

S2744-2108.10 **ARTICLE 9**108.11 **CHARTER SCHOOL RECODIFICATION**

108.12 Section 1. Minnesota Statutes 2015 Supplement, section 124E.01, is amended to read:

108.13 **124E.01 PURPOSE AND APPLICABILITY.**

108.14 Subdivision 1. **Purposes.** The primary purpose of ~~this chapter~~ charter schools is to

108.15 improve all pupil learning and all student achievement. Additional purposes include to:

108.16 (1) increase learning opportunities for all pupils;

108.17 (2) encourage the use of different and innovative teaching methods;

108.18 (3) measure learning outcomes and create different and innovative forms of

108.19 measuring outcomes;

108.20 (4) establish new forms of accountability for schools; or

108.21 (5) create new professional opportunities for teachers, including the opportunity to

108.22 be responsible for the learning program at the school site.

108.23 Subd. 2. **Applicability.** This chapter applies only to charter schools formed and

108.24 operated under this chapter. Other statutes and rules that specifically apply to charter

108.25 schools also govern charter schools.

108.26 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.02, is amended to read:

108.27 **124E.02 DEFINITIONS.**

108.28 (a) For purposes of this chapter, the terms defined in this ~~paragraph~~ section have

108.29 the meanings given them.

108.30 ~~"Application" to receive approval as an authorizer means the proposal an eligible~~

108.31 ~~authorizer submits to the commissioner under section 124E.05 before that authorizer is~~

108.32 ~~able to submit any affidavit to charter to a school.~~

109.1 ~~"Application" under section 124E.06 means the charter school business plan a~~

109.2 ~~school developer submits to an authorizer for approval to establish a charter school that~~

109.3 ~~documents the school developer's mission statement, school purposes, program design,~~

109.4 ~~financial plan, governance and management structure, and background and experience,~~

109.5 ~~plus any other information the authorizer requests. The application also shall include a~~

109.6 ~~"statement of assurances" of legal compliance prescribed by the commissioner.~~

109.7 (b) "Affidavit" means a written statement the authorizer submits to the commissioner

109.8 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to

109.9 its review and approval process before chartering a school.

109.10 ~~(b) For purposes of this chapter:~~

109.11 ~~(1) "related party" means an affiliate or immediate relative of the other party in~~

109.12 ~~question, an affiliate of an immediate relative, or an immediate relative of an affiliate;~~

109.13 ~~(2) (c) "Affiliate" means a person that directly or indirectly, through one or more~~

109.14 ~~intermediaries, controls, is controlled by, or is under common control with another person;~~

109.15 ~~(d) "Control" means the ability to affect the management, operations, or policy actions~~

109.16 ~~or decisions of a person, whether by owning voting securities, by contract, or otherwise.~~

109.17 ~~(3) (e) "Immediate family" means an individual whose relationship by blood,~~

109.18 ~~marriage, adoption, or partnering partnership is no more remote than first cousin;~~

109.19 ~~(4) (f) "Person" means an individual or entity of any kind; and~~

109.20 ~~(5) "control" means the ability to affect the management, operations, or policy~~

109.21 ~~actions or decisions of a person, whether through ownership of voting securities, by~~

109.22 ~~contract, or otherwise.~~

109.23 ~~(g) "Related party" means an affiliate or immediate relative of the other interested~~

109.24 ~~party, an affiliate of an immediate relative who is the other interested party, or an~~

109.25 ~~immediate relative of an affiliate who is the other interested party.~~

109.26 ~~(h) For purposes of this chapter, the terms defined in section 120A.05 have the~~

109.27 ~~same meanings.~~

109.28 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.03, is amended to read:

109.29 **124E.03 APPLICABLE LAW.**

109.30 Subdivision 1. **Public status; exemption from statutes and rules.** A charter school

109.31 is a public school and is part of the state's system of public education. A charter school is

109.32 exempt from all statutes and rules applicable to a school, school board, or school district

109.33 unless a statute or rule is made specifically applicable to a charter school or is included

109.34 in this chapter.

110.1 Subd. 2. **General Certain federal, state, and local requirements.** (a) A charter

110.2 school shall meet all federal, state, and local health and safety requirements applicable

110.3 to school districts.

110.4 (b) A school must comply with statewide accountability requirements governing

110.5 standards and assessments in chapter 120B.

110.6 (c) A charter school ~~is subject to and~~ must comply with the Minnesota Public School

110.7 Fee Law, sections 123B.34 to 123B.39.

110.8 (d) A charter school is a district for the purposes of tort liability under chapter 466.

110.9 (e) A charter school ~~is subject to~~ must comply with the Pledge of Allegiance

110.10 requirement under section 121A.11, subdivision 3.

110.11 (f) A charter school and charter school board of directors ~~are subject to~~ must comply
110.12 with chapter 181 governing requirements for employment.

110.13 (g) A charter school ~~is subject to and~~ must comply with continuing truant notification
110.14 under section 260A.03.

110.15 (h) A charter school must develop and implement a teacher evaluation and peer
110.16 review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to
110.17 (13). The teacher evaluation process in this paragraph does not create any additional
110.18 employment rights for teachers.

110.19 (i) A charter school must adopt a policy, plan, budget, and process, consistent with
110.20 section 120B.11, to review curriculum, instruction, and student achievement and strive
110.21 for the world's best workforce.

110.22 Subd. 3. **Pupils with a disability.** A charter school must comply with sections
110.23 125A.02, 125A.03 to 125A.24, 125A.65, and 125A.75 and rules relating to the education
110.24 of pupils with a disability as though it were a district. A charter school enrolling
110.25 prekindergarten pupils with a disability under section 124E.11, paragraph (h), must
110.26 comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early
110.27 Intervention System as though it were a school district.

110.28 Subd. 4. **Students' rights and related law.** (a) A charter school ~~student~~ must
110.29 ~~be released~~ release a student for religious instruction, consistent with section 120A.22,
110.30 subdivision 12, clause (3).

110.31 (b) A charter school ~~is subject to and~~ must comply with chapter 363A governing the
110.32 Minnesota Human Rights Act and section 121A.04 governing student athletics and sex
110.33 discrimination in schools.

110.34 (c) A charter school must comply with section 121A.031 governing policies on
110.35 ~~prohibited conduct~~ bullying.

111.1 Subd. 5. **Records, meetings, and data requirements.** (a) A charter school must
111.2 comply with ~~chapters~~ chapter 13 and 13D governing government data; and sections
111.3 ~~120A.22, subdivision 7;~~ 121A.75; governing access to juvenile justice records, and
111.4 260B.171, subdivisions 3 and 5, governing juvenile justice records.

111.5 (b) A charter school must comply with section 120A.22, subdivision 7, governing
111.6 the transfer of students' educational records and sections 138.163 and 138.17 governing
111.7 the management of local records.

111.8 Subd. 5a. **Open meetings.** A charter school must comply with chapter 13D
111.9 governing open meetings.

111.10 Subd. 6. **Length of school year.** A charter school must provide instruction each
 111.11 year for at least the number of hours required by section 120A.41. It may provide
 111.12 instruction throughout the year ~~according to~~ under sections 124D.12 to 124D.127 or
 111.13 124D.128 governing learning year programs.

111.14 Subd. 7. **Additional program-specific requirements.** (a) A charter school offering
 111.15 online courses or programs must comply with section 124D.095 governing online learning.

111.16 (b) A charter school that provides early childhood health and developmental screening
 111.17 must comply with sections 121A.16 to 121A.19 governing early childhood screening.

111.18 (c) A charter school that provides school-sponsored youth athletic activities must
 111.19 comply with section 121A.38 governing policies on concussions.

111.20 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, is amended to read:

111.21 **124E.05 AUTHORIZERS.**

111.22 Subdivision 1. **Eligible authorizers.** (a) ~~The following organizations in this~~
 111.23 subdivision may authorize one or more charter schools:

111.24 ~~(+)~~ (b) A school board, intermediate school district school board, or education
 111.25 district organized under sections 123A.15 to 123A.19; may authorize a charter school.

111.26 ~~(2)~~ (c) A charitable organization under section 501(c)(3) of the Internal Revenue
 111.27 Code of 1986, ~~excluding a nonpublic sectarian or religious institution; any person other~~
 111.28 ~~than a natural person that directly or indirectly, through one or more intermediaries,~~
 111.29 ~~controls, is controlled by, or is under common control with the nonpublic sectarian or~~
 111.30 ~~religious institution; and any other charitable organization under this clause that in the~~
 111.31 ~~federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that~~
 111.32 may authorize a charter school, if the organization:

111.33 ~~(+)~~ (1) is a member of the Minnesota Council of Nonprofits or the Minnesota Council
 111.34 on Foundations;

111.35 ~~(+)~~ (2) is registered with the attorney general's office; ~~and~~

112.1 ~~(+)~~ (3) is incorporated in the state of Minnesota and has been operating continuously
 112.2 for at least five years but does not operate a charter school; and

112.3 (4) is not:

112.4 (i) a nonpublic sectarian or religious institution;

112.5 (ii) any person other than a natural person that directly or indirectly, through one
 112.6 or more intermediaries, controls, is controlled by, or is under common control with the
 112.7 nonpublic sectarian or religious institution; or

112.8 (iii) any other charitable organization under this paragraph that in the federal IRS
 112.9 Form 1023, Part IV, describes activities indicating a religious purpose.

