Section 1. INNOVATIVE DELIVERY OF EDUCATION SERVICES AND SHARING OF DISTRICT RESOURCES; PILOT PROJECT.

Subdivision 1. Establishment; requirements for participation.

(a) A pilot project is established to improve student and school outcomes by allowing groups of school districts to work together to provide innovative education programs and activities and share district resources. The pilot project may last until June 30, 2018, or for up to five years, whichever is less, except that innovation partnerships formed during the period of the pilot project may continue past June 30, 2018, with the agreement of the partnership members.

(b) To participate in this pilot project to improve student and school outcomes, a group of two or more school districts must collaborate with school staff and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students, create professional development opportunities for educators, increase student engagement and connection and challenging learning opportunities for students, or demonstrate efficiencies in delivering financial and other services. The plan must establish:

1. collaborative educational goals and objectives;
2. strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;
3. valid and reliable measures to evaluate progress in realizing the goals and objectives;
4. an implementation timeline; and
5. other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts to join the partnership during the pilot project term after notifying the commissioner.

(c) A partnership of interested districts must apply by February 1 of any year to the education commissioner in the form and manner the commissioner determines, consistent with this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under Minnesota Statutes, section 123B.02; and be subject to employment agreements under Minnesota Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue to remain employees of the employing school district.

Subd. 2. Commissioner's role.
Interested groups of school districts must submit a completed application to the commissioner by March 1 of any year in the form and manner determined by the commissioner. The education commissioner must convene an advisory panel composed of a teacher appointed by Education Minnesota, a school principal appointed by the Minnesota Association of Secondary School Principals, a school board member appointed by the Minnesota School Boards Association, and a school superintendent appointed by the Minnesota Association of School Administrators to advise the commissioner on applicants' qualifications to participate in this pilot project. The commissioner may select up to six qualified applicants under subdivision 1 by April 1 of any year to participate in this pilot project, ensuring an equitable geographical distribution of project participants to the extent practicable. The commissioner must select only those applicants that fully comply with the requirements in subdivision 1. The commissioner must terminate a project participant that fails to effectively implement the goals and objectives contained in its application and according to its stated timeline.

Subd. 3. Pilot project evaluation.

Participating school districts must submit pilot project data to the commissioner in the form and manner determined by the commissioner. The education commissioner must analyze participating districts' progress in realizing their educational goals and objectives to work together in providing innovative education programs and activities and sharing resources. The commissioner must include the analysis of best practices in a report to the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy on the efficacy of this pilot project. The commissioner shall submit an interim project report by February 1, 2016, and must submit a final report to the legislature by February 1, 2019, recommending whether or not to continue or expand the pilot project.

Section 2. Appropriation.

$25,000 is appropriated in fiscal year 2013 from the general fund to the commissioner of education for the review of applicants, selection of participants, and evaluation of the pilot projects authorized in section 1. The base for the Department of Education is increased by $25,000 for fiscal year 2014 through fiscal year 2018.