

1 Board of Education
 2
 3 Adopted Permanent Rules Relating to Multischool District
 4 Organizations; Elementary, Secondary, and Vocational Computer
 5 Centers
 6
 7 Rules as Adopted

8 CHAPTER 3560
 9 STATE BOARD OF EDUCATION
 10 MULTISCHOOL DISTRICT ORGANIZATIONS;
 11 ELEMENTARY, SECONDARY, AND VOCATIONAL
 12 COMPUTER CENTERS

13 3560.0010 DEFINITIONS.

14 Subpart 1. Scope. The definitions in this part apply to
15 this chapter.

16 Subp. 2. Commissioner. "Commissioner" means the
17 commissioner of education or the commissioner's designee.

18 Subp. 3. DARC. "DARC" means the data acquisition review
19 committee of the Department of Education.

20 Subp. 4. Department. "Department" means the Department of
21 Education unless otherwise specifically identified.

22 Subp. 5. District. "District" has the meaning given in
23 Minnesota Statutes, section 121.93, subdivision 2.

24 Subp. 6. ESV computer council. "ESV computer council" has
25 the meaning given in Minnesota Statutes, section 121.93,
26 subdivision 5.

27 Subp. 7. ESV regional computer center. "ESV regional
28 computer center" means a governmental unit formed by a joint
29 powers agreement entered into by school districts to provide
30 computer and related services to its affiliated school districts.

31 ESV regional computer center, regional management
32 information center, and regional computer center are synonymous
33 terms.

34 Subp. 8. ESV-IS. "ESV-IS" has the meaning given in
35 Minnesota Statutes, section 121.93, subdivision 3.

1 Subp. 9. SDE-IS. "SDE-IS" has the meaning given in
2 Minnesota Statutes, section 121.93, subdivision 4.

3 Subp. 10. State board. "State board" means the State
4 Board of Education or its designee.

5 3560.0020 DATA STANDARDS.

6 Subpart 1. Criteria. The data standards referred to in
7 this part cover only data submitted to the commissioner or state
8 board by a district or an ESV computer center on behalf of its
9 affiliated districts or itself. The data must conform to the
10 data standards established in the data element dictionary
11 published by the department. To be included in the data element
12 dictionary, a data element must meet one of the following
13 criteria:

14 A. The data element is used in the ESV-IS or the
15 SDE-IS data bases, or the list of essential data elements that
16 the department maintains according to Minnesota Statutes,
17 section 121.932, subdivision 5.

18 B. A financial or property data element is
19 established through the Uniform Financial Accounting and
20 Reporting Standards (UFARS).

21 C. A student, personnel/payroll, curriculum, and
22 other data element is individually defined. The definition also
23 includes the standard name, computer program name, system
24 descriptors, values, and transaction methodology when
25 appropriate.

26 Subp. 2. Review criteria. To be included in the Annual
27 Data Acquisition Calendar (ADAC), data elements must be
28 formatted into a form or another type of data collection
29 instrument used to collect data from districts or regional
30 computer centers. They must then be reviewed by DARC, which
31 recommends approval or disapproval to the commissioner. The
32 recommendation by DARC and the decision of the commissioner must
33 be based on one of the following criteria:

34 (1) the data element is required by federal or
35 state law or state board rule;

1 (2) the data element is required to calculate and
2 distribute aids and levies or to distribute other funds;

3 (3) the data element is used to make program
4 decisions in the management of the department;

5 (4) the data element is used to monitor
6 compliance to statute or state board rule; or

7 (5) the data element is used to conduct research
8 or analyze policy as approved by the commissioner.

9 3560.0030 CREATION OF MANAGEMENT INFORMATION CENTERS.

10 Subpart 1. District board resolutions. Whenever two or
11 more districts decide, by resolution of their respective boards,
12 to establish a regional management information center, the
13 center will come into existence according to Minnesota Statutes,
14 section 121.935, subdivision 1.

