

220.7

ARTICLE 6

220.8

CHARTER SCHOOLS

220.9 Section 1. Minnesota Statutes 2022, section 124E.02, is amended to read:

220.10 **124E.02 DEFINITIONS.**

220.11 (a) For purposes of this chapter, the terms defined in this section have the meanings
220.12 given them.

220.13 (b) "Affidavit" means a written statement the authorizer submits to the commissioner
220.14 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to
220.15 its review and approval process before chartering a school.

220.16 (c) "Affiliate" means a person that directly or indirectly, through one or more
220.17 intermediaries, controls, is controlled by, or is under common control with another person.

220.18 (d) "Control" means the ability to affect the management, operations, or policy actions
220.19 or decisions of a person, whether by owning voting securities, by contract, or otherwise.

220.20 (e) "Immediate family" means an individual whose relationship by blood, marriage,
220.21 adoption, or partnership is no more remote than first cousin.

220.22 (f) "Market need and demand study" means a study that includes the following for the
220.23 proposed locations of the school or additional site:

220.24 (1) current and projected demographic information of student populations in the
220.25 geographic area;

220.26 (2) current student enrollment patterns in the geographic area;

220.27 (3) information on existing schools and types of educational programs currently available;

220.28 (4) documentation of the plan to do outreach to diverse and underrepresented populations;

220.29 (5) information on the availability of properly zoned and classified facilities; and

221.1 (6) quantification of existing demand for the new school or site expansion.

221.2 (f) (g) "Person" means an individual or entity of any kind.

56.25

ARTICLE 4

56.26

CHARTER SCHOOLS

56.27 Section 1. Minnesota Statutes 2022, section 124E.02, is amended to read:

56.28 **124E.02 DEFINITIONS.**

56.29 (a) For purposes of this chapter, the terms defined in this section have the meanings
56.30 given them.

57.1 (b) "Affidavit" means a written statement the authorizer submits to the commissioner
57.2 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to
57.3 its review and approval process before chartering a school.

57.4 (c) "Affiliate" means a person that directly or indirectly, through one or more
57.5 intermediaries, controls, is controlled by, or is under common control with another person.

57.6 (d) "Charter management organization" or "CMO" means any nonprofit or for-profit
57.7 entity that contracts with a charter school board of directors to provide, manage, or oversee
57.8 all or substantially all of a school's education program or a school's administrative, financial,
57.9 business, or operational functions.

57.10 (e) (e) "Control" means the ability to affect the management, operations, or policy actions
57.11 or decisions of a person, whether by owning voting securities, by contract, or otherwise.

57.12 (f) "Educational management organization" or "EMO" means a nonprofit or for-profit
57.13 entity that provides, manages or oversees all or substantially all of the education program,
57.14 or the school's administrative, financial, business, or operational functions.

57.15 (g) (g) "Immediate family" means an individual whose relationship by blood, marriage,
57.16 adoption, or partnership is no more remote than first cousin.

57.17 (h) "Market need and demand study" means a study that includes the following for the
57.18 proposed locations of the school or additional site:

57.19 (1) current and projected demographic information;

57.20 (2) student enrollment patterns;

57.21 (3) information on existing schools and types of educational programs currently available;

57.22 (4) characteristics of proposed students and families;

57.23 (5) availability of properly zoned and classified facilities; and

57.24 (6) quantification of existing demand for the school or site.

57.25 (f) (i) "Person" means an individual or entity of any kind.

221.3 ~~(g)~~ (h) "Related party" means an affiliate or immediate relative of the other interested
 221.4 party, an affiliate of an immediate relative who is the other interested party, or an immediate
 221.5 relative of an affiliate who is the other interested party.

221.6 ~~(h)~~ (i) For purposes of this chapter, the terms defined in section 120A.05 have the same
 221.7 meanings.

221.8 Sec. 2. Minnesota Statutes 2022, section 124E.03, subdivision 2, is amended to read:

221.9 Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall
 221.10 meet all federal, state, and local health and safety requirements applicable to school districts.

221.11 (b) A school must comply with statewide accountability requirements governing standards
 221.12 and assessments in chapter 120B.

221.13 (c) A charter school must comply with the Minnesota Public School Fee Law, sections
 221.14 123B.34 to 123B.39.

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

221.16 (e) A charter school must comply with the Pledge of Allegiance requirement under
 221.17 section 121A.11, subdivision 3.

221.18 (f) A charter school and charter school board of directors must comply with chapter 181
 221.19 governing requirements for employment.

221.20 (g) A charter school must comply with continuing truant notification under section
 221.21 260A.03.

221.22 (h) A charter school must develop and implement a teacher evaluation and peer review
 221.23 process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place
 221.24 students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).
 221.25 The teacher evaluation process in this paragraph does not create any additional employment
 221.26 rights for teachers.

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

221.30 (j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act,
 221.31 sections 121A.40 to 121A.56 and 121A.575.