112.10 ~~(3)~~ (d) A Minnesota private college, ~~notwithstanding clause (2)~~, that grants two- or
 112.11 four-year degrees and is registered with the Minnesota Office of Higher Education under
 112.12 chapter 136A; ~~may authorize a charter school, notwithstanding paragraph (c).~~

112.13 ~~(e) community college, A state college or university, or technical college governed~~
 112.14 ~~by the Board of Trustees of the Minnesota State Colleges and Universities; or~~ may
 112.15 authorize a charter school.

112.16 (f) The University of Minnesota; may authorize a charter school.

112.17 ~~(4)~~ (g) A nonprofit corporation subject to chapter 317A, described in section
 112.18 317A.905; and exempt from federal income tax under section 501(c)(6) of the Internal
 112.19 Revenue Code of 1986, may authorize one or more charter schools if the charter school
 112.20 has operated for at least three years under a different authorizer and if the nonprofit
 112.21 corporation has existed for at least 25 years; ~~or.~~

112.22 ~~(5)~~ (h) A single-purpose authorizer ~~authorizers~~ authorizer formed as a charitable, nonsectarian
 112.23 ~~organizations~~ organization under section 501(c)(3) of the Internal Revenue Code of 1986
 112.24 and incorporated in the state of Minnesota under chapter 317A as a corporation with no
 112.25 members or under section 322B.975 as a nonprofit limited liability company for the sole
 112.26 purpose of chartering schools may authorize a charter school. An eligible organization
 112.27 interested in being approved as an authorizer under this paragraph must submit a proposal
 112.28 to the commissioner that includes the provisions of subdivision 3 and a five-year financial
 112.29 plan. A single-purpose authorizer under this paragraph shall consider and approve
 112.30 charter school applications using the criteria under section 124E.06 and shall not limit
 112.31 the applications it solicits, considers, or approves to any single curriculum, learning
 112.32 program, or method.

112.33 Subd. 2. **Requirements for authorizers.** (a) ~~Eligible organizations interested in~~
 112.34 ~~being approved as an authorizer under subdivision 1, clause (5), must submit a proposal to~~
 112.35 ~~the commissioner that includes the provisions of subdivision 3 and a five-year financial~~
 112.36 ~~plan. Such authorizers shall consider and approve charter school applications using~~
 113.1 ~~the criteria provided in section 124E.06 and shall not limit the applications it solicits,~~
 113.2 ~~considers, or approves to any single curriculum, learning program, or method.~~

113.3 (b) The authorizer must participate in department-approved training.

113.4 Subd. 3. **Application process.** (a) An eligible authorizer under this section must
 113.5 apply to the commissioner for approval as an authorizer before submitting any affidavit to
 113.6 the commissioner to charter a school. The application for approval as a charter school
 113.7 authorizer must ~~demonstrate~~ show the applicant's ability to implement the procedures
 113.8 and satisfy the criteria for chartering a school under this chapter. The commissioner
 113.9 must approve or disapprove ~~an~~ the application within 45 business days of the ~~application~~
 113.10 deadline for that application period. If the commissioner disapproves the application, the
 113.11 commissioner must notify the applicant of the specific deficiencies in writing and the
 113.12 applicant then has 20 business days to address the deficiencies to the commissioner's
 113.13 satisfaction. After the 20 business days expire, the commissioner has 15 business days
 113.14 to make a final decision to approve or disapprove the application. Failing to address
 113.15 the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be
 113.16 an authorizer. The commissioner, in establishing criteria ~~for approval to approve an~~
 113.17 authorizer, consistent with subdivision 4, must consider the applicant's:

113.18 (1) ~~capacity and infrastructure and capacity to serve as an authorizer;~~

113.19 (2) application criteria and process;

113.20 (3) contracting process;

113.21 (4) ongoing oversight and evaluation processes; and

113.22 (5) renewal criteria and processes.

113.23 (b) A disapproved applicant under this section may resubmit an application during a
 113.24 future application period.

113.25 Subd. 4. **Application content.** To be approved as an authorizer, an applicant must
 113.26 include in its application to the commissioner ~~to be an approved authorizer~~ at least the
 113.27 following:

113.28 (1) how the organization carries out its mission by chartering schools is a way for
 113.29 ~~the organization to carry out its mission;~~

113.30 (2) a description of the capacity of the organization the organization's capacity to
 113.31 serve as an authorizer, including the personnel who will perform the authorizing duties,
 113.32 their qualifications, the amount of time they will be are assigned to this responsibility, and
 113.33 the financial resources allocated by the organization allocates to this responsibility;

113.34 (3) a description of the application and review process the authorizer will use uses to
 113.35 make decisions regarding the granting of decide whether to grant charters;

114.1 (4) a description of the type of contract it will arrange arranges with the schools it
 114.2 charters that meets to meet the provisions of section 124E.10;

114.3 (5) the process ~~to be used for providing ongoing oversight of~~ overseeing the school,
114.4 consistent with ~~the contract expectations specified in clause (4) that assures,~~ to ensure that
114.5 the schools chartered ~~are complying~~ comply with ~~both the provisions of~~ applicable law
114.6 and rules; and ~~with the contract;~~

114.7 (6) ~~a description of the criteria and process the authorizer will use~~ uses to ~~grant~~
114.8 ~~expanded~~ approve applications adding grades or sites under section 124E.06, subdivision 5;

114.9 (7) the process for ~~making decisions regarding the renewal or termination of~~ renewing
114.10 or terminating the school's charter based on evidence ~~that demonstrates~~ showing the
114.11 academic, organizational, and financial competency of the school, including its success in
114.12 increasing student achievement and meeting the goals of the charter school agreement; and

114.13 (8) an assurance specifying that the organization is committed to serving as an
114.14 authorizer for the full five-year term.

114.15 Subd. 5. **Review by commissioner.** The commissioner shall review an authorizer's
114.16 performance every five years in a manner and form determined by the commissioner and
114.17 may review an authorizer's performance more frequently at the commissioner's own
114.18 initiative or at the request of a charter school operator, charter school board member, or
114.19 other interested party. The commissioner, after completing the review, shall transmit a
114.20 report with findings to the authorizer.

114.21 Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner
114.22 finds that an authorizer has not ~~fulfilled~~ met the requirements of this chapter, the
114.23 commissioner may subject the authorizer to corrective action, which may include
114.24 terminating the contract with the charter school board of directors of a school it chartered.
114.25 The commissioner must notify the authorizer in writing of any findings that may subject
114.26 the authorizer to corrective action and the authorizer then has 15 business days to request
114.27 an informal hearing before the commissioner takes corrective action. If the commissioner
114.28 terminates a contract between an authorizer and a charter school under this paragraph, the
114.29 commissioner may assist the charter school in acquiring a new authorizer.

114.30 (b) The commissioner may at any time take corrective action against an authorizer,
114.31 including terminating an authorizer's ability to charter a school for:

114.32 (1) failing to demonstrate the criteria under subdivision 4 3 under which the
114.33 commissioner approved the authorizer;

114.34 (2) violating a term of the chartering contract between the authorizer and the charter
114.35 school board of directors;

114.36 (3) unsatisfactory performance as an approved authorizer; or

115.1 (4) any good cause shown that ~~provides~~ gives the commissioner a legally sufficient
115.2 reason to take corrective action against an authorizer.

115.3 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to
115.4 withdraw as an approved authorizer for a reason unrelated to any cause under section
115.5 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the
115.6 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in
115.7 the next calendar year, regardless of when the authorizer's five-year term of approval ends.
115.8 The commissioner may approve the transfer of a charter school to a new authorizer ~~under~~
115.9 ~~this subdivision~~ after the new authorizer submits an affidavit to the commissioner.

115.10 Subd. 8. **Reports.** By September 30 of each year, an authorizer shall submit to the
115.11 commissioner a statement of income and expenditures related to chartering activities
115.12 during the previous school year ending June 30. ~~A copy of the statement shall be given~~
115.13 ~~to all schools chartered by the authorizer.~~ The authorizer must transmit a copy of the
115.14 statement to all schools it charters.

115.15 Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.06, is amended to read:
115.16 **124E.06 FORMING A SCHOOL.**

115.17 Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving
115.18 an application from a charter school developer, may charter either a licensed teacher
115.19 under section 122A.18, subdivision 1, or a group of individuals that includes one or more
115.20 licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the
115.21 commissioner's approval of the authorizer's affidavit under subdivision 4.

115.22 (b) "Application" under this section means the charter school business plan a charter
115.23 school developer submits to an authorizer for approval to establish a charter school. This
115.24 application must include:

115.25 (1) the school developer's:

115.26 (i) mission statement;

115.27 (ii) school purposes;

115.28 (iii) program design;

115.29 (iv) financial plan;

115.30 (v) governance and management structure; and

115.31 (vi) background and experience;

115.32 (2) any other information the authorizer requests; and

115.33 (3) a "statement of assurances" of legal compliance prescribed by the commissioner.

115.34 ~~(b)~~ (c) An authorizer shall not approve an application submitted by a charter school
 115.35 developer under paragraph (a) if the application does not comply with subdivision 3,
 116.1 paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1. The commissioner shall not
 116.2 approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does
 116.3 not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1.

