

Senators Johnson, *Jane* J. B.; Dicklich; DeCramer; Beckman and Reichgott introduced--

S. F. No. 1107 Referred to the Committee on Education

1 A bill for an act

2 relating to education; authorizing pilot outcome-based

3 schools authorized by school boards.

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

5 Section 1. [PILOT OUTCOME-BASED SCHOOLS.]

6 Subdivision 1. [PILOT OUTCOME-BASED SCHOOLS.] Up to five

7 pilot outcome-based schools may be authorized under this

8 section. The state board of education shall develop procedures

9 for a school board to notify the state board when formation of a

10 pilot school has been requested and authorization according to

11 subdivision 4 has been granted. In order to authorize five

12 pilot schools, the state board may impose deadlines for a

13 request for formation and for action on a request.

14 Subd. 2. [PURPOSES.] The purposes of this section are to:

15 (1) improve pupil learning;

16 (2) increase learning opportunities for pupils;

17 (3) encourage the use of different and innovative methods

18 of teaching;

19 (4) require the measurement of learning outcomes and create

20 different and innovative forms of measuring outcomes;

21 (5) create autonomous schools;

22 (6) establish new forms of accountability for schools; or

23 (7) create new professional opportunities for teachers and

24 other educators, including the opportunity to own a school or

1 departments or programs of the school.

2 Subd. 3. [APPLICABILITY.] This section applies only to  
3 outcome-based schools formed and operated under this section.

4 Subd. 4. [SCHOOL BOARD SPONSOR.] A school board may  
5 sponsor an outcome-based school located within the school  
6 district.

7 Subd. 5. [FORMATION OF SCHOOL.] A school board may  
8 authorize one or more individuals or an organization to form and  
9 operate an outcome-based school within the school district. An  
10 individual or organization shall organize and operate as a  
11 cooperative under Minnesota Statutes, chapter 308A, or nonprofit  
12 corporation under Minnesota Statutes, chapter 317A. The school  
13 board's authorization must be in the form of a contract between  
14 the school board and the board of directors of the outcome-based  
15 school.

16 Subd. 6. [CONTRACT.] The contract must be in writing and  
17 contain:

18 (1) a description of a program that carries out one or more  
19 of the purposes in subdivision 2;

20 (2) specific outcomes to be achieved by the pupils  
21 according to subdivision 10;

22 (3) admission policies and procedures;

23 (4) management and administration of the school;

24 (5) requirements and procedures for program and financial  
25 audits;

26 (6) how the school will comply with subdivisions 8, 13, and  
27 15;

28 (7) assumption of liability by the outcome-based school;

29 (8) types and amounts of insurance coverage to be obtained  
30 by the outcome-based school; and

31 (9) the term of the contract, which may be up to three  
32 years.

33 Subd. 7. [EXEMPTION FROM STATUTES AND RULES.] Except as  
34 provided in this section, an outcome-based school is exempt from  
35 all statutes and rules applicable to a school board or school  
36 district, although it may elect to comply with one or more

1 provisions of statutes or rules.

2 Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall  
3 meet the same health and safety requirements required of a  
4 school district.

5 (b) The school shall be located in Minnesota. Its specific  
6 location must not be prescribed or limited by a sponsoring  
7 school board or other authority except a zoning authority.

8 (c) The school shall be nonsectarian in its programs,  
9 admission policies, employment practices, and all other  
10 operations.

11 (d) The primary focus of the school must be to provide  
12 instruction for at least one grade or age group between the ages  
13 of five and 18 years.

14 (e) The school must not charge tuition.

15 (f) The school is subject to and shall comply with  
16 Minnesota Statutes, chapter 363, and Minnesota Statutes, section  
17 126.21.

18 (g) The school is subject to and shall comply with the  
19 pupil fair dismissal act, Minnesota Statutes, sections 127.26 to  
20 127.39, and the Minnesota public school fee law, Minnesota  
21 Statutes, sections 120.71 to 120.76.

22 (h) The school is subject to the same financial audits,  
23 audit procedures, and audit requirements as a school district.  
24 The audit must be consistent with the requirements of Minnesota  
25 Statutes, sections 121.901 to 121.917, except to the extent  
26 deviations are necessary because of the program at the school.  
27 The department of education, state auditor, and legislative  
28 auditor may conduct financial, program, and compliance audits.

29 Subd. 9. [ADMISSION REQUIREMENTS.] (a) The school may  
30 limit admission to pupils who:

31 (1) are within an age, grade, or subject matter category;

32 (2) have attributes designating them as at risk of failure,  
33 as defined in Minnesota Statutes, section 126.22;

34 (3) have a specific affinity for the school's teaching  
35 methods, the school's learning philosophy, or a subject such as  
36 mathematics, science, fine arts, performing arts, or a foreign

1 language; or

2 (4) who reside within a geographic area if the percentage  
3 of the population of non-Caucasian people in the geographic area  
4 is greater than the percentage of the non-Caucasian population  
5 in the congressional district in which the geographic area is  
6 located.