222.1 Sec. 3. Minnesota Statutes 2022, section 124E.03, is amended by adding a subdivision to
 222.2 read:

222.3 Subd. 9. **English learners.** A charter school is subject to and must comply with the
 222.4 Education for English Learners Act under sections 124D.58 to 124D.64 as though the charter
 222.5 school were a district.

57.26 ~~(g)~~ (j) "Related party" means an affiliate or immediate relative of the other interested
 57.27 party, an affiliate of an immediate relative who is the other interested party, or an immediate
 57.28 relative of an affiliate who is the other interested party.

57.29 ~~(h)~~ (k) For purposes of this chapter, the terms defined in section 120A.05 have the same
 57.30 meanings.

58.1 Sec. 2. Minnesota Statutes 2022, section 124E.03, subdivision 2, is amended to read:

58.2 Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall
 58.3 meet all federal, state, and local health and safety requirements applicable to school districts.

58.4 (b) A school must comply with statewide accountability requirements governing standards
 58.5 and assessments in chapter 120B.

58.6 (c) A charter school must comply with the Minnesota Public School Fee Law, sections
 58.7 123B.34 to 123B.39.

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

58.9 (e) A charter school must comply with the Pledge of Allegiance requirement under
 58.10 section 121A.11, subdivision 3.

58.11 (f) A charter school and charter school board of directors must comply with chapter 181
 58.12 governing requirements for employment.

58.13 (g) A charter school must comply with continuing truant notification under section
 58.14 260A.03.

58.15 (h) A charter school must develop and implement a teacher evaluation and peer review
 58.16 process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place
 58.17 students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).
 58.18 The teacher evaluation process in this paragraph does not create any additional employment
 58.19 rights for teachers.

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

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 58.24 sections 121A.40 to 121A.56 and 121A.575.

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 58.26 read:

58.27 Subd. 9. **English learners.** A charter school is subject to and must comply with the
 58.28 Education for English Learners Act under sections 124D.58 to 124D.64 as though the charter
 58.29 school were a district.

222.6 Sec. 4. Minnesota Statutes 2022, section 124E.05, subdivision 4, is amended to read:

222.7 Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must

222.8 include in its application to the commissioner at least the following:

222.9 (1) how the organization carries out its mission by chartering schools;

222.10 (2) a description of the capacity of the organization to serve as an authorizer, including

222.11 the positions allocated to authorizing duties, the qualifications for those positions, the

222.12 full-time equivalencies of those positions, and the financial resources available to fund the

222.13 positions;

222.14 (3) the application and review process the authorizer uses to decide whether to grant

222.15 charters;

222.16 (4) the type of contract it arranges with the schools it charters to meet the provisions of

222.17 section 124E.10;

222.18 (5) the process for overseeing the school, consistent with clause (4), to ensure that the

222.19 schools chartered comply with applicable law and rules and the contract;

222.20 (6) the criteria and process the authorizer uses to approve applications adding grades or

222.21 sites under section 124E.06, subdivision 5;

222.22 (7) the process for renewing or terminating the school's charter based on evidence

222.23 showing the academic, organizational, and financial competency of the school, including

222.24 its success in increasing student achievement and meeting the goals of the charter school

222.25 agreement; and

222.26 (8) an assurance specifying that the organization is committed to serving as an authorizer

222.27 for the full five year term until the commissioner terminates the organization's ability to

222.28 authorize charter schools under subdivision 6 or the organization formally withdraws as an

222.29 approved authorizer under subdivision 7.

222.30 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the

222.31 requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict

222.32 of interest between an authorizer and its charter schools or ongoing evaluation or continuing

223.1 education of an administrator or other professional support staff by submitting to the

223.2 commissioner a written promise to comply with the requirements.

223.3 Sec. 5. Minnesota Statutes 2022, section 124E.05, subdivision 7, is amended to read:

223.4 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw

223.5 as an approved authorizer for a reason unrelated to any cause under ~~section 124E.10,~~

223.6 ~~subdivision 4~~ subdivision 6, the authorizer must notify all its chartered schools and the

223.7 commissioner in writing by March 1 of its intent to withdraw as an authorizer on June 30

223.8 in the next calendar year, ~~regardless of when the authorizer's five-year term of approval~~

223.9 ~~ends.~~ Upon notification of the schools and commissioner, the authorizer must provide a

59.1 Sec. 4. Minnesota Statutes 2022, section 124E.05, subdivision 4, is amended to read:

59.2 Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must

59.3 include in its application to the commissioner at least the following:

59.4 (1) how the organization carries out its mission by chartering schools;

59.5 (2) a description of the capacity of the organization to serve as an authorizer, including

59.6 the positions allocated to authorizing duties, the qualifications for those positions, the

59.7 full-time equivalencies of those positions, and the financial resources available to fund the

59.8 positions;

59.9 (3) the application and review process the authorizer uses to decide whether to grant

59.10 charters;

59.11 (4) the type of contract it arranges with the schools it charters to meet the provisions of

59.12 section 124E.10;

59.13 (5) the process for overseeing the school, consistent with clause (4), to ensure that the

59.14 schools chartered comply with applicable law and rules and the contract;

59.15 (6) the criteria and process the authorizer uses to approve applications adding grades or

59.16 sites under section 124E.06, subdivision 5;

59.17 (7) the process for renewing or terminating the school's charter based on evidence

59.18 showing the academic, organizational, and financial competency of the school, including

59.19 its success in increasing student achievement and meeting the goals of the charter school

59.20 agreement; and

59.21 (8) an assurance specifying that the organization is committed to serving as an authorizer

59.22 for the full five year term until the commissioner terminates the organization's ability to

59.23 authorize charter schools under subdivision 6 or the organization formally withdraws as an

59.24 approved authorizer under subdivision 7.