116.4 Subd. 2. **Nonprofit corporation.** (a) The school must be organized and operated as
 116.5 a nonprofit corporation under chapter 317A and the provisions ~~under the applicable~~ of that
 116.6 chapter shall apply to the school except as provided in this chapter.

116.7 ~~(b)~~ The operators authorized to organize and operate a school; must incorporate as a
 116.8 nonprofit corporation before entering into a contract or other agreement for professional
 116.9 or other services, goods, or facilities; ~~must incorporate as a nonprofit corporation under~~
 116.10 ~~chapter 317A.~~

116.11 ~~(e)~~ (b) Notwithstanding sections 465.717 and 465.719, a school district, subject to
 116.12 this chapter, may create a corporation for the purpose of establishing a charter school.

116.13 Subd. 3. **Requirements.** (a) The primary focus of a charter school must be to
 116.14 provide a comprehensive program of instruction for at least one grade or age group from
 116.15 ages five through 18 years of age. ~~Instruction~~ A charter school may be provided provide
 116.16 instruction to people older than 18 years of age.

116.17 (b) A charter school may offer a free or fee-based preschool or prekindergarten that
 116.18 meets high-quality early learning instructional program standards ~~that are~~ aligned with
 116.19 Minnesota's early learning standards for children. The hours a student is enrolled in a
 116.20 fee-based prekindergarten program do not generate pupil units under section 126C.05 and
 116.21 must not be used to calculate general education revenue under section 126C.10.

116.22 ~~(b)~~ (c) A charter school must be nonsectarian in its programs, admission policies,
 116.23 employment practices, and all other operations. An authorizer may not authorize a charter
 116.24 school or program that is affiliated with a nonpublic sectarian school or a religious
 116.25 institution.

116.26 ~~(e)~~ (d) ~~Charter schools~~ A charter school must not be used as a ~~method of providing~~
 116.27 to provide education or ~~generating~~ generate revenue for ~~students who are being~~
 116.28 home-schooled students. This paragraph does not apply to shared time aid under section
 116.29 126C.19.

116.30 ~~(d)~~ (e) This chapter does not provide a means to keep open a school that a
 116.31 school board decides to close. However, a school board may endorse or authorize the
 116.32 establishment of establishing a charter school to replace the school the board decided to
 116.33 close. Applicants seeking a charter under this circumstance must demonstrate to the
 116.34 authorizer that the charter sought is substantially different in purpose and program from
 116.35 the school the board closed and that the proposed charter satisfies the requirements of
 116.36 section 124E.01, subdivision 1. If the school board that closed the school authorizes
 117.1 the charter, it must document in its affidavit to the commissioner that the charter is
 117.2 substantially different in program and purpose from the school it closed.

117.3 ~~(e)~~ (f) A school authorized by a school board may be located in any district, unless
 117.4 the school board of the district of the proposed location disapproves the location by
 117.5 written resolution.

117.6 ~~(f)~~ (g) Except as provided in paragraph ~~(a)~~ (b), a charter school may not charge tuition.

117.7 ~~(g)~~ (h) The authorizer may prevent an approved charter school from opening for
 117.8 operation if, among other grounds, the charter school violates this chapter or does not meet
 117.9 the ready-to-open standards that are part of (1) the authorizer's oversight and evaluation
 117.10 process or ~~are~~ (2) stipulated in the charter school contract.

117.11 Subd. 4. **Authorizer's affidavit; approval process; authorizer's affidavit.** (a)
 117.12 Before ~~the operators~~ an operator may establish and operate a school, the authorizer must
 117.13 file an affidavit with the commissioner stating its intent to charter a school. An authorizer
 117.14 must file a separate affidavit for each school it intends to charter. An authorizer must file
 117.15 an affidavit at least 14 months before July 1 of the year the new charter school plans to
 117.16 serve students. The affidavit must state:

117.17 (1) the terms and conditions under which the authorizer would charter a school; and

117.18 (2) how the authorizer intends to oversee;

117.19 (i) the fiscal and student performance of the charter school; and

117.20 ~~to comply~~ (ii) compliance with the terms of the written contract between the
 117.21 authorizer and the charter school board of directors under section 124E.10, subdivision 1.

117.22 (b) The commissioner must approve or disapprove the authorizer's affidavit within
 117.23 60 business days of ~~receipt of~~ receiving the affidavit. If the commissioner disapproves the
 117.24 affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit
 117.25 and the authorizer then has 20 business days to address the deficiencies. The commissioner
 117.26 must notify the authorizer of the commissioner's final approval or final disapproval
 117.27 within 15 business days after receiving the authorizer's response to the deficiencies
 117.28 in the affidavit. If the authorizer does not address deficiencies to the commissioner's
 117.29 satisfaction, the commissioner's disapproval is final. ~~Failure to obtain commissioner~~
 117.30 ~~approval precludes~~ An authorizer who fails to obtain the commissioner's approval is
 117.31 precluded from chartering the school that is the subject of this affidavit.

117.32 Subd. 5. ~~Expansion of a charter~~ **Adding grades or sites.** (a) A charter school
117.33 may apply to the authorizer to amend the school charter to ~~expand the operation of~~
117.34 ~~the school to additional~~ add grades or sites that would be students' primary enrollment
117.35 ~~site~~ sites beyond those defined in the original affidavit approved by the commissioner.
117.36 After approving the school's application, the authorizer shall submit a ~~supplementary~~
118.1 supplemental affidavit in the form and manner prescribed by the commissioner. The
118.2 authorizer must file a ~~supplement~~ supplemental affidavit to the commissioner by October
118.3 1 to be eligible to ~~expand~~ add grades or sites in the next school year. The ~~supplementary~~
118.4 supplemental affidavit must document that the school has ~~demonstrated~~ to the authorizer's
118.5 ~~satisfaction of the authorizer~~ the following:

118.6 (1) the need for the ~~expansion~~ additional grades or sites with supporting long-range
118.7 enrollment projections;

118.8 (2) a longitudinal record of ~~demonstrated~~ student academic performance and growth
118.9 on statewide assessments under chapter 120B or on other academic assessments that
118.10 measure longitudinal student performance and growth approved by the charter school's
118.11 board of directors and agreed upon with the authorizer;

118.12 (3) a history of sound school finances and a ~~finance~~ plan to ~~implement the expansion~~
118.13 ~~in a manner to promote~~ add grades or sites that sustains the school's financial sustainability
118.14 finances; and

118.15 (4) board capacity ~~and an administrative and management plan to implement its~~
118.16 ~~expansion~~ to administer and manage the additional grades or sites.

118.17 (b) The commissioner shall have 30 business days to review and comment on the
118.18 supplemental affidavit. The commissioner shall notify the authorizer in writing of any
118.19 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to
118.20 ~~address, to the commissioner's satisfaction,~~ any deficiencies in the supplemental affidavit
118.21 to the commissioner's satisfaction. The commissioner must notify the authorizer of final
118.22 approval or final disapproval within 15 business days after receiving the authorizer's
118.23 response to the deficiencies in the affidavit. The school may not ~~expand~~ add grades or ~~add~~
118.24 sites until the commissioner has approved the supplemental affidavit. The commissioner's
118.25 approval or disapproval of a supplemental affidavit is final.

118.26 Subd. 6. **Conversion of existing schools.** A board of an independent or special
118.27 school district may convert one or more of its existing schools to charter schools under
118.28 this chapter if 60 percent of the full-time teachers at the school sign a petition seeking
118.29 conversion. The conversion must occur at the beginning of an academic year.

118.30 Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A.
 118.31 The effective date of a merger must be July 1. The merged school must continue under
 118.32 the identity of one of the merging schools. The authorizer and the merged school must
 118.33 execute a new charter contract under section 124E.10, subdivision 1, must be executed by
 118.34 July 1. The authorizer must submit to the commissioner a copy of the new signed charter
 118.35 contract within ten business days of its execution executing the contract.

119.1 (b) Each merging school must submit a separate year-end report for the previous
 119.2 fiscal year for that school only. After the final fiscal year of the premerger schools is
 119.3 closed out, each of those schools must transfer the fund balances and debts from the
 119.4 merging schools must be transferred to the merged school.

119.5 (c) For its first year of operation, the merged school is eligible to receive aid from
 119.6 programs requiring approved applications equal to the sum of the aid of all of the merging
 119.7 schools. For aids based on prior year data, the merged school is eligible to receive aid for
 119.8 its first year of operation based on the combined data of all of the merging schools.

119.9 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.07, is amended to read:

119.10 **124E.07 BOARD OF DIRECTORS.**

119.11 Subdivision 1. **Initial board of directors.** Before entering into a contract or other
 119.12 agreement for professional or other services, goods, or facilities, the operators authorized
 119.13 to organize and operate a school, before entering into a contract or other agreement for
 119.14 professional or other services, goods, or facilities, must establish a board of directors
 119.15 composed of at least five members who are not related parties. The initial board continues
 119.16 to serve until a timely election for members of the ongoing charter school board of
 119.17 directors is held according to the school's articles and bylaws under subdivision 4.

119.18 Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before
 119.19 the school completes its third year of operation. Board elections must be held during the
 119.20 school year but may not be conducted on days when the school is closed for holidays,
 119.21 breaks, or vacations.