7 (b) An eligible pupil who makes timely application must be  
8 accepted, unless the number of applications exceed the capacity  
9 of a program, class, grade level, or building. In this case,  
10 acceptance of pupils must be by lot.

11 (c) The school must not limit admission to pupils who have  
12 high intellectual ability, high measures of achievement or  
13 aptitude, or athletic ability.

14 (d) A sponsoring school board or other authority must not  
15 require the school to serve a limited category of pupils or  
16 pupils who live within a certain geographic area.

17 Subd. 10. [PUPIL PERFORMANCE.] An outcome-based school  
18 must design its programs to at least meet the outcome standards  
19 adopted by the state board of education. In the absence of  
20 state board requirements, the school must meet the outcome  
21 standards as set forth in the contract with the sponsoring  
22 school board. The outcomes may exceed outcome standards adopted  
23 by the state board.

24 Subd. 11. [EMPLOYEES.] The board of directors of the  
25 school shall employ and contract with necessary teachers, as  
26 defined by Minnesota Statutes, section 125.03, subdivision 1,  
27 who hold valid licenses to perform the particular service for  
28 which employed in the school. However, at any time after the  
29 first year of operation, the board, upon the request of the  
30 teachers of the school, may employ and contract with teachers  
31 who do not hold valid licenses to perform the particular service  
32 for which employed in the school. The board may employ  
33 necessary employees who are not required to hold licenses and  
34 may contract for other services. The board may discharge  
35 teachers and nonlicensed employees.

36 Subd. 12. [HANDICAPPED PUPILS.] The school shall comply

1 with Minnesota Statutes, sections 120.03 and 120.17, and rules  
2 relating to the education of handicapped pupils as though it  
3 were a school district.

4 Subd. 13. [LENGTH OF SCHOOL YEAR.] An outcome-based school  
5 shall provide instruction for at least 170 days each year. It  
6 may provide instruction throughout the year according to  
7 Minnesota Statutes, section 121.585.

8 Subd. 14. [REPORTS.] An outcome-based school shall report  
9 at least annually to the sponsoring school board and the state  
10 board of education the information required by the sponsoring  
11 school board or the state board. The reports are public data  
12 under Minnesota Statutes, chapter 13.

13 Subd. 15. [TRANSPORTATION.] Transportation for pupils  
14 enrolled at a school must be provided by the district in which  
15 the school is located according to Minnesota Statutes, sections  
16 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil  
17 residing in the same district in which the outcome-based school  
18 is located. Transportation may be provided by the district in  
19 which the school is located, according to Minnesota Statutes,  
20 sections 120.062, subdivision 9, and 123.39, subdivision 6, for  
21 a pupil residing in a different district.

22 Subd. 16. [LEASED SPACE.] The school may lease space from  
23 the sponsoring school board.

24 Subd. 17. [INITIAL COSTS.] A sponsoring school board may  
25 authorize a school before the applicant has secured its space,  
26 equipment, facilities, and personnel if the applicant indicates  
27 the authority is necessary for it to raise working capital.

28 Subd. 18. [DISSEMINATION OF INFORMATION.] The department  
29 of education must prepare and make available to the public,  
30 directly and through school boards, information on how to form  
31 and operate an outcome-based school and how to make use of the  
32 offerings of an outcome-based school.

33 Subd. 19. [LEAVE TO TEACH IN A SCHOOL.] If a teacher  
34 employed by a school district makes a written request for a  
35 leave of up to five years to teach at an outcome-based school,  
36 the school district must grant the leave. The school district

1 may permit a leave to extend beyond five years. The school  
2 district may require that the request for a leave or extension  
3 of leave be made up to 90 days before the teacher would  
4 otherwise have to report for duty. Except as otherwise provided  
5 in this subdivision, Minnesota Statutes, section 125.60, applies  
6 to the leave.

7 During a leave, the teacher may continue to aggregate  
8 benefits and credits in the teacher's teachers retirement  
9 association account by paying both the employer and employee  
10 contributions based upon the annual salary of the teacher for  
11 the last full pay period before the leave began. The retirement  
12 association may impose reasonable requirements to efficiently  
13 administer this subdivision.

14 Subd. 20. [COLLECTIVE BARGAINING.] Employees of the board  
15 of directors of the school may, if otherwise eligible, organize  
16 under Minnesota Statutes, chapter 179A, and comply with its  
17 provisions. The board of directors of the school is a public  
18 employer, for the purposes of Minnesota Statutes, chapter 179A,  
19 upon formation of one or more bargaining units at the school.  
20 Bargaining units at the school are separate from any other units.