15 Subp. 2. Approval criteria. After review and
16 recommendation by the ESV computer council, the state board must
17 approve the creation of a new regional computer center and its
18 effective date if:

19 A. the proposed regional center has submitted an
20 annual and biennial plan and budget to the state board
21 conforming to Minnesota Statutes, section 121.935, subdivision
22 4;

23 B. the proposed regional center has acquired, or will
24 acquire subject to approval of the proposal by the state board,
25 computer and related equipment that has demonstrated its
26 capability to process the ESV-IS or an approved alternative
27 management information system and has demonstrated it is able to
28 assemble and transmit the essential data elements to the
29 department as required in Minnesota Statutes, section 121.932,
30 subdivision 5; if any of the districts include a technical
31 institute, then the ESV-IS must include the fixed assets
32 property management information systems for technical
33 institutes;

34 C. the proposed regional center has developed a
35 disaster recovery plan;

1 D. the proposed regional center has established a
2 management plan that includes:

3 (1) the organizational structure of the board of
4 directors;

5 (2) the administrative, technical operations,
6 field service, office support, and district training staff
7 necessary to operate the center; and

8 (3) the type, level, and amount of services
9 provided directly to affiliated districts and provided by other
10 organizations if the regional center does not provide the
11 required ESV-IS service; and

12 E. the cost of computer systems and staff services
13 received by the districts in the new region, in total, is not
14 greater than the cost for the same or equivalent computer
15 systems and staff services in the region of disaffiliation.

16 Subp. 3. Notice. Notice of intent to establish a new
17 regional management information center must be served on the
18 board of directors of regions with disaffiliating districts, the
19 commissioner, the state board, and the ESV computer council at
20 least one year before July 1 of the proposed effective year of
21 establishment, unless the regions with disaffiliating districts
22 and the state board agree to waive the July 1 date as provided
23 by Minnesota Statutes, section 121.935, subdivision 1.

24 Subp. 4. Delay. The state board may delay the effective
25 date of establishment up to two years beyond the intended
26 effective date if the region of disaffiliation protests the
27 disaffiliation and presents evidence that the disaffiliation
28 will cause financial hardship on the remaining districts in the
29 region so that adjustments in the cost of equipment, staff, and
30 administration cannot be implemented before the intended
31 effective date.

32 Subp. 5. Allocation formula. Regional reporting subsidies
33 appropriated by the legislature must be allocated to the new
34 regional computer center applying the same formula used with the
35 other regions.

1 3560.0040 TRANSFER OF SCHOOL DISTRICT AFFILIATION.

2 Subpart 1. Notice. A notice of intention to disaffiliate
3 from a regional computer center must be served on the boards of
4 directors of both regional computer centers, the commissioner,
5 state board, and the ESV computer council one year before the
6 intended effective date.

7 Subp. 2. Effective date. Upon resolution of the district
8 board to transfer its affiliation from one regional management
9 information center to another, the transfer will become
10 effective on the next July 1, or another date mutually agreed
11 upon, following approval by the state board.

12 Subp. 3. Delay. The state board may delay the effective
13 date of transfer up to two years beyond the intended effective
14 date if the region of disaffiliation protests the disaffiliation
15 and presents evidence that the disaffiliation will cause
16 financial hardship on the remaining districts in the region so
17 that adjustments in the cost of equipment, staff, and
18 administration cannot be implemented before the intended
19 effective date.

20 Subp. 4. Funding transfer. The transferring district's
21 share of regional reporting subsidies authorized by the
22 legislature shall be paid to the new region of affiliation as of
23 the effective date of the transfer.

24 3560.0050 ALTERNATIVE FINANCIAL MANAGEMENT INFORMATION SYSTEMS.

25 Subpart 1. Council review. An alternative financial
26 management system proposed for use by a district must be
27 reviewed by the ESV computer council and approved by the state
28 board before purchase, lease, or use.

29 Subp. 2. Approval criteria. After review and
30 recommendation by the ESV computer council, the state board must
31 approve the use of an alternative financial management
32 information system if:

33 A. The vendor of the alternative financial management
34 information system has applied to the department, the UFARS
35 council, and the ESV computer council, and has received approval

1 from the state board to market the alternative financial
2 management system to Minnesota districts. The decision to
3 approve the alternative financial management information system
4 must be given if the alternative system meets the following
5 requirements:

6 (1) The system must provide an accounting
7 function based on generally accepted accounting principles with
8 a double entry (debit/credit), modified accrual accounting
9 system. It must meet the requirements in Minnesota law and in
10 the Uniform Financial Accounting and Reporting Standards (UFARS).

11 (2) The system must allow for multidimensional
12 coding.

13 (3) The system must allow the use of encumbrances.

14 (4) The system must allow period-end and year-end
15 processing.

16 (5) The system must allow users to configure the
17 system to the individual district.

18 (6) The system must produce Government Accounting
19 and Auditing Financial Reports (GAAFR).