119.22 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors
 119.23 shall be composed of have at least five nonrelated members and include: (1) at least
 119.24 one licensed teacher who is employed as a teacher at the school or providing provides
 119.25 instruction under contract between the charter school and a cooperative; (2) at least one
 119.26 parent or legal guardian of a student enrolled in the charter school who is not an employee
 119.27 of the charter school; and (3) at least one interested community member who resides in
 119.28 Minnesota and, is not employed by the charter school, and does not have a child enrolled
 119.29 in the school. The board structure may include a majority of teachers described in under
 119.30 this paragraph or parents or community members, or it may have no clear majority. The
 119.31 chief financial officer and the chief administrator may only serve as ex-officio nonvoting
 119.32 board members. No charter school employees shall serve on the board other than teachers
 119.33 under clause (1). Contractors providing facilities, goods, or services to a charter school
 119.34 shall not serve on the board of directors of the charter school.

120.1 (b) An individual is prohibited from serving as a member of the charter school board
 120.2 of directors if: (1) the individual, an immediate family member, or the individual's partner
 120.3 is a full or part owner or principal with a for-profit or nonprofit entity or independent
 120.4 contractor with whom the charter school contracts, directly or indirectly, for professional
 120.5 services, goods, or facilities. ~~An individual is prohibited from serving as a board member~~
 120.6 ~~if;~~ or (2) an immediate family member is an employee of the school. An individual may
 120.7 serve as a member of the board of directors if no conflict of interest exists under this
 120.8 paragraph, consistent with this section.

120.9 (c) ~~A violation of this prohibition paragraph (b) renders a contract voidable at the~~
 120.10 ~~option of the commissioner or the charter school board of directors. A member of a charter~~
 120.11 ~~school board of directors who violates this prohibition paragraph (b) is individually liable~~
 120.12 ~~to the charter school for any damage caused by the violation.~~

120.13 (e) ~~(d)~~ Any employee, agent, or board member of the authorizer who participates
 120.14 ~~in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or~~
 120.15 ~~nonrenewal process or decision initially reviewing, approving, overseeing, evaluating,~~
 120.16 ~~renewing, or not renewing the charter school is ineligible to serve on the board of directors~~
 120.17 ~~of a school chartered by that authorizer.~~

120.18 (d) ~~An individual may serve as a member of the board of directors if no conflict of~~
 120.19 ~~interest under paragraph (b) exists.~~

120.20 Subd. 4. **Structure of Board structure.** Board bylaws shall outline the process and
 120.21 procedures for changing the board's governance structure, consistent with chapter 317A.
 120.22 A board may change its governance structure only:

120.23 (1) by a majority vote of the board of directors and a majority vote of the licensed
 120.24 teachers employed by the school as teachers, including licensed teachers providing
 120.25 instruction under a contract between the school and a cooperative; and

120.26 (2) with the authorizer's approval.

120.27 Any change in board governance structure must conform with the board composition
 120.28 ~~of the board~~ established under this subdivision section.

120.29 Subd. 5. **Eligible voters.** Staff members employed at the school, including teachers
 120.30 providing instruction under a contract with a cooperative, members of the board of
 120.31 directors, and all parents or legal guardians of children enrolled in the school are the voters
 120.32 eligible to elect the members of the school's board of directors. A charter school must
 120.33 notify eligible voters of the school board election dates at least 30 days before the election.

120.34 Subd. 6. **Duties.** The board of directors also shall decide and ~~be~~ is responsible
 120.35 for policy matters related to ~~the operation of~~ operating the school, including budgeting,
 120.36 curriculum programming, personnel, and operating procedures. The board shall adopt a
 121.1 ~~policy on nepotism in employment policy.~~ The board shall adopt personnel evaluation
 121.2 policies and practices that, at a minimum:

121.3 (1) carry out the school's mission and goals;

121.4 (2) evaluate ~~the execution of~~ how charter contract goals and commitments are
121.5 executed;

121.6 (3) evaluate student achievement, postsecondary and workforce readiness, and
121.7 student engagement and connection goals;

121.8 (4) establish a teacher evaluation process under section 124E.03, subdivision 2,
121.9 paragraph (h); and

121.10 (5) provide professional development related to the individual's job responsibilities.

121.11 Subd. 7. **Training.** Every charter school board member shall attend annual training
121.12 throughout the member's term ~~on the board~~. All new board members shall attend initial
121.13 training on the board's role and responsibilities, employment policies and practices, and
121.14 financial management. A new board member who does not begin the required initial
121.15 training within six months after being seated and complete that training within 12 months
121.16 ~~of~~ after being seated ~~on the board~~ is automatically ineligible to continue to serve as a board
121.17 member. The school shall include in its annual report the training each board member
121.18 ~~attended by each board member~~ during the previous year.

121.19 Subd. 8. **Meetings and information.** (a) Board of director meetings must comply
121.20 with chapter 13D governing open meetings.

121.21 (b) A charter school shall publish and maintain on the school's official Web site: (1)
121.22 the meeting minutes ~~of meetings~~ of the board of directors; and of members and committees
121.23 having any board-delegated authority, for at least ~~one calendar year~~ 365 days from the
121.24 date of publication; (2) directory information for ~~members of~~ the board of directors and
121.25 for the members of committees having board-delegated authority; and (3) identifying and
121.26 contact information for the school's authorizer.

121.27 (c) A charter school must include identifying and contact information for the school's
121.28 authorizer ~~must be included~~ in other school materials made it makes available to the public.

121.29 Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.08, is amended to read:

121.30 ~~124E.08 COLLABORATION BETWEEN CHARTER SCHOOL AND~~

121.31 ~~SCHOOL DISTRICT COLLABORATION.~~

121.32 (a) A charter school board may voluntarily enter into a two-year, renewable
121.33 collaboration agreement for collaboration with a school district in which the charter school
121.34 is geographically located to enhance student the achievement with a school district within
122.1 ~~whose geographic boundary it operates~~ of the students in the district and the students in
122.2 the charter school.

~~122.3 (b) A school district need does not need to be either an approved authorizer or the
122.4 authorizer of the charter school to enter into a collaboration agreement with a charter
122.5 school under this section. A charter school need not be authorized by the school district
122.6 with which it seeks to collaborate.~~

122.7 (e) A charter school authorizer is prohibited from requiring a collaboration
122.8 agreement as a condition of entering into or renewing a charter contract as defined in
122.9 section 124E.10, subdivision 1.

~~122.10 (d) Nothing in this section or in the collaboration agreement may impact in any way
122.11 the authority or autonomy of the charter school.~~

~~122.12 (e) Nothing in this section or in the collaboration agreement shall cause the state to
122.13 pay twice for the same student, service, or facility or otherwise impact state funding, or
122.14 the flow thereof, to the school district or the charter school.~~

~~122.15 (f) (b) The collaboration agreement may include, but need is not be limited
122.16 to, collaboration regarding facilities, transportation, training, student achievement,
122.17 assessments, mutual performance standards, and other areas of mutual agreement.~~

~~122.18 (g) (c) For purposes of student assessment and reporting to the state under section
122.19 120B.36, the school district may include the academic performance of the students of a
122.20 collaborative charter school site operating within the geographic boundaries of the school
122.21 district, for purposes of student assessment and reporting to the state under paragraph (a).~~

~~122.22 (h) Districts, authorizers, or charter schools entering into a collaborative agreement
122.23 are equally and collectively subject to the same state and federal accountability measures
122.24 for student achievement, school performance outcomes, and school improvement
122.25 strategies. The collaborative agreement and all accountability measures must be posted
122.26 on the district, charter school, and authorizer Web sites.~~

~~122.27 (d) Nothing in this section or in the collaboration agreement may impact in any way
122.28 the authority or autonomy of the charter school.~~

~~122.29 (e) Nothing in this section or in the collaboration agreement shall cause the state to
122.30 pay twice for the same student, service, or facility or otherwise impact state funding or
122.31 payment to the school district or the charter school.~~

122.32 Sec. 8. Minnesota Statutes 2015 Supplement, section 124E.10, is amended to read:
122.33 **124E.10 CHARTER CONTRACT.**

122.34 Subdivision 1. **Contents.** (a) ~~The authorization for~~ To authorize a charter school, the
 122.35 authorizer and the charter school board of directors must ~~be in the form of sign~~ a written
 123.1 contract ~~signed by the authorizer and the board of directors of the charter school.~~ The
 123.2 ~~contract must be completed~~ within 45 business days of the commissioner's approval of
 123.3 the authorizer's affidavit. The authorizer shall submit ~~to the commissioner~~ a copy of the
 123.4 ~~signed~~ charter contract to the commissioner within ten business days ~~of its execution after~~
 123.5 ~~the contract is signed by the contracting parties.~~ The contract ~~for a charter school~~ must
 123.6 ~~be in writing and contain~~ include at least the following:

123.7 (1) a declaration that the charter school will carry out the primary purpose in section
 123.8 124E.01, subdivision 1, and indicate how the school will report its implementation of the
 123.9 primary purpose to its authorizer;

123.10 (2) a declaration of the additional purpose or purposes in section 124E.01,
 123.11 subdivision 1, that the school intends to carry out and indicate how the school will report
 123.12 its implementation of those purposes to its authorizer;

