for the purposes of sharing administrative or business services.
1.12 For the purpose of this section, "school district" includes intermediate school districts.
1.13 For the purpose of this section, a charter school is considered a governmental unit for
1.14 the purposes of establishing a joint powers agreement with a school district or another
1.15 charter school.

1.16 Subd. 2. **Application.** A group of eligible school districts or charter schools
1.17 must apply to the commissioner of education to receive a grant under this section. The
1.18 commissioner must establish an application deadline. The application must be signed by
1.19 every superintendent or charter school director that is participating in the shared service
1.20 group.

1.21 Subd. 3. **Plan.** Eligible school districts or charter schools must develop a plan that
1.22 describes how the sharing of administrative or financial services between their group of
1.23 school districts or charter schools will operate. The plan must describe how combining
1.24 administrative or business services will promote improved service delivery, efficiency,

2.1 and economy of operation. The plan must identify how a grant award under this section
2.2 will improve the efforts to share services between school districts or charter schools that
2.3 are part of the plan. The plan must include a timeline for implementation and a process
2.4 of review and evaluation to establish the performance of the shared service plan. The
2.5 plan must establish a method for allocating the grant award between the group of school
2.6 districts and charter schools in the group.

2.7 Subd. 4. **Application evaluation; award.** The commissioner must evaluate and
2.8 award grants to applicants based upon the plans submitted under subdivision 3. The
2.9 commissioner shall give preference to awarding grants to groupings of school districts or
2.10 charter schools that demonstrate the greatest opportunity for cost savings and efficiency.
2.11 The commissioner must not award grants to eligible school districts or charter schools
2.12 that do not include a process for review and evaluation. The commissioner shall give
2.13 preference to awarding grants to groups of school districts or charter schools that include
2.14 the use of a consultant or regional cooperative with expertise in shared services efforts to
2.15 assist in designing their shared services projects.

2.16 Subd. 5. **Savings.** The savings generated for grant recipients must be shared
2.17 by all school districts and charter schools who participate in the shared services joint
2.18 powers agreement. The savings must be used to enhance educational quality and improve
2.19 teaching and learning. An amount not to exceed five percent of savings generated by the
2.20 shared services agreement may be allocated to pay for the services of a shared services
2.21 consultant. Grantees are encouraged to allocate a portion of the savings to pay for job
2.22 retraining and job placement services of dislocated personnel as a result of the shared
2.23 services pilot project.

2.24 Subd. 6. **Report.** The commissioner must provide an annual status update to the
2.25 education finance committees of the senate and house of representatives by February 15 of
2.26 each year of the pilots and a final report by January 15, 2014, on how the collaborative
2.27 shared services administrative or business agreements promoted improved service
2.28 delivery, efficiency, and economy of operations of grant recipients. The commissioner
2.29 may require information from grant recipients to fulfill this reporting requirement.

2.30 **Sec. 2. APPROPRIATION.**

2.31 Subdivision 1. **Department of Education.** The sum indicated in this section is
2.32 appropriated from the general fund to the Department of Education for the fiscal year
2.33 indicated.

3.1 Subd. 2. Shared services grants. To make grants to eligible shared services
3.2 applicants:

3.3 \$ 1,000,000 2011

3.4 No more than 25 percent of the amount appropriated may be granted to any single
3.5 group of school districts or charter schools. At least half of the appropriation must be
3.6 awarded to grantees located outside the seven-county metro area, under Minnesota
3.7 Statutes, section 473.121, subdivision 2. The base appropriation for fiscal year 2012
3.8 and later is \$0.