59.25 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the

59.26 requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict

59.27 of interest between an authorizer and its charter schools or ongoing evaluation or continuing

59.28 education of an administrator or other professional support staff by submitting to the

59.29 commissioner a written promise to comply with the requirements.

59.30 Sec. 5. Minnesota Statutes 2022, section 124E.05, subdivision 7, is amended to read:

59.31 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw

59.32 as an approved authorizer for a reason unrelated to any cause under ~~section 124E.10,~~

60.1 ~~subdivision 4~~ subdivision 6, the authorizer must notify all its chartered schools and the

60.2 commissioner in writing by March 1 of its intent to withdraw as an authorizer on June 30

60.3 in the next calendar year, ~~regardless of when the authorizer's five-year term of approval~~

60.4 ~~ends.~~ Upon notification of the schools and commissioner, the authorizer must provide a

223.10 letter to the school for distribution to families of students enrolled in the school that explains
 223.11 the decision to withdraw as an authorizer. The commissioner may approve the transfer of
 223.12 a charter school to a new authorizer under section 124E.10, subdivision 5.

223.13 Sec. 6. Minnesota Statutes 2022, section 124E.06, subdivision 1, is amended to read:

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

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

223.22 (1) the school developer's:

223.23 (i) mission statement;

223.24 (ii) school purposes;

223.25 (iii) program design;

223.26 (iv) financial plan;

223.27 (v) governance and management structure; and

223.28 (vi) background and experience; and

223.29 (vii) market need and demand study; and

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

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

60.5 letter to the school for distribution to families of students enrolled in the school that explains
 60.6 the decision to withdraw as an authorizer. The commissioner may approve the transfer of
 60.7 a charter school to a new authorizer under section 124E.10, subdivision 5.

60.8 Sec. 6. Minnesota Statutes 2022, section 124E.06, subdivision 1, is amended to read:

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

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

60.17 (1) the school developer's proposed school's:

60.18 (i) mission statement and vision statements;

60.19 (ii) school purposes and goals;

60.20 (iii) educational program design and how the program will improve student learning,
 60.21 success, and achievement;

60.22 (iv) plan to address the social and emotional learning needs of students and student
 60.23 support services;

60.24 (v) plan to provide special education management and services;

60.25 (vi) plan for staffing the school with appropriately qualified and licensed personnel;

60.26 ~~(iv)~~ (vii) financial plan;

60.27 ~~(v)~~ (viii) governance and management structure and plan; and

60.28 ~~(vi)~~ background and experience;

60.29 (ix) market need and demand study; and

61.1 (x) plan for ongoing outreach and dissemination of information about the school's
 61.2 offerings and enrollment procedure to families that reflect the diversity of Minnesota's
 61.3 population and targeted groups under section 124E.17, subdivision 1, paragraph (a);

61.4 (2) the school developer's experience and background, including criminal history and
 61.5 bankruptcy background checks;

61.6 ~~(2)~~ (3) any other information the authorizer requests; and

61.7 ~~(3)~~ (4) a "statement of assurances" of legal compliance prescribed by the commissioner.

224.2 (c) An authorizer shall not approve an application submitted by a charter school developer
 224.3 under paragraph (a) if the application does not comply with subdivision 3, paragraph (e),
 224.4 and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit
 224.5 submitted by an authorizer under subdivision 4 if the affidavit does not comply with
 224.6 subdivision 3, paragraph (e), and section 124E.01, subdivision 1.

224.7 Sec. 7. Minnesota Statutes 2022, section 124E.06, subdivision 4, is amended to read:

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

224.13 (1) the terms and conditions under which the authorizer would charter a school, including
 224.14 a market need and demand study; and

224.15 (2) how the authorizer intends to oversee:

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

224.17 (ii) compliance with the terms of the written contract between the authorizer and the
 224.18 charter school board of directors under section 124E.10, subdivision 1.

224.19 (b) The commissioner must approve or disapprove the authorizer's affidavit within 60
 224.20 business days of receiving the affidavit. If the commissioner disapproves the affidavit, the
 224.21 commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer
 224.22 then has 20 business days to address the deficiencies. The commissioner must notify the
 224.23 authorizer of the commissioner's final approval or final disapproval within 15 business days
 224.24 after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer
 224.25 does not address deficiencies to the commissioner's satisfaction, the commissioner's
 224.26 disapproval is final. An authorizer who fails to obtain the commissioner's approval is
 224.27 precluded from chartering the school that is the subject of this affidavit.