123.13 (3) a description of the school program and the specific academic and nonacademic
 123.14 outcomes that pupils must achieve;

123.15 (4) a statement of admission policies and procedures;

123.16 (5) a school governance, management, and administration plan for the school;

123.17 (6) signed agreements from charter school board members to comply with ~~all the~~
 123.18 federal and state laws governing organizational, programmatic, and financial requirements
 123.19 applicable to charter schools;

123.20 (7) the criteria, processes, and procedures ~~that~~ the authorizer will use to monitor and
 123.21 evaluate the fiscal, operational, and academic performance, consistent with subdivision
 123.22 3, paragraphs (a) and (b);

123.23 (8) for contract renewal, the formal written performance evaluation ~~of the school~~
 123.24 that is a prerequisite for reviewing a charter contract under subdivision 3;

123.25 (9) types and amounts of insurance liability coverage ~~to be obtained by~~ the charter
 123.26 school must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

123.27 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and
 123.28 hold harmless ~~the authorizer and its officers, agents, and employees~~ from any suit, claim,
 123.29 or liability arising from any charter school operation of the charter school;

123.30 (i) the authorizer and its officers, agents, and employees; and

123.31 (ii) notwithstanding section 3.736, the commissioner and department officers,
 123.32 agents, and employees ~~notwithstanding section 3.736~~;

123.33 (11) the term of the ~~initial~~ contract, which, ~~for an initial contract,~~ may be up to five
123.34 years plus an additional preoperational planning year, ~~and up to five years~~ or for a renewed
123.35 contract or a contract with a new authorizer after a transfer of authorizers, may be up to
123.36 five years, if warranted by the school's academic, financial, and operational performance;

124.1 (12) how the charter school board of directors or the charter school operators of the
124.2 ~~charter school~~ will provide special instruction and services for children with a disability
124.3 under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial
124.4 parameters within which the charter school will ~~operate to~~ provide the special instruction
124.5 and services to children with a disability;

124.6 (13) the specific conditions for contract renewal that identify the performance of
124.7 all students under the primary purpose of section 124E.01, subdivision 1, as the most
124.8 important factor in determining whether to renew the contract renewal; and

124.9 (14) the additional purposes under section 124E.01, subdivision 1, and related
124.10 performance obligations under clause (7) contained in the charter contract as additional
124.11 factors in determining whether to renew the contract renewal; and

124.12 ~~(15)~~ (b) In addition to the requirements of paragraph (a), the charter contract must
124.13 contain the plan for an orderly closing of the school under chapter 317A, that establishes
124.14 the responsibilities of the school board of directors and the authorizer, whether the closure
124.15 is a termination for cause, a voluntary termination, or a nonrenewal of the contract; ~~that~~
124.16 ~~includes establishing the responsibilities of the school board of directors and the authorizer~~
124.17 ~~and notifying.~~ The plan must establish who is responsible for:

124.18 (1) notifying the commissioner, authorizer, school district in which the charter
124.19 school is located, and parents of enrolled students about the closure;

124.20 (2) providing parents of enrolled students information and assistance sufficient to
124.21 enable the student to re-enroll in another school; ~~the;~~

124.22 (3) transfer of transferring student records under section 124E.03, subdivision 5,
124.23 paragraph (b), to the student's resident school district; and

124.24 (4) procedures for closing financial operations.

124.25 ~~(b)~~ (c) A charter school must design its programs to at least meet the outcomes
124.26 adopted by the commissioner for public school students. In the absence of the
124.27 commissioner's requirements governing state standards and benchmarks, the school must
124.28 meet the outcomes contained in the contract with the authorizer. The achievement levels
124.29 of the outcomes contained in the contract may exceed the achievement levels of any
124.30 outcomes adopted by the commissioner for public school students.

124.31 Subd. 2. ~~Limitations~~ **Limits on charter contract school agreements.** (a) ~~A~~
124.32 school must disclose to the commissioner any potential contract, lease, or purchase of
124.33 service from an authorizer ~~must be disclosed to the commissioner.~~ The contract, lease, or
124.34 purchase must be accepted through an open bidding process; and be a separate ~~contract~~
124.35 from the charter contract. The school must document the open bidding process. An
124.36 authorizer must not enter into a contract to provide management and financial services ~~for~~
125.1 to a school that it authorizes, unless the school documents that it received receiving at
125.2 least two competitive bids.

125.3 (b) ~~The~~ An authorizer must not condition granting or ~~renewal of~~ renewing a charter
125.4 school ~~by an authorizer must not be contingent on:~~

125.5 (1) the charter school being required to contract, lease, or purchase services from
125.6 the authorizer; or

125.7 (e) ~~The granting or renewal of a charter by an authorizer must not be conditioned~~
125.8 ~~upon~~ (2) the bargaining unit status of the school employees of the school.

125.9 Subd. 3. **Review and comment.** (a) The authorizer shall provide a formal written
125.10 evaluation of the school's performance before the authorizer renews the charter contract.
125.11 The ~~department~~ commissioner must review and comment on the authorizer's evaluation
125.12 process at the time the authorizer submits its application for approval and each time the
125.13 authorizer undergoes its five-year review under section 124E.05, subdivision 5.

125.14 (b) An authorizer shall monitor and evaluate the academic, financial, operational,
125.15 and student performance of the school, and may ~~for this purpose annually~~ assess a charter
125.16 school a fee according to paragraph (c). The agreed-upon fee structure must be stated in
125.17 the charter school contract.

125.18 (c) The fee that an authorizer may annually assess is the greater of:

125.19 (1) the basic formula allowance for that year; or

125.20 (2) the lesser of:

125.21 (i) the maximum fee factor times the basic formula allowance for that year; or

125.22 (ii) the fee factor times the basic formula allowance for that year times the charter
125.23 school's adjusted pupil units for that year. The fee factor equals .015. The maximum
125.24 fee factor equals 4.0.

125.25 (d) An authorizer may not assess a fee for any required services other than as
125.26 provided in this subdivision.

125.27 (e) For the preoperational planning period, after a school is chartered, the authorizer
125.28 may assess a charter school a fee equal to the basic formula allowance.

125.29 Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a)

125.30 The duration of the contract with an authorizer must be for the term contained in the
125.31 contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a
125.32 contract at the end of the term for any ground listed in paragraph (b). An authorizer may
125.33 unilaterally terminate a contract during the term of the contract for any ground listed in
125.34 paragraph (b). At least 60 business days before not renewing or terminating a contract,
125.35 the authorizer shall notify the board of directors of the charter school of the proposed
125.36 action in writing. The notice shall state the grounds for the proposed action in reasonable
126.1 detail and ~~that~~ describe the informal hearing process, consistent with this paragraph. The
126.2 charter school's board of directors may request in writing an informal hearing before the
126.3 authorizer within 15 business days ~~of~~ after receiving notice of nonrenewal or termination
126.4 of the contract. Failure by the board of directors to make a written request for an informal
126.5 hearing within the 15-business-day period shall be treated as acquiescence to the proposed
126.6 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten
126.7 business days' notice to the charter school's board of directors of the hearing date. The
126.8 authorizer shall conduct an informal hearing before taking final action. The authorizer
126.9 shall take final action to renew or not renew a contract no later than 20 business days
126.10 before the proposed date for terminating the contract or the end date of the contract.

126.11 (b) An authorizer may terminate or not renew a contract ~~may be terminated or not~~
126.12 ~~renewed~~ upon any of the following grounds:

126.13 (1) failure to demonstrate satisfactory academic achievement for all students,
126.14 including the requirements for pupil performance contained in the contract;

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

126.16 (3) violations of law; or

126.17 (4) other good cause shown.

126.18 If the authorizer terminates or does not renew a contract ~~is terminated or not~~
126.19 ~~renewed~~ under this paragraph, the school must be dissolved according to the applicable
126.20 provisions of chapter 317A.

126.21 (c) The commissioner, after providing reasonable notice to the board of directors of
126.22 a charter school and the existing authorizer, and after providing an opportunity for a public
126.23 hearing, may terminate the existing contract between the authorizer and the charter school
126.24 board if the charter school has a history of:

126.25 (1) failure to meet pupil performance requirements, consistent with state law;

126.26 (2) financial mismanagement or failure to meet generally accepted standards of
126.27 fiscal management; or

126.28 (3) repeated or major violations of the law.

126.29 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of
 126.30 directors mutually agree not to renew the contract, a change in authorizers is allowed. The
 126.31 authorizer and the school board must jointly submit a written and signed letter of their
 126.32 intent to the commissioner to mutually not renew the contract. The authorizer that is a party
 126.33 to the existing contract must inform the proposed authorizer about the fiscal, operational,
 126.34 and student performance status of the school, as well as any outstanding contractual
 126.35 obligations ~~that exist~~. The charter contract between the proposed authorizer and the school
 126.36 must identify and provide a plan to address any outstanding obligations from the previous
 127.1 contract. The proposed authorizer must submit the proposed contract ~~must be submitted~~ at
 127.2 least 105 business days before the end of the existing charter contract. The commissioner
 127.3 ~~shall have~~ has 30 business days to review and make a determination on the change in
 127.4 authorizer. The proposed authorizer and the school ~~shall~~ have 15 business days to respond
 127.5 to the determination and address any issues identified by the commissioner. ~~A final~~
 127.6 ~~determination by~~ The commissioner shall be made ~~must make a final determination~~ no later
 127.7 than 45 business days before the end of the current charter contract. ~~If no~~ the commissioner
 127.8 does not approve a change in authorizer ~~is approved~~, the school and the current authorizer
 127.9 may withdraw their letter of nonrenewal and enter into a new contract. ~~If the transfer of~~
 127.10 authorizers is not approved ~~commissioner does not approve a change in authorizer~~ and the
 127.11 current authorizer and the school do not withdraw their letter and enter into a new contract,
 127.12 the school must be dissolved according to applicable law and the terms of the contract.