21 Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] (a) The  
22 duration of the contract with the sponsoring school board must  
23 be for the term set forth in the contract according to  
24 subdivision 6. The sponsoring school board may or may not renew  
25 a contract at the end of the term and may unilaterally terminate  
26 a contract during the term of the contract. At least 60 days  
27 before not renewing a contract or terminating a contract, the  
28 sponsoring school board shall notify the board of directors of  
29 the school in writing. The notice shall state the sponsoring  
30 school board's grounds in reasonable detail and a statement that  
31 the board of directors of the school may make a written request  
32 for a hearing before the sponsoring school board within 14 days  
33 of receiving the notification. If no hearing is requested  
34 within the time period, the board of directors is considered to  
35 have acquiesced to the sponsoring school board's action. If the  
36 board of directors of the school requests a hearing, it must do

1 so in writing within 14 days of receiving the notice. The  
2 sponsoring school board shall give reasonable notice to the  
3 board of directors of the school of the date set for the hearing  
4 and conduct a hearing before taking final action. The  
5 sponsoring school board shall take final action to renew, not  
6 renew, or terminate by the last day of classes in the school  
7 year.

8 (b) A contract may be not renewed or terminated upon any of  
9 the following grounds:

10 (1) failure to meet the requirements for pupil performance  
11 set forth in the contract;

12 (2) failure to meet generally accepted standards of fiscal  
13 management;

14 (3) for violations of law; or

15 (4) other good cause shown.

16 (c) If a contract is not renewed or terminated, the school  
17 shall be dissolved in accordance with the applicable provisions  
18 of Minnesota Statutes, chapter 308A or 317A.

19 Subd. 22. [OPEN ENROLLMENT.] If a contract is not renewed  
20 or is terminated according to subdivision 21, a pupil who  
21 attended the school, siblings of the pupil, or another pupil who  
22 resides in the same place as the pupil may submit an application  
23 according to Minnesota Statutes, section 120.062, at any time  
24 before July 1 for enrollment beginning in the fall.

25 Applications and notices must be processed and provided in a  
26 prompt manner. The application and notice deadlines in  
27 Minnesota Statutes, section 120.062, do not apply under these  
28 circumstances.

29 Subd. 23. [GENERAL AUTHORITY.] The board of directors of  
30 an outcome-based school may sue and be sued. The board must not  
31 levy taxes or issue bonds.

32 Subd. 24. [IMMUNITY.] A sponsoring school board, members  
33 of the board of a sponsoring school board in their official  
34 capacity, and employees of a sponsoring school board are immune  
35 from civil or criminal liability with respect to all activities  
36 related to an outcome-based school it has sponsored. The board

1 of directors shall obtain at least the amount of and types of  
2 insurance required by the contract, according to subdivision 6.

3 Subd. 25. [GENERAL EDUCATION REVENUE.] General education  
4 revenue must be paid to an outcome-based school as though it  
5 were a school district. The general education revenue for each  
6 pupil unit is the state average general education revenue per  
7 pupil unit, calculated without compensatory revenue, plus  
8 compensatory revenue as though the school were a school district.

9 Subd. 26. [CAPITAL EXPENDITURE EQUIPMENT REVENUE.] Capital  
10 expenditure equipment revenue must be paid to an outcome-based  
11 school according to Minnesota Statutes, section 124.245,  
12 subdivision 6, as though it were a school district.  
13 Notwithstanding Minnesota Statutes, section 124.244, subdivision  
14 4, an outcome-based school may use the revenue for any purpose  
15 related to the school.

16 Subd. 27. [SPECIAL EDUCATION AID.] Special education aid  
17 must be paid to an outcome-based school according to Minnesota  
18 Statutes, section 124.32, as though it were a school district.  
19 The school may charge tuition to the district of residence as  
20 provided in Minnesota Statutes, section 120.17, subdivision 4.  
21 The district of residence shall levy as provided in Minnesota  
22 Statutes, section 275.125, subdivision 8c, as though it were  
23 participating in a cooperative.

24 Subd. 28. [OTHER AID, GRANTS, REVENUE.] An outcome-based  
25 school is eligible to receive other aids, grants, and  
26 categorical revenue as though it were a school district.  
27 However, it must not receive aid, a grant, or categorical  
28 revenue if a levy is required to obtain the money, except as  
29 otherwise provided in this section. Federal aid received by the  
30 state must be paid to the school, if it qualifies for the aid as  
31 though it were a school district.

32 Subd. 29. [USE OF STATE MONEY.] Money received from the  
33 state must not be used to purchase land or buildings. The  
34 school may own land and buildings if obtained through nonstate  
35 sources.