

- 1.1 Senator ..... moves to amend S.F. No. 10 as follows:
- 1.2 Delete everything after the enacting clause and insert:
- 1.3 "Section 1. [123B.835] SHARED SERVICES PURCHASING.
- 1.4 Subdivision 1. Purchasing requirement. For fiscal year 2010 and later, a school
- 1.5 district or charter school is required to purchase goods and services from an approved
- 1.6 shared services provider or the state contract. The commissioner of the Department
- 1.7 of Administration will oversee the shared services purchasing requirement under this
- 1.8 subdivision.
- 1.9 Subd. 2. Exemption. Notwithstanding subdivision 1, a school district or charter
- 1.10 school is not required to purchase a good or service according to subdivision 1 if the
- 1.11 school district or charter school can demonstrate that:
- 1.12 (1) a cheaper price exists with another vendor;
- 1.13 (2) the proximity of another vendor materially affects the delivery of a particular
- 1.14 good or service;
- 1.15 (3) an urgent need justifies a purchase from another vendor; or
- 1.16 (4) a reasonable regional need justifies a purchase from another vendor.
- 1.17 If a school district or charter school purchases a particular good or service according
- 1.18 to this subdivision, the district or charter school rationale must be documented and
- 1.19 available for auditor review.
- 1.20 Subd. 3. Shared services arrangement. School districts, charter schools, and their
- 1.21 employees must work with a regional service cooperative or a regional management
- 1.22 information center, a shared services consultant, and the Department of Education to
- 1.23 create and implement a plan that maximizes the benefits of shared services.
- 1.24 Subd. 4. Savings measurement. The commissioner of education must, in
- 1.25 consultation with school districts, charter schools, and their employees, develop a method
- 1.26 for measuring school district spending savings as a result of utilizing shared services
- 1.27 under this section. This method must calculate savings for each individual district or
- 1.28 charter school. The savings must be allocated to classroom education in each school
- 1.29 district or charter school.
- 1.30 Subd. 5. Report. The commissioners of education and administration must annually
- 1.31 report to the education finance committees of the legislature on savings that shared
- 1.32 services generates for the state's school districts and charter schools.
- 1.33 Sec. 2. SHARED SERVICES CONSULTATION SERVICES.
- 1.34 The Department of Education shall enter into a two-year contract with a consultant
- 1.35 to study specific services or activities across school districts and charter schools to make

2.1 recommendations about combining services and activities in order to promote improved  
2.2 service delivery, efficiency, and economy of operation. The Department of Education  
2.3 shall require the consultant to develop an implementation plan for all school districts  
2.4 to participate in shared services. The department must contract with a consultant that  
2.5 agrees to receive payment as a percentage of shared services savings as measured under  
2.6 Minnesota Statutes, section 123B.835, subdivision 4. This percentage must not exceed  
2.7 five percent of the savings computed according to Minnesota Statutes, section 123B.835,  
2.8 subdivision 4, in fiscal years 2010 and 2011.

2.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.10 **Sec. 3. SHARED SERVICES DEDUCTION.**

2.11 (a) Notwithstanding Minnesota Statutes, section 126C.15, subdivision 4, for fiscal  
2.12 years 2010 and 2011 only, a school district or charter school's general education aid must  
2.13 equal the amount computed under Minnesota Statutes, section 126C.15, subdivision 4,  
2.14 minus five percent of the savings computed under Minnesota Statutes, section 123B.835,  
2.15 subdivision 4.

2.16 (b) Notwithstanding paragraph (a), the deduction under this section shall be equal to  
2.17 the contracted percentage under section 2 between the Department of Education and the  
2.18 consultant. The department must reduce the deduction under this section if the department  
2.19 and the consultant agree to a contract under section 2, in which the consultant is paid as a  
2.20 percentage of savings that is less than five percent.

2.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.22 **Sec. 4. SAVINGS ALLOCATION.**

2.23 Notwithstanding Minnesota Statutes, section 123B.835, subdivision 4, in fiscal years  
2.24 2010 and 2011 only, savings computed according to Minnesota Statutes, section 123B.835,  
2.25 subdivision 4, minus the contracted percentage paid to the shared services consultant under  
2.26 section 2 must be allocated to classroom education in each school district or charter school.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.28 **Sec. 5. APPROPRIATION; SHARED SERVICES CONSULTANT.**

2.29 For fiscal years 2010 and 2011, the amount deducted from general education aid  
2.30 under section 3 is appropriated to the Department of Education for the costs of the contract  
2.31 associated with shared services consultation under section 2."

2.32 Delete the title and insert:

2.33 "A bill for an act

- 3.1 relating to education finance; requiring school districts to use shared services and
- 3.2 make purchases from the state contract; requiring the Department of Education
- 3.3 to hire a consultant to work with districts to share services; proposing coding for
- 3.4 new law in Minnesota Statutes, chapter 123B."