224.28 Sec. 8. Minnesota Statutes 2022, section 124E.06, subdivision 5, is amended to read:

224.29 Subd. 5. **Adding grades or sites.** (a) A charter school may apply to the authorizer to
 224.30 amend the school charter to add grades or primary enrollment sites beyond those defined
 224.31 in the original affidavit approved by the commissioner. After approving the school's
 224.32 application, the authorizer shall submit a supplemental affidavit in the form and manner
 225.1 prescribed by the commissioner. The authorizer must file a supplemental affidavit to the
 225.2 commissioner by October 1 to be eligible to add grades or sites in the next school year. The
 225.3 supplemental affidavit must document to the authorizer's satisfaction:

225.4 (1) the need for the additional grades or sites with supporting long-range enrollment
 225.5 projections;

61.8 (c) An authorizer shall not approve an application submitted by a charter school developer
 61.9 under paragraph (a) if the application does not comply with subdivision 3, paragraph (e),
 61.10 and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit
 61.11 submitted by an authorizer under subdivision 4 if the affidavit does not comply with
 61.12 subdivision 3, paragraph (e), and section 124E.01, subdivision 1.

61.13 Sec. 7. Minnesota Statutes 2022, section 124E.06, subdivision 4, is amended to read:

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

61.19 (1) the terms and conditions under which the authorizer would charter a school, including
 61.20 a market need and demand study; and

61.21 (2) how the authorizer intends to oversee:

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

61.23 (ii) compliance with the terms of the written contract between the authorizer and the
 61.24 charter school board of directors under section 124E.10, subdivision 1.

61.25 (b) The commissioner must approve or disapprove the authorizer's affidavit within 60
 61.26 business days of receiving the affidavit. If the commissioner disapproves the affidavit, the
 61.27 commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer
 61.28 then has 20 business days to address the deficiencies. The commissioner must notify the
 61.29 authorizer of the commissioner's final approval or final disapproval within 15 business days
 61.30 after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer
 61.31 does not address deficiencies to the commissioner's satisfaction, the commissioner's
 62.1 disapproval is final. An authorizer who fails to obtain the commissioner's approval is
 62.2 precluded from chartering the school that is the subject of this affidavit.

62.3 Sec. 8. Minnesota Statutes 2022, section 124E.06, subdivision 5, is amended to read:

62.4 Subd. 5. **Adding grades or sites.** (a) A charter school may apply to the authorizer to
 62.5 amend the school charter to add grades or primary enrollment sites beyond those defined
 62.6 in the original affidavit approved by the commissioner. After approving the school's
 62.7 application, the authorizer shall submit a supplemental affidavit in the form and manner
 62.8 prescribed by the commissioner. The authorizer must file a supplemental affidavit to the
 62.9 commissioner by October 1 to be eligible to add grades or sites in the next school year. The
 62.10 supplemental affidavit must document to the authorizer's satisfaction:

62.11 (1) the need for the additional grades or sites with supporting long-range enrollment
 62.12 projections;

225.6 (2) a longitudinal record of student academic performance and growth on statewide
 225.7 assessments under chapter 120B or on other academic assessments that measure longitudinal
 225.8 student performance and growth approved by the charter school's board of directors and
 225.9 agreed upon with the authorizer;

225.10 (3) a history of sound school finances and a plan to add grades or sites that sustains the
 225.11 school's finances; ~~and~~

225.12 (4) board capacity to administer and manage the additional grades or sites; and
 225.13 (5) for site expansion, a market need and demand study.

225.14 (b) The commissioner shall have 30 business days to review and comment on the
 225.15 supplemental affidavit. The commissioner shall notify the authorizer in writing of any
 225.16 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to
 225.17 address any deficiencies in the supplemental affidavit to the commissioner's satisfaction.
 225.18 The commissioner must notify the authorizer of final approval or final disapproval within
 225.19 15 business days after receiving the authorizer's response to the deficiencies in the affidavit.
 225.20 The school may not add grades or sites until the commissioner has approved the supplemental
 225.21 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

225.22 Sec. 9. Minnesota Statutes 2022, section 124E.10, subdivision 1, is amended to read:

225.23 Subdivision 1. **Contents.** (a) To authorize a charter school, the authorizer and the charter
 225.24 school board of directors must sign a written contract within 45 business days of the
 225.25 commissioner's approval of the authorizer's affidavit. The authorizer shall submit a copy of
 225.26 the charter contract to the commissioner within ten business days after the contract is signed
 225.27 by the contracting parties. The contract must include at least the following:

225.28 (1) a declaration that the charter school will carry out the primary purpose in section
 225.29 124E.01, subdivision 1, and indicate how the school will report its implementation of the
 225.30 primary purpose to its authorizer;

