

1.1 moves to amend H.F. No. 3163 as follows:

1.2 Page 2, after line 4, insert:

1.3 "Sec. 2. Minnesota Statutes 2008, section 123B.12, is amended to read:

1.4 **123B.12 INSUFFICIENT FUNDS TO PAY ORDERS.**

1.5 (a) In the event that a district or a cooperative unit defined in section 123A.24,
1.6 subdivision 2, has insufficient funds to pay its usual lawful current obligations, subject to
1.7 section 471.69, the board may enter into agreements with banks or any person to take its
1.8 orders. Any order drawn, after having been presented to the treasurer for payment and not
1.9 paid for want of funds shall be endorsed by the treasurer by putting on the back thereof
1.10 the words "not paid for want of funds," giving the date of endorsement and signed by the
1.11 treasurer. A record of such presentment, nonpayment and endorsement shall be made by
1.12 the treasurer. The treasurer shall serve a written notice upon the payee or the payee's
1.13 assignee, personally, or by mail, when the treasurer is prepared to pay such orders. The
1.14 notice may be directed to the payee or the payee's assignee at the address given in writing
1.15 by such payee or assignee to such treasurer, at any time prior to the service of such notice.
1.16 No order shall draw any interest if such address is not given when the same is unknown to
1.17 the treasurer, and no order shall draw any interest after the service of such notice.

1.18 (b) A district may enter, subject to section 471.69, into ~~a~~ an unsecured line of credit
1.19 agreement with a financial institution. The amount of credit available must not exceed
1.20 95 percent of average expenditure per month of operating expenditures in the previous
1.21 fiscal year. Any amount advanced must be repaid no later than 45 days after the day of
1.22 advancement."

1.23 Page 5, after line 20, insert:

1.24 "Sec. 7. Minnesota Statutes 2008, section 127A.45, is amended by adding a subdivision
1.25 to read:

2.1 Subd. 17. **Payment to creditors.** Except where otherwise specifically authorized,
2.2 state education aid payments shall be made only to the education organization earning
2.3 state aid revenues as a result of providing education services."

2.4 Page 21, after line 17, insert:

2.5 "Sec. 14. Minnesota Statutes 2009 Supplement, section 124D.11, subdivision 9,
2.6 is amended to read:

2.7 **Subd. 9. Payment of aids to charter schools.** (a) Notwithstanding section 127A.45,
2.8 subdivision 3, aid payments for the current fiscal year to a charter school shall be of an
2.9 equal amount on each of the 24 payment dates.

2.10 (b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing
2.11 operation on or prior to June 30 of a school year, for the payment periods occurring after
2.12 the school ceases serving students, the commissioner shall withhold the estimated state aid
2.13 owed the school. The charter school board of directors and authorizer must submit to the
2.14 commissioner a closure plan under chapter 308A or 317A, and financial information about
2.15 the school's liabilities and assets. After receiving the closure plan, financial information,
2.16 an audit of pupil counts, documentation of lease expenditures, and monitoring of special
2.17 education expenditures, the commissioner may release cash withheld and may continue
2.18 regular payments up to the current year payment percentages if further amounts are
2.19 owed. If, based on audits and monitoring, the school received state aid in excess of the
2.20 amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid
2.21 overpayment. For a charter school ceasing operations prior to, or at the end of, a school
2.22 year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may
2.23 be made after receiving the closure plan, audit of pupil counts, monitoring of special
2.24 education expenditures, documentation of lease expenditures, and school submission of
2.25 Uniform Financial Accounting and Reporting Standards (UFARS) financial data for the
2.26 final year of operation. Final payment may be made upon receipt of audited financial
2.27 statements under section 123B.77, subdivision 3.

2.28 (c) If a charter school fails to comply with the commissioner's directive to return,
2.29 for cause, federal or state funds administered by the department, the commissioner may
2.30 withhold an amount of state aid sufficient to satisfy the directive.

2.31 (d) If, within the timeline under section 471.425, a charter school fails to pay the state
2.32 of Minnesota, a school district, intermediate school district, or service cooperative after
2.33 receiving an undisputed invoice for goods and services, the commissioner may withhold
2.34 an amount of state aid sufficient to satisfy the claim and shall distribute the withheld
2.35 aid to the interested state agency, school district, intermediate school district, or service
2.36 cooperative. An interested state agency, school district, intermediate school district, or

3.1 education cooperative shall notify the commissioner when a charter school fails to pay an
3.2 undisputed invoice within 75 business days of when it received the original invoice.

3.3 (e) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent
3.4 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day
3.5 of student attendance for that school year.

3.6 (f) In order to receive state aid payments under this subdivision, a charter school in
3.7 its first three years of operation must submit a school calendar in the form and manner
3.8 requested by the department and a quarterly report to the Department of Education. The
3.9 report must list each student by grade, show the student's start and end dates, if any,
3.10 with the charter school, and for any student participating in a learning year program,
3.11 the report must list the hours and times of learning year activities. The report must be
3.12 submitted not more than two weeks after the end of the calendar quarter to the department.
3.13 The department must develop a Web-based reporting form for charter schools to use
3.14 when submitting enrollment reports. A charter school in its fourth and subsequent year of
3.15 operation must submit a school calendar and enrollment information to the department in
3.16 the form and manner requested by the department.

3.17 (g) Notwithstanding chapter 317A, a charter school may not pledge or assign state
3.18 aids to be received to a lender or creditor.

3.19 ~~(g)~~ (h) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
3.20 school and satisfaction of creditors, cash and investment balances remaining shall be
3.21 returned to the state."

3.22 Renumber the sections in sequence and correct the internal references

3.23 Correct the title numbers accordingly