

HOUSE RESEARCH

Bill Summary

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Overview

Creates a process for dissolving the Minneapolis school district and establishing six successor school districts.

Section

1 Minneapolis school redistricting plan.

Subd. 1. Plan development. (a) Directs the Minneapolis school board to consult with the mayor of Minneapolis to develop a plan to dissolve the Minneapolis school district and determine the boundaries for six new school districts within the area of the current school district. Requires the school board to submit a preliminary plan to the education commissioner and the Hennepin county auditor by January 1, 2016, and requires the school board to adopt a final plan and submit it to the education and the Hennepin county auditor by January 1, 2017.

(b) Directs the governor to submit a plan if the Minneapolis school board does not comply with paragraph (a).

Subd. 2. Plan components. Requires the plan to transfer custodial, food, transportation, and administrative services and other affected functions and the title to all the real and personal property of the dissolved district.

Subd. 3. Review and implementation. Directs the education commissioner and the Hennepin county auditor to review and make necessary amendments to the plan to allow the plan to be implemented.

Section

2 Former Special School District No. 1, Minneapolis, applicability. Makes sections 3 and 4 of this bill applicable to the successor school districts.

Makes this section effective for the 2018-2019 school year and later.

3 Former Special School District No. 1, Minneapolis; flexibility.

Subd. 1. Waiver procedure. Allows a school board to vote to request from the commissioner of education a waiver of a statute, law, or rule, except those applicable to data practices and open meetings. Requires the commissioner to decide whether to approve or reject the request within 30 days and, if the commissioner rejects the request, to state why. Allows the commissioner to reject a request on student health, safety, or testing grounds or if federal requirements are implicated. Allows a school board with a rejected request to revise and resubmit the request within 30 days and gives the commissioner another 30 days to approve or reject the modified request. Makes the commissioner's decision final.

Subd. 2. Publication. Requires a school district receiving a waiver to maintain on its Web site a list of the waived statutes, laws, and rules.

Subd. 3. Reporting. Directs the commissioner annually by February 1 to report to the legislature on the statutes, laws, and rules waived for each school district.

Makes this section effective for the 2018-2019 school year and later.

4 Former Special School District No. 1, Minneapolis; taxing authority.

Subd. 1. Levy certifications. (a) Requires an unequalized levy as determined by the commissioner and certified by a school board to be levied across the applicable tax base of the former territory of the Minneapolis school district.

(b) Requires an equalized levy as determined by the commissioner and certified by a school board to be levied across the applicable tax base of the former territory of the Minneapolis school district.

Subd. 2. Referendum. Requires a referendum on a capital project or revenue to be brought to the electors of the former territory of the Minneapolis school district. Allows a referendum on a capital project, revenue, or obligations to be brought to the electors of the former territory of the Minneapolis school district by four of the six school districts adopting a board resolution.

5 Former Special School District No. 1, Minneapolis; transition.

Subd. 1. Information to auditor. (a) Requires the Minneapolis school district by July 1 each year between 2016 and 2018 to provide the following information to the Hennepin county auditor: the outstanding bonded debt, the outstanding energy loans, and the district's capital loan obligation; the district's net tax capacity; and the district's most current school tax rates.

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(b) Declares that assignments of bonded indebtedness or outstanding energy loans do not relieve any property of any tax liability for payment of any bonded or capital obligation.

Subd. 2. Order. (a) Directs the Hennepin county auditor to issue a dissolution order effective July 1, 2018, that includes: a statement that the district is dissolved; a description showing the disposition of the territory being dissolved, the outstanding bonded debt, outstanding energy loans, and the capital loan obligation of the district being dissolved; a statement requiring the newly formed districts to assume the pre-existing bonded indebtedness of the dissolving district; and other information the county board wants included.

(b) Directs the auditor to mail a copy of the dissolution order within 10 days to the clerk of the dissolved district and to the education commissioner.

Subd. 3. Bonded debt. Requires the bonded debt of the dissolved district to be paid according to the levies made for that debt. Declares that this section does not affect the obligation of the property in the dissolved district regarding payment of the debt.

Subd. 4. Current assets and liabilities. Passes all real and personal assets and liabilities and all claims and contract obligations of the Minneapolis school district to the new districts. Directs the education commissioner, within 30 days of the dissolution order, to issue an order for distributing the real and personal assets and liabilities of the Minneapolis school district. Allows the commissioner's order to include a transfer of a real estate interest to a district and to impose a dollar-specific claim against that district on behalf of the other districts, which the district must pay.

Subd. 5. Election of new boards. (a) Causes a board of directors for each newly constituted district to be duly elected at the 2017 general election, with one-half of the initial board elected for a three-year term and one-half of the initial board elected for a five-year term. Subjects subsequent board elections to the statutory section (MS, section 123B.09) governing boards of independent school districts.

(b) Causes board members to assume office January 1, 2018, but restricts the board members to passing resolutions and taking other actions effective for the 2018-2019 school year and later.

(c) Directs the Minneapolis school board to continue operating until the district is dissolved and reconstituted, but limits board actions to contracting and doing things needed to operate and maintain the schools until the dissolution.

Subd. 6. Levies. Directs the Minneapolis school board, in the year before the effective date for dissolving the district, to certify levies at the same level as the previous year for taxes payable in the year the dissolution is effective.

Subd. 7. Merger. Prohibits the school districts created under this act from merging or otherwise combining with another school district until the 2030-2031 school year.

6 Appropriation. Appropriates unspecified general fund amounts in fiscal years 2016 and 2017 to the commissioner of education for revenue for a reserve account in the Minneapolis school district's general fund. Allows the funds in this account to be used only to develop a

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redistricting plan and as start-up funds for the new districts, including conducting candidate searches for school superintendents and hiring support staff for the school boards.

- 7** **Revisor's instruction.** Directs the revisor of statutes, once the Minneapolis school district is dissolved, to change Minneapolis school district references in state statutes and rules to a term that reflects the new districts formed under this act. Authorizes the revisor to make needed technical and grammatical changes.
- 8** **Repealer.** Repeals the sections in Minnesota Statutes, chapter 128D, governing the Minneapolis school district, effective July 1, 2020.