

HOUSE RESEARCH

Bill Summary

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SUBJECT: Authorizing outcome-based schools

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COMMITTEE: Education

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Section 1. Outcome-based Schools. Permits sponsors to authorize outcome-based schools that are exempt from the statutes and rules governing school boards and districts.

Subdivision 1. Purposes. Lists the purposes of the section, including improving learning and learning opportunities, encouraging innovation in teaching and measuring outcomes, and creating school autonomy, new forms of accountability and new professional opportunities.

Subd. 2. Applicability. Makes the section applicable only to outcome-based schools formed and operated under the section.

Subd. 3. Sponsor. Lists nine entities that may authorize an outcome-based school. Gives a sponsor discretion to authorize any number of outcome-based schools.

Subd. 4. Formation of School. Permits a sponsor to authorize one or more individuals or an organization to form and operate an outcome-based school. Requires the individual or organization to organize and operate as a cooperative or as a nonprofit corporation. Requires the authorization to be in the form of a contract between the sponsor and the school's board of directors.

Subd. 5. Contract. Lists the contents of the written contract between the sponsor and the school's board of directors, including a program description, expected learner outcomes, admission policies and procedures, school management and administration, program and financial requirements, compliance with health and safety requirements, the length of the school year, transportation provisions, the school's liability and insurance coverage, and the term of the contract (not to exceed three years).

Subd. 6. Advisory Committee.

(a) Directs the state board of education to appoint a ten member advisory committee, including eight members of minority communities, half of whom reside within the seven-county metropolitan area and half of whom have school age children. Requires half of the advisory committee members to have family incomes that would make them eligible for free or reduced school lunches.

(b) Directs the state board to request that the advisory committee review and make recommendations when a white individual or predominantly white organization proposes to establish an outcome-based school with predominantly nonwhite students.

(c) Permits the state board to request that the advisory committee review and make recommendations when a nonwhite individual or a predominantly nonwhite organization proposing to establish a predominantly nonwhite school makes that request.

Subd. 7. Exemption From Statutes and Rules. Except as provided in this section, exempts an outcome-based school from all statutes and rules governing school boards and districts.

Subd. 8. Requirements.

(a) Subjects an outcome-based school to the same health and safety requirements as a school district.

(b) Requires the school to be located within the state. Precludes imposing any additional requirements on location except zoning requirements.

(c) Requires school programs, admissions policies, employment practices and operations to be nonsectarian.

(d) Requires the school to provide instruction to one or more age groups between 5 and 18 years.

(e) Precludes charging tuition.

(f) Makes the school subject to the chapter on human rights (chapter 363) and to the section prohibiting sex discrimination in athletic programs (section 126.21).

(g) Makes the school subject to the pupil fair dismissal act and the public school fee law.

(h) Subjects the school to the same audits and audit procedures and requirements as school districts, including UFARS requirements to the extent they are applicable. Permits the education department, state auditor and legislative auditor to conduct audits.

Subd. 9. Admission Requirements.

(a) Permits the school to limit admission to pupils according to certain categories, including age, grade, subject matter, eligibility for the high school graduations incentives program, affinity for teaching methods, learning philosophy or a particular subject, or location if there is a disproportionate number of nonwhite people in the area.

(b) Requires a school to accept an eligible pupil who makes a timely application unless the number of applications exceed capacity, in which case admission is by lot. Precludes a school from limiting admission based on intellectual or athletic ability or high achievement or aptitude. Precludes limiting a school to a category of pupils or a geographical area.

Subd. 10. Pupil Performance. Requires a school's program to at least meet the learner outcomes adopted by the state board of education. Requires the school to meet the learner outcomes contained in the contract with the sponsor if there are no applicable state board standards. Permits school outcomes to exceed state board standards.

Subd. 11. Employees. Requires the school's board of directors to employ and contract with licensed teachers. Permits the board, at the request of the school's teachers after one year of operation, to employ nonlicensed teachers. Permits the board to hire unlicensed necessary employees and to contract for services. Permits the board to discharge teachers and nonlicensed employees.

Subd. 12. Handicapped Pupils. Requires an outcome-based school to comply with statutes and rules governing the education of handicapped pupils.

Subd. 13. Length of School Year. Requires an outcome-based school to provide at least 170 days of instruction throughout a year.

Subd. 14. Reports. Requires the school to provide information annually to its sponsor and the state board of education. Declares the information to be public data.