226.1 (2) a declaration of the additional purpose or purposes in section 124E.01, subdivision
 226.2 1, that the school intends to carry out and indicate how the school will report its
 226.3 implementation of those purposes to its authorizer;

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

226.6 (4) a statement of the school's admission policies and procedures;

226.7 (5) a school governance, management, and administration plan;

226.8 (6) signed agreements from charter school board members to comply with the federal
 226.9 and state laws governing organizational, programmatic, and financial requirements applicable
 226.10 to charter schools;

62.13 (2) a longitudinal record of student academic performance and growth on statewide
 62.14 assessments under chapter 120B or on other academic assessments that measure longitudinal
 62.15 student performance and growth approved by the charter school's board of directors and
 62.16 agreed upon with the authorizer;

62.17 (3) a history of sound school finances and a plan to add grades or sites that sustains the
 62.18 school's finances; ~~and~~

62.19 (4) board capacity to administer and manage the additional grades or sites; and
 62.20 (5) for site expansion, a market need and demand study.

62.21 (b) The commissioner shall have 30 business days to review and comment on the
 62.22 supplemental affidavit. The commissioner shall notify the authorizer in writing of any
 62.23 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to
 62.24 address any deficiencies in the supplemental affidavit to the commissioner's satisfaction.
 62.25 The commissioner must notify the authorizer of final approval or final disapproval within
 62.26 15 business days after receiving the authorizer's response to the deficiencies in the affidavit.
 62.27 The school may not add grades or sites until the commissioner has approved the supplemental
 62.28 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

62.29 Sec. 9. Minnesota Statutes 2022, section 124E.10, subdivision 1, is amended to read:

62.30 Subdivision 1. **Contents.** (a) To authorize a charter school, the authorizer and the charter
 62.31 school board of directors must sign a written contract within 45 business days of the
 62.32 commissioner's approval of the authorizer's affidavit. The authorizer shall submit a copy of
 63.1 the charter contract to the commissioner within ten business days after the contract is signed
 63.2 by the contracting parties. The contract must include at least the following:

63.3 (1) a declaration that the charter school will carry out the primary purpose in section
 63.4 124E.01, subdivision 1, and indicate how the school will report its implementation of the
 63.5 primary purpose to its authorizer;

63.6 (2) a declaration of the additional purpose or purposes in section 124E.01, subdivision
 63.7 1, that the school intends to carry out and indicate how the school will report its
 63.8 implementation of those purposes to its authorizer;

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

63.11 (4) a statement of the school's admission policies and procedures;

63.12 (5) a school governance, management, and administration plan;

63.13 (6) signed agreements from charter school board members to comply with the federal
 63.14 and state laws governing organizational, programmatic, and financial requirements applicable
 63.15 to charter schools;

226.11 (7) the criteria, processes, and procedures the authorizer will use to monitor and evaluate
 226.12 the fiscal, operational, and academic performance, consistent with subdivision 3, paragraphs
 226.13 (a) and (b);

226.14 (8) for contract renewal, the formal written performance evaluation that is a prerequisite
 226.15 for reviewing a charter contract under subdivision 3;

226.16 (9) types and amounts of insurance liability coverage the charter school must obtain,
 226.17 consistent with section 124E.03, subdivision 2, paragraph (d);

226.18 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold
 226.19 harmless from any suit, claim, or liability arising from any charter school operation:

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

226.21 (ii) notwithstanding section 3.736, the commissioner and department officers, agents,
 226.22 and employees;

226.23 (11) the term of the contract, which, for an initial contract, may be up to five years plus
 226.24 a preoperational planning period, or for a renewed contract or a contract with a new authorizer
 226.25 after a transfer of authorizers, may be up to five years, if warranted by the school's academic,
 226.26 financial, and operational performance;

226.27 (12) how the charter school board of directors or the charter school operators will provide
 226.28 special instruction and services for children with a disability under sections 125A.03 to
 226.29 125A.24, and 125A.65, and a description of the financial parameters within which the charter
 226.30 school will provide the special instruction and services to children with a disability;

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

227.4 (14) the additional purposes under section 124E.01, subdivision 1, and related
 227.5 performance obligations under clause (7) contained in the charter contract as additional
 227.6 factors in determining whether to renew the contract.

227.7 (b) In addition to the requirements of paragraph (a), the charter contract must contain
 227.8 the plan for an orderly closing of the school under chapter 317A, that establishes the
 227.9 responsibilities of the school board of directors and the authorizer, whether the closure is a
 227.10 termination for cause, a voluntary termination, or a nonrenewal of the contract. The plan
 227.11 must establish who is responsible for:

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

227.14 (2) providing parents of enrolled students information and assistance to enable the student
 227.15 to re-enroll in another school;

63.16 (7) the criteria, processes, and procedures the authorizer will use to monitor and evaluate
 63.17 the fiscal, operational, and academic performance, consistent with subdivision 3, paragraphs
 63.18 (a) and (b);

63.19 (8) for contract renewal, the formal written performance evaluation that is a prerequisite
 63.20 for reviewing a charter contract under subdivision 3;