127.13 Subd. 6. **Pupil enrollment upon nonrenewal or termination of charter school**

127.14 **contract.** (a) If a contract is not renewed or is terminated according to subdivision 4 or
 127.15 5, a pupil who attended the school, siblings of the pupil, or another pupil who resides
 127.16 ~~in the same place as~~ with the pupil may enroll in the resident district or may submit
 127.17 an application to a nonresident district according to section 124D.03 governing open
 127.18 enrollment at any time. Applications and notices required by section 124D.03 must be
 127.19 processed and provided in a prompt manner. The application and notice deadlines in
 127.20 section 124D.03 do not apply under these circumstances.

127.21 (b) Within ten business days of closing the charter school, the closed ~~charter~~ school
 127.22 must transfer the student's educational records ~~within ten business days of closure~~ to the
 127.23 student's school district of residence where the records must be retained or transferred
 127.24 under section 120A.22, subdivision 7.

127.25 Sec. 9. Minnesota Statutes 2015 Supplement, section 124E.12, is amended to read:

127.26 **124E.12 EMPLOYMENT.**

127.27 Subdivision 1. **Teachers.** A charter school must employ or contract with necessary
127.28 teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform
127.29 the particular service for which they are employed in the school. The commissioner may
127.30 reduce the charter school's state aid ~~may be reduced~~ under section 127A.43 if the school
127.31 employs a teacher who is not appropriately licensed or approved by the board of teaching.
127.32 The school may employ necessary employees who are not required to hold teaching
127.33 licenses to perform duties other than teaching and may contract for other services. The
127.34 school may discharge teachers and nonlicensed employees. The charter school board is
127.35 subject to section 181.932 governing whistle-blowers. When offering employment to a
128.1 prospective employee, a charter school must give that employee a written description of
128.2 the terms and conditions of employment and the school's personnel policies.

128.3 Subd. 2. **Administrators.** (a) A person, without holding a valid administrator's
128.4 license, may perform administrative, supervisory, or instructional leadership duties.
128.5 The board of directors shall establish qualifications for all persons that who hold
128.6 administrative, supervisory, or instructional leadership roles. The qualifications shall
128.7 ~~include cover~~ at least ~~the following areas~~: instruction and assessment; human resource
128.8 and personnel management; financial management; legal and compliance management;
128.9 effective communication; and board, authorizer, and community relationships. The board
128.10 of directors shall use those qualifications as the basis for job descriptions, hiring, and
128.11 performance evaluations of those who hold administrative, supervisory, or instructional
128.12 leadership roles.

128.13 (b) The board of directors and an individual who does not hold a valid administrative
128.14 license and who serves in an administrative, supervisory, or instructional leadership
128.15 position shall develop a professional development plan. ~~Documentation of the~~
128.16 ~~implementation of~~ The school's annual report must include public personnel information
128.17 documenting the professional development plan of these persons shall be included in
128.18 the school's annual report.

128.19 Subd. 3. **Collective bargaining.** Employees of the board of directors of a charter
128.20 school may, if otherwise eligible, organize under chapter 179A and comply with its
128.21 provisions. The board of directors of a charter school is a public employer, for the
128.22 purposes of chapter 179A, ~~upon formation of~~ when forming one or more bargaining units
128.23 at the school. Bargaining units at the school must be separate from any other units within
128.24 an authorizing district, except that bargaining units may remain part of the appropriate
128.25 unit within an authorizing district; if the employees of the school, the board of directors of
128.26 the school, the exclusive representative of the appropriate unit in the authorizing district,
128.27 and the board of the authorizing district agree to include the employees in the appropriate
128.28 unit of the authorizing district. The board of directors of a charter school with employees
128.29 organized under this subdivision must comply with sections 471.6161 governing group
128.30 insurance and 471.895 governing gifts.

128.31 Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school
128.32 must be public school teachers for the purposes of chapters 354 and 354A governing the
128.33 Teacher Retirement Act.

128.34 (b) Except for teachers under paragraph (a), employees in a charter school must
128.35 be public employees for the purposes of chapter 353 governing the Public Employees
128.36 Retirement Act.

129.1 Subd. 5. **Group health insurance.** (a) A charter school board with at least 25
129.2 employees or a teacher cooperative of licensed teachers providing instruction under
129.3 a contract between a school and a cooperative that provides group health insurance
129.4 coverage shall:

129.5 (1) request proposals for group health insurance coverage from a minimum of three
129.6 sources at least every two years; and

129.7 (2) notify employees covered by the group health insurance coverage before the
129.8 effective date of the changes in the group coverage policy contract.

129.9 (b) A charter school board or a cooperative of teachers that provides group health
129.10 insurance coverage must establish and publish on its Web site the policy for ~~the purchase~~
129.11 ~~of purchasing~~ group health insurance coverage. A charter school board policy must
129.12 include a sealed proposal process, which requires all proposals to be opened at the same
129.13 time. Upon ~~the openings of opening~~ the proposals ~~in accordance with~~ according to the
129.14 school or cooperative policy, the proposals become public data under chapter 13.

129.15 Nothing in this subdivision supersedes the right of an exclusive representative to negotiate
129.16 ~~over the~~ terms and conditions of employment.

129.17 Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district
129.18 makes a written request for an extended leave of absence to teach at a charter school, the
129.19 district must grant the leave. The district must grant a leave not to exceed a total of five
129.20 years. Any request to extend the leave shall be granted only at the discretion of the school
129.21 board. The district may require that a teacher to make the request for a leave or extension
129.22 of leave ~~be made~~ before February 1 in the school year preceding the school year in which
129.23 the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave
129.24 is scheduled to terminate. Except as otherwise provided in this subdivision and ~~except~~
129.25 ~~for~~ section 122A.46, subdivision 7, governing employment in another district, the leave
129.26 is governed by section 122A.46, including, but not limited to, reinstatement, notice of
129.27 intention to return, seniority, salary, and insurance.

129.28 During a leave, the teacher may continue to aggregate benefits and credits in the
129.29 Teachers' Retirement Association account under chapters 354 and 354A, consistent with
129.30 subdivision 4.

129.31 Sec. 10. Minnesota Statutes 2015 Supplement, section 124E.13, is amended to read:
129.32 **124E.13 FACILITIES.**

129.33 Subdivision 1. **Leased space.** A charter school may lease space from: an
 129.34 independent or special school board; other public organization; private, nonprofit,
 129.35 nonsectarian organization; private property owner; or a sectarian organization if the
 130.1 leased space is constructed as a school facility. The ~~department~~ commissioner must
 130.2 review and approve or disapprove leases in a timely manner ~~for purposes of determining~~
 130.3 to determine eligibility for lease aid under section 124E.22.

130.4 Subd. 2. **Related party lease costs.** (a) A charter school is ~~prohibited from entering~~
 130.5 must not enter into a lease of real property with a related party unless the lessor is a
 130.6 nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the
 130.7 lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

130.8 (b) A ~~lease of real property to be used for a charter school, not excluded in related~~
 130.9 party permitted to enter into a lease under paragraph (a); must contain include the
 130.10 following statement in the lease: "This lease is subject to Minnesota Statutes, section
 130.11 124E.13, subdivision 2."

130.12 (c) If a charter school ~~enters into as lessee a lease with~~ leases space from a related
 130.13 party and the charter school subsequently closes, the commissioner has the right to recover
 130.14 from the ~~lessor~~ related party any lease payments in excess of those that are reasonable
 130.15 under section 124E.22, paragraph (a), clause (1).

130.16 Subd. 3. **Affiliated nonprofit building corporation.** (a) ~~An affiliated nonprofit~~
 130.17 building corporation may purchase, expand, or renovate an existing facility to serve as a
 130.18 school or may construct a new school facility. A charter school may organize an affiliated
 130.19 nonprofit building corporation ~~(1) to purchase, expand, or renovate an existing facility to~~
 130.20 serve as a school or (2) to construct a new school facility if the charter school:

130.21 ~~(i)~~ (1) has ~~been in operation~~ operated for at least six consecutive years;

130.22 ~~(ii)~~ (2) as of June 30, has a net positive unreserved general fund balance in the
 130.23 preceding three fiscal years;

130.24 ~~(iii)~~ (3) has long-range strategic and financial plans that include enrollment
 130.25 projections for at least five years;

130.26 ~~(iv)~~ (4) completes a feasibility study of facility options that outlines the benefits
 130.27 and costs of ~~the options~~ each option; and

130.28 ~~(v)~~ (5) has a plan ~~for purchase, renovation, or new construction which that~~ describes
 130.29 project parameters and budget.