Subd. 15. Transportation. Requires the district in which the school is located to transport to resident pupils under the transportation provision of the enrollment options program (section 120.062, subdivision 9) and the provision permitting a nonresident district to transport a nonresident pupil within its borders and within the pupil's resident district upon approval of the resident district (section 123.39, subdivision 6). Permits the district to provide transportation to nonresident pupils.

Subd. 16. Leased Space. Permits a school to lease space from any board that is eligible to sponsor a school.

Subd. 17. Initial Costs. Permits a sponsor to authorize a school before an applicant has secured space, facilities, equipment and personnel if the authorization is necessary for the applicant to raise capital.

Subd. 18. Dissemination of Information. Requires the education department to disseminate information about outcome-based schools.

Subd. 19. Leave to Teach in a School. Requires a school district to grant a teacher's request for a leave of up to five years to teach in an outcome-based school. Permits the district to require that the request for a leave or extension of leave be made 90 days before a teacher reports for duty. Makes relevant portions of the statutory section on extended leaves of absence applicable. Permits a teacher to continue to accrue retirement benefits and credits by paying the employer and employee contributions. Permits TRA to impose reasonable administrative requirements.

Subd. 20. Collective Bargaining. Permits school employees to organize under PELRA. Declares the school's board of directors to be a public employer under PELRA if bargaining units are formed. Declares the school's bargaining units to be separate from other units.

Subd. 21. Causes For Nonrenewal or Termination. Requires that the duration of the contract be included as a contract term. Gives the sponsor discretion to renew or not renew a contract at the end of a contract term. Permits a sponsor to unilaterally terminate a contract during the term of the contract. Requires 60 days notice of nonrenewal or termination. Requires the written nonrenewal or termination notice to state the grounds for the proposed action and to indicate that a hearing may be requested within 14 days. Declares failure to request a hearing to be acquiescence in the sponsor's action. Requires a sponsor to conduct a hearing on the sponsor's proposed action upon receipt of a timely request for a hearing. Requires a sponsor to take final action by the last day of the school year. Lists the grounds for which a contract may be not renewed or terminated, including

failure to meet pupil performance requirements or accepted fiscal standards, violations of law or other causes. Requires the sponsor that terminates or does not renew a contract to liquidate school assets, pay school obligations and debts out of the assets, and return remaining assets to their source.

Subd. 22. Open Enrollment. Permits a pupil who attends an outcome-based school, the pupil's siblings and other pupils who reside with the pupil to apply before July 1 to attend school in the fall under the enrollment options program if a contract is not renewed or terminated. Declares the application and notice deadlines in the enrollment options program to be inapplicable.

Subd. 23. General Authority. Permits the school's board of directors to sue and be sued. Precludes the board from levying taxes or issuing bonds.

Subd. 24. Immunity. Declares a sponsor, board members and school employees to be immune from civil or criminal liability for activities related to the school. Directs the board of directors to obtain the insurance required by the contract.

Sec. 2. Revenue for an Outcome-Based School. Provides general education revenue, capital expenditure equipment revenue and special education aid to an outcome-based school, as well as enables the school to receive other aid, grants and revenue.

Subdivision 1. General Education Revenue. Requires general education revenue to be paid to an outcome-based school as though it were a school district. Declares the general education revenue for each pupil unit to be the state average general education revenue per pupil unit, calculated without compensatory revenue, plus compensatory revenue as though the school were a school district.

Subd. 2. Capital Expenditure Equipment Revenue. Requires capital expenditure equipment revenue to be paid to an outcome-based school according to the provision governing alternative attendance programs as though the school were a school district. Permits the school to use the revenue for any school-related purpose, notwithstanding the statutory restrictions on the uses of capital expenditure equipment revenue.

Subd. 3. Special Education Aid. Requires special education aid to be paid to an outcome-based school as though it were a school district. Permits the school to charge tuition to the resident district under the provision governing special instructions for nonresident handicapped children. Directs the resident district to levy taxes under the provision governing special education levies as though the school were participating in a cooperative.

Subd. 4. Other Aid, Grants, Revenue. Declares an outcome-based school to be eligible to receive other aids, grants and categorical revenue. Precludes receipt of such revenue if a levy is required to obtain the revenue. Requires the state to pay federal aid to the school if it qualifies for aid as though it were a school district.

Subd. 5. Use of State Money. Precludes using state money to purchase land or buildings. Permits the school to own land or buildings obtained through nonstate sources.