63.21 (9) types and amounts of insurance liability coverage the charter school must obtain,
 63.22 consistent with section 124E.03, subdivision 2, paragraph (d);

63.23 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold
 63.24 harmless from any suit, claim, or liability arising from any charter school operation:

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

63.26 (ii) notwithstanding section 3.736, the commissioner and department officers, agents,
 63.27 and employees;

63.28 (11) the term of the contract, which, for an initial contract, may be up to five years plus
 63.29 a preoperational planning period, or for a renewed contract or a contract with a new authorizer
 63.30 after a transfer of authorizers, may be up to five years, if warranted by the school's academic,
 63.31 financial, and operational performance;

64.1 (12) how the charter school board of directors or the charter school operators will provide
 64.2 special instruction and services for children with a disability under sections 125A.03 to
 64.3 125A.24, and 125A.65, and a description of the financial parameters within which the charter
 64.4 school will provide the special instruction and services to children with a disability;

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

64.8 (14) the additional purposes under section 124E.01, subdivision 1, and related
 64.9 performance obligations under clause (7) contained in the charter contract as additional
 64.10 factors in determining whether to renew the contract.

64.11 (b) In addition to the requirements of paragraph (a), the charter contract must contain
 64.12 the plan for an orderly closing of the school under chapter 317A, that establishes the
 64.13 responsibilities of the school board of directors and the authorizer, whether the closure is a
 64.14 termination for cause, a voluntary termination, or a nonrenewal of the contract. The plan
 64.15 must establish who is responsible for:

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

64.18 (2) providing parents of enrolled students information and assistance to enable the student
 64.19 to re-enroll in another school;

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

227.18 (4) closing financial operations.

227.19 (c) A charter school must design its programs to at least meet the outcomes adopted by
 227.20 the commissioner for public school students, including world's best workforce goals under
 227.21 section 120B.11, subdivision 1. In the absence of the commissioner's requirements governing
 227.22 state standards and benchmarks, the school must meet the outcomes contained in the contract
 227.23 with the authorizer. The achievement levels of the outcomes contained in the contract may
 227.24 exceed the achievement levels of any outcomes adopted by the commissioner for public
 227.25 school students.

227.26 Sec. 10. Minnesota Statutes 2022, section 124E.11, is amended to read:

227.27 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

227.28 (a) A charter school, including its preschool or prekindergarten program established
 227.29 under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

227.30 (1) pupils within an age group or grade level;

227.31 (2) pupils who are eligible to participate in the graduation incentives program under
 227.32 section 124D.68; or

228.1 (3) residents of a specific geographic area in which the school is located when the
 228.2 majority of students served by the school are members of underserved populations.

228.3 (b) A charter school, including its preschool or prekindergarten program established
 228.4 under section 124E.06, subdivision 3, paragraph (b), ~~shall~~ must enroll an eligible pupil who
 228.5 submits a timely application, unless the number of applications exceeds the capacity of a
 228.6 program, class, grade level, or building. In this case, pupils must be accepted by lot. The
 228.7 charter school must develop and publish, including on its website, a lottery policy and
 228.8 process that it must use when accepting pupils by lot.

228.9 (c) Admission to a charter school must be free to any eligible pupil who resides within
 228.10 the state. A charter school must give enrollment preference to a Minnesota resident pupil
 228.11 over pupils that do not reside in Minnesota. A charter school must require a pupil who does
 228.12 not reside in Minnesota to annually apply to enroll in accordance with paragraphs (a) to (f).
 228.13 A charter school ~~shall~~ must give enrollment preference to a sibling of an enrolled pupil and
 228.14 to a foster child of that pupil's parents and may give preference for enrolling children of the
 228.15 school's staff before accepting other pupils by lot. A charter school that is located in Duluth
 228.16 township in St. Louis County and admits students in kindergarten through grade 6 must
 228.17 give enrollment preference to students residing within a five-mile radius of the school and
 228.18 to the siblings of enrolled children. ~~A charter school may give enrollment preference to~~
 228.19 ~~children currently enrolled in the school's free preschool or prekindergarten program under~~

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

64.22 (4) closing financial operations.

64.23 (c) A charter school must design its programs to at least meet the outcomes adopted by
 64.24 the commissioner for public school students, including world's best workforce goals under
 64.25 section 120B.11, subdivision 1. In the absence of the commissioner's requirements governing
 64.26 state standards and benchmarks, the school must meet the outcomes contained in the contract
 64.27 with the authorizer. The achievement levels of the outcomes contained in the contract may
 64.28 exceed the achievement levels of any outcomes adopted by the commissioner for public
 64.29 school students.

65.1 Sec. 10. Minnesota Statutes 2022, section 124E.11, is amended to read:

65.2 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

65.3 (a) A charter school, including its preschool or prekindergarten program established
 65.4 under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

65.5 (1) pupils within an age group or grade level;

65.6 (2) pupils who are eligible to participate in the graduation incentives program under
 65.7 section 124D.68; or

65.8 (3) residents of a specific geographic area in which the school is located when the
 65.9 majority of students served by the school are members of underserved populations.