130.30 (b) An affiliated nonprofit building corporation under this subdivision must:

130.31 (1) be incorporated under section 317A;

130.32 (2) comply with applicable Internal Revenue Service regulations, including
 130.33 regulations for "supporting organizations" as defined by the Internal Revenue Service;

130.34 (3) post on the school Web site the name, mailing address, bylaws, minutes of board
 130.35 meetings, and the names of the current board of directors of the affiliated nonprofit
 130.36 building corporation;

131.1 (4) submit to the commissioner a copy of its annual audit by December 31 of each
 131.2 year; and

131.3 (5) comply with government data practices law under chapter 13.

131.4 (c) An affiliated nonprofit building corporation must not serve as the leasing agent
 131.5 for property or facilities it does not own. A charter school that leases a facility from an
 131.6 affiliated nonprofit building corporation that does not own the leased facility is ineligible
 131.7 to receive charter school lease aid. The state is immune from liability resulting from a
 131.8 contract between a charter school and an affiliated nonprofit building corporation.

131.9 (d) ~~Once an affiliated nonprofit building corporation is incorporated under this~~
 131.10 ~~subdivision, The board of directors of the charter school must ensure the affiliated~~
 131.11 ~~nonprofit building corporation complies with all applicable legal requirements. The charter~~
 131.12 ~~school's authorizer of the school must oversee the efforts of the school's board of directors~~
 131.13 ~~of the charter school to ensure the affiliated nonprofit building corporation complies~~
 131.14 ~~with all legal requirements governing the affiliated nonprofit building corporation legal~~
 131.15 ~~compliance of the affiliated building corporation. A school's board of directors that~~
 131.16 ~~fails to ensure the affiliated nonprofit building corporation's compliance violates its~~
 131.17 ~~responsibilities and an authorizer must factor the consider that failure into the authorizer's~~
 131.18 ~~evaluation of when evaluating the charter school.~~

131.19 Subd. 4. **Positive review and comment.** If the amount of a purchase agreement or
 131.20 construction contract exceeds the review and comment threshold, a charter school or its
 131.21 affiliated nonprofit building corporation must receive a positive review and comment from
 131.22 the commissioner before initiating any purchase agreement or construction contract that
 131.23 requires an expenditure in excess of the threshold specified in section 123B.71, subdivision
 131.24 8, for school districts that do not have a capital loan outstanding. Without a positive
 131.25 review and comment from the commissioner, a purchase agreement or construction
 131.26 contract finalized before a positive review and comment under this subdivision is null and
 131.27 void. For purposes of this subdivision, "review and comment threshold" means the dollar
 131.28 amount specified in section 123B.71, subdivision 8, applicable to a school entity that is
 131.29 not a recipient of a maximum effort capital loan.

131.30 Sec. 11. Minnesota Statutes 2015 Supplement, section 124E.15, is amended to read:

131.31 **124E.15 TRANSPORTATION.**

131.32 (a) A charter school must comply with all pupil transportation requirements in
 131.33 section 123B.88, subdivision 1. A charter school must not require parents to surrender
 131.34 their rights to pupil transportation under section 123B.88, subdivision 2.

132.1 ~~A charter school after its first fiscal year of operation by March 1 of each fiscal~~
 132.2 ~~year and~~ A charter school by July 1 of its first fiscal year of operation must notify the
 132.3 district in which the school is located and the Department of Education commissioner by
 132.4 July 1 of its first fiscal year of operation if it will provide its own transportation or use the
 132.5 transportation services of the district in which it is located ~~for the fiscal year.~~ For each
 132.6 subsequent year of operation, a charter school must give that district and the commissioner
 132.7 notice by March 1 for the following fiscal year.

132.8 (c) If a charter school elects to provide transportation for pupils, the charter school
 132.9 must provide the transportation ~~must be provided by the charter school~~ within the district
 132.10 in which the charter school is located. The state must pay transportation aid to the charter
 132.11 school according to section 124E.23.

132.12 (d) For pupils who reside outside the district in which the charter school is located,
 132.13 the charter school is not required to provide or pay for transportation between the pupil's
 132.14 residence and the border of the district in which the charter school is located. The charter
 132.15 school may reimburse a parent ~~may be reimbursed by the charter school~~ for costs of
 132.16 transportation from the pupil's residence to the border of the district in which the charter
 132.17 school is located if the pupil is from a family whose income is at or below the poverty
 132.18 level, as determined by the federal government. The reimbursement may not exceed
 132.19 the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less.
 132.20 Reimbursement may not be paid for more than 250 miles per week.

132.21 ~~At the time a pupil enrolls in a charter school, the charter school must provide the~~
 132.22 ~~parent or guardian with information regarding the transportation.~~

132.23 ~~(d)~~ (e) If a charter school does not elect to provide transportation, the district in which
 132.24 the school is located must provide transportation for pupils enrolled at the school must
 132.25 ~~be provided by the district in which the school is located,~~ according to sections 123B.88,
 132.26 subdivision 6, governing transporting nonresident pupils, and 124D.03, subdivision 8, for
 132.27 a pupil residing in the same district in which the charter school is located. The district in
 132.28 which the charter school is located may provide transportation ~~may be provided by the~~
 132.29 ~~district in which the school is located,~~ according to sections 123B.88, subdivision 6, and
 132.30 124D.03, subdivision 8, governing open enrollment transportation, for a pupil residing
 132.31 in a different district. If the district provides the transportation, the scheduling of routes,
 132.32 manner and method of transportation, control and discipline of the pupils, and any other
 132.33 matter relating to the transportation of pupils under this paragraph ~~shall be~~ is within the
 132.34 sole discretion, control, and management of the district.

132.35 (f) The charter school must provide the parent or guardian with information about
 132.36 transportation when a pupil enrolls.

133.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 124E.16, is amended to read:
 133.2 **124E.16 REPORTS.**

133.3 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial
133.4 audits, audit procedures, and audit requirements as a district, except as required under
133.5 this subdivision. Audits must be conducted in compliance with generally accepted
133.6 governmental auditing standards, the federal Single Audit Act, if applicable, and section
133.7 6.65 governing auditing procedures. A charter school is subject to and must comply
133.8 with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06;
133.9 governing government property and financial investments; and sections 471.38; 471.391;
133.10 471.392; and 471.425 governing municipal contracting. The audit must comply with the
133.11 requirements of sections 123B.75 to 123B.83 governing school district finance, except
133.12 ~~to the extent deviations are necessary because of the program at the school when the~~
133.13 commissioner and authorizer approve a deviation made necessary because of school
133.14 program finances. ~~Deviations must be approved by the commissioner and authorizer.~~ The
133.15 Department of Education commissioner, state auditor, legislative auditor, or authorizer
133.16 may conduct financial, program, or compliance audits. A charter school ~~determined to be~~
133.17 in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under
133.18 section 123B.81, subdivision 4.

133.19 (b) The charter school must submit an audit report to the commissioner and its
133.20 authorizer annually by December 31 ~~each year~~.

133.21 (c) The charter school, with the assistance of the auditor conducting the audit,
133.22 must include with the report, as supplemental information: (1) a copy of management
133.23 agreements with a charter management organization or an educational management
133.24 organization and (2) service agreements or contracts over the lesser of \$100,000 or ten
133.25 percent of the school's most recent annual audited expenditures. The agreements must
133.26 detail the terms of the agreement, including the services provided and the annual costs for
133.27 those services. If the entity that provides the professional services to the charter school is
133.28 exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity
133.29 must file with the commissioner by February 15 a copy of the annual return required under
133.30 section 6033 of the Internal Revenue Code of 1986.

133.31 (d) A charter school independent audit report shall include audited financial data
133.32 of an affiliated building corporation under section 124E.13, subdivision 3, or other
133.33 component unit.

133.34 (e) If the audit report finds that a material weakness exists in the financial reporting
133.35 systems of a charter school, the charter school must submit a written report to the
133.36 commissioner explaining how the charter school will resolve that material weakness ~~will~~
134.1 ~~be resolved~~. An auditor, as a condition of providing financial services to a charter school,
134.2 must agree to make available information about a charter school's financial audit to the
134.3 commissioner and authorizer upon request.

134.4 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report
134.5 approved by the board of directors. The annual report must at least include information
134.6 on school enrollment, student attrition, governance and management, staffing, finances,
134.7 academic performance, innovative practices and implementation, and future plans. A
134.8 charter school may combine this report with the reporting required under section 120B.11
134.9 governing the world's best workforce. A charter school must post the annual report on
134.10 the school's official Web site. A charter school also must also distribute the annual report
134.11 by publication, mail, or electronic means to its authorizer, school employees, and parents
134.12 and legal guardians of students enrolled in the charter school. The reports are public
134.13 data under chapter 13.

134.14 (b) The commissioner shall establish specifications for an authorizer's annual public
134.15 report that is part of the system to evaluate authorizer performance under section 124E.05,
134.16 subdivision 5. The report shall at least include key indicators of school academic,
134.17 operational, and financial performance.