20 B. The district has made application to the
21 department, the ESV computer council, and the ESV regional
22 computer center to use an alternative financial management
23 information system. The application must contain the following
24 information:

25 (1) vendor name, address, and system
26 identification;

27 (2) a list of computer and related equipment and
28 software that will be used to operate the system;

29 (3) purchase cost and annual operational costs of
30 computer equipment, computer software, application software,
31 district staff, and other cost items required to operate the
32 system;

33 (4) a list of benefits, financial and other, that
34 the district expects to realize as a result of using the
35 alternative system;

36 (5) continuing cost to the district of services

1 received from the ESV regional computer center to comply with
2 state reporting requirements; and

3 (6) certification by the vendor that any changes
4 made to the logic or structure of the software are consistent
5 with item A.

6 C. The ESV computer council has reviewed the
7 application submitted under subpart 2, item A or B, and
8 recommends to the state board that the application conforms to
9 the current "Long Range Plan for the Elementary, Secondary, and
10 Vocational (ESV) Information System" adopted by the state board.

11 Subp. 3. **Annual report.** Any district using an alternative
12 management information system must annually report to its
13 regional computer center and to the ESV computer council the
14 name of the system, the vendor, and any changes made to the
15 structure or logic of the software.

16 3560.0060 REGIONAL MANAGEMENT INFORMATION CENTER PLANS AND
17 BUDGETS.

18 Subpart 1. **Budget and plan.** By July 1 of each year, each
19 regional management information center must submit for approval
20 by the state board an annual plan and proposed budget for the
21 next fiscal year. By July 1 of each even-numbered year, each
22 regional management information center must submit a biennial
23 budget and plan for the next biennium as defined in Minnesota
24 Statutes, section 16A.011, subdivision 6, to the commissioner
25 for review by the ESV computer council and approval by the state
26 board.

27 Subp. 2. **No spending until approved.** A regional
28 management information center must not spend money for
29 administrative or computer center activities until the annual
30 budget has been approved by the state board.

31 Subp. 3. **Minimum requirements of reports.** The annual plan
32 and budget and the biennial budget must be in the form and
33 format prescribed by the Uniform Financial Accounting and
34 Reporting Standards (UFARS). The biennial plan must be in the
35 form and format recommended by the ESV computer council and

1 approved by the commissioner. At a minimum, the plan must
2 report:

3 A. actual and projected usage of each ESV computer
4 system and alternative management information system;

5 B. the actual and projected cost of computer
6 equipment resources, staff support, and administrative overhead
7 for each affiliated school district;

8 C. projected or planned changes in affiliation by any
9 school district;

10 D. projected or planned changes in the amount or cost
11 of computers and related equipment; and

12 E. projected or planned changes in the amount or cost
13 of services to affiliated school districts.

14 Subp. 4. State board criteria. The criteria used by the
15 state board for approval of the biennial plan and budget are:

16 A. the computer center complies with the current
17 "Long Range Plan for the Elementary, Secondary, and Vocational
18 (ESV) Information System" approved by the state board;

19 B. the computer center provides ESV-IS services to
20 each of its affiliates or shows that the center has arranged for
21 services to be provided by another center;

22 C. the computer center uses cost accounting
23 procedures to account by district for resources consumed at the
24 center for support of each ESV-IS system;

25 D. the ESV computer council has reviewed the budget,
26 plan, and report and has made a recommendation to the state
27 board; and

28 E. there is sufficient income and operating capital
29 to pay the amount of expenses identified in the expenditure plan.

30 3560.0070 INCORPORATIONS BY REFERENCE.

31 The documents described in this part are incorporated by
32 reference in chapter 3560 to the extent referred to in chapter
33 3560.

34 A. "Data Element Dictionary," published by the
35 Department of Education, is frequently changed and is accessible

1 by computer terminal through the Department of Education
2 library. The publication is continuously updated.

3 B. Uniform Financial Accounting and Reporting
4 Standards (UFARS), published by the Department of Education, is
5 frequently changed and is available through the Minitex
6 interlibrary loan system. The publication is continuously
7 updated.

8 C. Reporting Requirements of the Department of
9 Education is published annually in the Annual Data Acquisition
10 Calendar and is available through the Minitex interlibrary loan
11 system.

12 D. Government Accounting and Auditing Financial
13 Reports (GAAFR) is a series of reports used in the audit of a
14 district. A set of sample reports is available through the
15 Minitex interlibrary loan system.

16 E. "Long Range Plan for the Elementary, Secondary,
17 and Vocational (ESV) Information System" is published by the
18 Department of Education. The publication is updated at least
19 biennially. The current update is available through the Minitex
20 interlibrary loan system.