65.10 (b) A charter school, including its preschool or prekindergarten program established
 65.11 under section 124E.06, subdivision 3, paragraph (b), ~~shall~~ must enroll an eligible pupil who
 65.12 submits a timely application, unless the number of applications exceeds the capacity of a
 65.13 program, class, grade level, or building. In this case, pupils must be accepted by lot. The
 65.14 charter school must develop and publish, including on its website, a lottery policy and
 65.15 process that it must use when accepting pupils by lot.

65.16 (c) Admission to a charter school must be free to any eligible pupil who resides within
 65.17 the state. A charter school must give enrollment preference to a Minnesota resident pupil
 65.18 over out-of-state residents. A charter school shall must give enrollment preference to a
 65.19 sibling of an enrolled pupil and to a foster child of that pupil's parents and may give
 65.20 preference for enrolling children of the school's staff before accepting other pupils by lot.
 65.21 A charter school that is located in Duluth township in St. Louis County and admits students
 65.22 in kindergarten through grade 6 must give enrollment preference to students residing within
 65.23 a five-mile radius of the school and to the siblings of enrolled children. ~~A charter school~~
 65.24 ~~may give enrollment preference to children currently enrolled in the school's free preschool~~
 65.25 ~~or prekindergarten program under section 124E.06, subdivision 3, paragraph (b), who are~~
 65.26 ~~eligible to enroll in kindergarten in the next school year.~~

228.20 ~~section 124E.06, subdivision 3, paragraph (b), who are eligible to enroll in kindergarten in~~
228.21 ~~the next school year.~~

228.22 (d) A person ~~shall~~ may not be admitted to a charter school (1) as a kindergarten pupil,
228.23 unless the pupil is at least five years of age on September 1 of the calendar year in which
228.24 the school year for which the pupil seeks admission commences; or (2) as a first grade
228.25 student, unless the pupil is at least six years of age on September 1 of the calendar year in
228.26 which the school year for which the pupil seeks admission commences or has completed
228.27 kindergarten; except that a charter school may establish and publish on its website a policy
228.28 for admission of selected pupils at an earlier age, consistent with the enrollment process in
228.29 paragraphs (b) and (c).

228.30 (e) Except as permitted in ~~paragraph (d)~~ paragraphs (d) and (i), a charter school, including
228.31 its preschool or prekindergarten program established under section 124E.06, subdivision
228.32 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability,
228.33 measures of achievement or aptitude, or athletic ability and may not establish any criteria
228.34 or requirements for admission that are inconsistent with this section.

229.1 (f) The charter school ~~shall~~ must not distribute any services or goods of value to students,
229.2 parents, or guardians as an inducement, term, or condition of enrolling a student in a charter
229.3 school.

229.4 (g) Once a student who resides in Minnesota is enrolled in the school in kindergarten
229.5 through grade 12, or in the school's free preschool or prekindergarten program under section
229.6 124E.06, subdivision 3, paragraph (b), while generating pupil units, the student is considered
229.7 enrolled in the school until the student formally withdraws or is expelled under the Pupil
229.8 Fair Dismissal Act in sections 121A.40 to 121A.56.

229.9 (h) A charter school with at least 90 percent of enrolled students who are eligible for
229.10 special education services and have a primary disability of deaf or hard-of-hearing may
229.11 enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1,
229.12 paragraph (a), and must comply with the federal Individuals with Disabilities Education
229.13 Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause
229.14 (iv).

229.15 (i) A charter school serving at least 90 percent of enrolled students who are eligible for
229.16 special education services and have a primary disability of deaf, hard-of-hearing, or deafblind
229.17 may give enrollment preference to students who are eligible for special education services
229.18 and have a primary disability of deaf, hard-of-hearing, or deafblind. The charter school may
229.19 not limit admission based on the student's eligibility for additional special education services.

65.27 (d) A person ~~shall~~ may not be admitted to a charter school (1) as a kindergarten pupil,
65.28 unless the pupil is at least five years of age on September 1 of the calendar year in which
65.29 the school year for which the pupil seeks admission commences; or (2) as a first grade
65.30 student, unless the pupil is at least six years of age on September 1 of the calendar year in
65.31 which the school year for which the pupil seeks admission commences or has completed
65.32 kindergarten; except that a charter school may establish and publish on its website a policy
66.1 for admission of selected pupils at an earlier age, consistent with the enrollment process in
66.2 paragraphs (b) and (c).

66.3 (e) Except as permitted in ~~paragraph (d)~~ paragraphs (d) and (i), a charter school, including
66.4 its preschool or prekindergarten program established under section 124E.06, subdivision
66.5 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability,
66.6 measures of achievement or aptitude, or athletic ability and may not establish any criteria
66.7 or requirements for admission that are inconsistent with this section.