134.18 Sec. 13. Minnesota Statutes 2015 Supplement, section 124E.17, is amended to read:

134.19 **124E.17 DISSEMINATION OF INFORMATION.**

134.20 Subdivision 1. **Charter school information.** (a) ~~Authorizers and the department~~
134.21 ~~must disseminate information to the public on how to form and operate a charter school.~~
134.22 Charter schools must disseminate information about how to use the charter school
134.23 offerings of a ~~charter school~~ to targeted groups, among others. Targeted groups include
134.24 low-income families and communities, students of color, and students who are at risk
134.25 of academic failure.

134.26 (b) Authorizers and the commissioner must disseminate information to the public
134.27 on how to form and operate a charter school. ~~Authorizers, operators, and the department~~
134.28 ~~commissioner~~ also may disseminate information to interested stakeholders about the
134.29 successful best practices in teaching and learning demonstrated by charter schools.

134.30 Subd. 2. **Financial information.** Upon request of an individual, the charter school
134.31 must also make available in a timely fashion financial statements showing all operations
134.32 and transactions affecting the school's income, surplus, and deficit during the school's
134.33 last annual accounting period; and a balance sheet summarizing assets and liabilities
134.34 on the closing date of the accounting period. A charter school also must include that
135.1 same information about its authorizer in other school materials that it makes available
135.2 to the public.

135.3 Sec. 14. Minnesota Statutes 2015 Supplement, section 124E.22, is amended to read:

135.4 **124E.22 BUILDING LEASE AID.**

135.5 (a) When a charter school finds it economically advantageous to rent or lease a
135.6 building or land for any instructional ~~purposes~~ purpose and it determines that the total
135.7 operating capital revenue under section 126C.10, subdivision 13, is insufficient for this
135.8 purpose, it may apply to the commissioner for building lease aid ~~for this purpose~~. The
135.9 commissioner must review and either approve or deny a lease aid application using the
135.10 following criteria:

135.11 (1) the reasonableness of the price based on current market values;

135.12 (2) the extent to which the lease conforms to applicable state laws and rules; and

135.13 (3) the appropriateness of the proposed lease in the context of the space needs and
135.14 financial circumstances of the charter school. The commissioner must approve aid only
135.15 for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve
135.16 the charter school of its lease obligations at the time the charter contract is terminated or
135.17 not renewed; The closure clause under item (ii) must not be constructed or construed to
135.18 relieve the charter school of its lease obligations in effect before the charter contract is
135.19 terminated or not renewed.

135.20 (b) A charter school must not use the building lease aid it receives for custodial,
135.21 maintenance service, utility, or other operating costs.

135.22 ~~(b)~~ (c) The amount of annual building lease aid for a charter school shall not exceed
135.23 the lesser of (1) 90 percent of the approved cost or (2) the product of the pupil units served
135.24 for the current school year times \$1,314.

135.25 Sec. 15. Minnesota Statutes 2015 Supplement, section 124E.24, is amended to read:

135.26 **124E.24 OTHER AID, GRANTS, AND REVENUE.**

135.27 (a) A charter school is eligible to receive other aids, grants, and revenue according to
135.28 chapters 120A to 129C, as though it were a district.

135.29 (b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or
135.30 revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy
135.31 revenue that is not general education revenue, except as otherwise provided in this chapter.

135.32 (c) Federal aid received by the state must be paid to the school, if it qualifies for
135.33 the aid, as though it were a school district.

136.1 (d) A charter school may receive money from any source for capital facilities needs.
136.2 In the year-end report to the commissioner ~~of education~~, the charter school shall report the
136.3 total amount of funds it received from grants and other outside sources.

136.4 Sec. 16. Minnesota Statutes 2015 Supplement, section 124E.25, is amended to read:

136.5 **124E.25 PAYMENT OF AIDS TO CHARTER SCHOOLS.**

136.6 Subdivision 1. **Payments.** (a) Notwithstanding section 127A.45, subdivision 3, if the
136.7 current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is
136.8 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal
136.9 amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision
136.10 3, if the current year aid payment percentage under section 127A.45, subdivision 2,
136.11 paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school
136.12 shall be of an equal amount on each of the 16 payment dates in July through February.

136.13 Subd. 1a. **School closures; payments.** (b) (a) Notwithstanding ~~paragraph (a)~~
136.14 ~~subdivision 1~~ and section 127A.45, for a charter school ceasing operation on or ~~prior~~
136.15 ~~to before June 30 of a school year~~, for the payment periods occurring after the school
136.16 ceases serving students, the commissioner shall withhold the estimated state aid owed
136.17 the school. The charter school board of directors and authorizer must submit to the
136.18 commissioner a closure plan under chapter 308A or 317A, and financial information about
136.19 the school's liabilities and assets. After receiving the closure plan, financial information,
136.20 an audit of pupil counts, ~~documentation of and documented~~ lease expenditures, ~~from~~
136.21 ~~the charter school~~ and monitoring of special education expenditures, the commissioner
136.22 may release cash withheld and may continue regular payments up to the current year
136.23 payment percentages if further amounts are owed. If, based on audits and monitoring,
136.24 the school received state aid in excess of the amount owed, the commissioner shall retain
136.25 aid withheld sufficient to eliminate the aid overpayment.

136.26 (b) For a charter school ceasing operations ~~prior to, before~~ or at the end of; a
136.27 school year, notwithstanding section 127A.45, subdivision 3, the commissioner may
136.28 make preliminary final payments may be made after receiving the school submits the
136.29 closure plan, an audit of pupil counts, monitoring of special education expenditures,
136.30 documentation of documented lease expenditures, and school submission of Uniform
136.31 Financial Accounting and Reporting Standards (UFARS) financial data and the
136.32 commissioner monitors special education expenditures for the final year of operation. The
136.33 commissioner may make the final payment may be made upon receipt of after receiving
136.34 audited financial statements under section 123B.77, subdivision 3.

137.1 (c) Notwithstanding sections 317A.701 to 317A.791, ~~upon closure of after closing~~
137.2 a charter school and ~~satisfaction of satisfying~~ creditors, remaining cash and investment
137.3 balances remaining shall be returned by the commissioner to the state general fund.

137.4 Subd. 2. **Requirements.** (a) ~~In order~~ To receive state aid payments under this
137.5 section, a charter school in its first three years of operation must submit to the commissioner
137.6 a school calendar in the form and manner requested by the department commissioner and
137.7 a quarterly report ~~to the Department of Education~~. The quarterly report must list each
137.8 student by grade, show the student's start and end dates, if any applicable, ~~with the charter~~
137.9 ~~school~~, and, for any student participating in a learning year program, the report must list the
137.10 hours and times of learning year activities. The charter school must submit the report must
137.11 ~~be submitted to the commissioner~~ not more than two weeks after the end of the calendar
137.12 ~~quarter to the department~~. The department commissioner must develop a Web-based
137.13 reporting form for charter schools to use when submitting quarterly enrollment reports.

137.14 (b) ~~To receive state aid payments under this section~~, a charter school in its fourth and
137.15 subsequent year of operation must submit a school calendar and enrollment information
137.16 to the department commissioner in the form and manner requested by the department
137.17 commissioner.

137.18 ~~(b)~~ (c) A charter school must have a valid, signed contract under section 124E.10,
137.19 subdivision 1, on file ~~at with the Department of Education commissioner~~ at least 15 days
137.20 ~~prior to before~~ the date of first payment of state aid for the fiscal year.

137.21 ~~(e)~~ (d) The commissioner shall compute state aid entitlements ~~shall be computed~~
137.22 for a charter school only for the portion of a school year for which it has a valid, signed
137.23 contract under section 124E.10, subdivision 1.

137.24 Subd. 3. **Aid reductions.** (a) The commissioner may reduce a charter school's
137.25 state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a
137.26 violation under this chapter.

137.27 (b) The commissioner may reduce a charter school's state aid by an amount not
137.28 to exceed 60 percent of the charter school's basic revenue for the period of time ~~that a~~
137.29 ~~violation of law occurs~~ was violated.

137.30 Subd. 4. **Aid withholding.** (a) If a charter school fails to comply with the
137.31 commissioner's directive to return, for cause, federal or state funds administered by the
137.32 department, the commissioner may withhold an amount of state aid sufficient to satisfy
137.33 the directive.

137.34 (b) ~~If, within the timeline under section 471.425, after receiving an undisputed~~
137.35 invoice for goods and services, a charter school fails to pay the state of Minnesota, a school
137.36 district, intermediate school district, or service cooperative ~~after receiving an undisputed~~
138.1 invoice for goods and services within the timeline under section 471.425, the commissioner
138.2 may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the
138.3 withheld aid to the interested state agency, school district, intermediate school district, or
138.4 service cooperative. An interested state agency, school district, intermediate school district,
138.5 or education cooperative shall notify the commissioner when a charter school fails to pay
138.6 an undisputed invoice within 75 business days of when it received the original invoice.

138.7 Sec. 17. Minnesota Statutes 2015 Supplement, section 124E.26, is amended to read:

138.8 **124E.26 USE OF STATE MONEY.**

138.9 ~~Money received from the state may not be used~~ A charter school may not use state

138.10 money to purchase land or buildings. The charter school may own land and buildings if

138.11 obtained through nonstate sources.

138.12 Sec. 18. **SUPERSEDING ACTS.**

138.13 Any amendments or repeals enacted in the 2016 session of the legislature to sections

138.14 also amended or repealed in this article of this act supersede the amendments in this article

138.15 of this act regardless of order of enactment.