66.8 (f) The charter school ~~shall~~ must not distribute any services or goods of value to students,
66.9 parents, or guardians as an inducement, term, or condition of enrolling a student in a charter
66.10 school.

66.11 (g) Once a student is enrolled in the school, the student is considered enrolled in the
66.12 school until the student formally withdraws or is expelled under the Pupil Fair Dismissal
66.13 Act in sections 121A.40 to 121A.56, except that: (1) a pupil currently enrolled in the school's
66.14 fee-based preschool or prekindergarten program under section 124E.06, subdivision 3,
66.15 paragraph (b), who is eligible to enroll in kindergarten in the next school year must apply
66.16 to and be admitted into kindergarten according to the provisions of this section; and (2)
66.17 out-of-state residents must annually apply to and be admitted by the school according to
66.18 the provisions of this section.

66.19 (h) A charter school with at least 90 percent of enrolled students who are eligible for
66.20 special education services and have a primary disability of deaf or hard-of-hearing may
66.21 enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1,
66.22 paragraph (a), and. The charter school must comply with the federal Individuals with
66.23 Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324,
66.24 subsection (2), clause (iv).

66.25 (i) A charter school serving at least 90 percent of enrolled students who are eligible for
66.26 special education services and have a primary disability of deaf, deafblind, or hard-of-hearing
66.27 may give enrollment preference to students who are eligible for special education services
66.28 and have a primary disability of deaf, deafblind, or hard-of-hearing. The charter school may
66.29 not limit admission based on the student's eligibility for additional special education services.

229.20 Sec. 11. Minnesota Statutes 2022, section 124E.12, subdivision 1, is amended to read:

229.21 Subdivision 1. **Teachers.** A charter school, excluding its preschool or prekindergarten
 229.22 program established under section 124E.06, subdivision 3, must employ or contract with
 229.23 necessary teachers, as defined by section 122A.15, subdivision 1, 122A.06, subdivision 2,
 229.24 or contract with a cooperative formed under chapter 308A to provide necessary teachers,
 229.25 who hold valid licenses to perform the particular service for which they are employed in
 229.26 the school. A charter school's preschool or prekindergarten program must employ or contract
 229.27 with teachers knowledgeable in early childhood curriculum content, assessment, native and
 229.28 English language programs, and instruction established under section 124E.06, subdivision
 229.29 3. The commissioner may reduce the charter school's state aid under section 127A.43 if the
 229.30 school employs a teacher who is not appropriately licensed or approved by the Professional
 229.31 Educator Licensing and Standards Board. The school may employ necessary employees
 229.32 who are not required to hold teaching licenses to perform duties other than teaching and
 229.33 may contract for other services. The school may discharge teachers and nonlicensed
 229.34 employees. The charter school board is subject to section 181.932 governing whistle-blowers.
 230.1 When offering employment to a prospective employee, a charter school must give that
 230.2 employee a written description of the terms and conditions of employment and the school's
 230.3 personnel policies.

230.4 Sec. 12. Minnesota Statutes 2022, section 124E.13, subdivision 1, is amended to read:

230.5 Subdivision 1. **Leased space.** A charter school may lease space from: an independent
 230.6 or special school board; other public organization; private, nonprofit, nonsectarian
 230.7 organization; private property owner; or a sectarian organization if the leased space is
 230.8 constructed as a school facility. In all cases, the eligible lessor must also be the building
 230.9 owner. The commissioner must review and approve or disapprove leases in a timely manner
 230.10 to determine eligibility for lease aid under section 124E.22.

230.11 Sec. 13. Minnesota Statutes 2022, section 124E.13, subdivision 3, is amended to read:

230.12 Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building
 230.13 corporation may purchase, expand, or renovate an existing facility to serve as a school or
 230.14 may construct a new school facility. A One charter school may organize an affiliated
 230.15 nonprofit building corporation that serves only that charter school if the charter school:

230.16 (1) has operated for at least six consecutive years;

230.17 (2) as of June 30, has a net positive unreserved general fund balance in the preceding
 230.18 three fiscal years;

230.19 (3) has long-range strategic and financial plans that include enrollment projections for
 230.20 at least five years;

230.21 (4) completes a feasibility study of facility options that outlines the benefits and costs
 230.22 of each option; and

230.23 (5) has a plan that describes project parameters and budget.

66.30 Sec. 11. Minnesota Statutes 2022, section 124E.12, subdivision 1, is amended to read:

66.31 Subdivision 1. **Teachers.** A charter school, excluding its preschool or prekindergarten
 66.32 program established under section 124E.06, subdivision 3, must employ or contract with
 66.33 necessary teachers, as defined by section 122A.15, subdivision 1, 122A.06, subdivision 2,
 67.1 or contract with a cooperative formed under chapter 308A to provide necessary teachers,
 67.2 who hold valid licenses to perform the particular service for which they are employed in
 67.3 the school. A charter school's preschool or prekindergarten program must employ or contract
 67.4 with teachers knowledgeable in early childhood curriculum content, assessment, native and
 67.5 English language programs, and instruction established under section 124E.06, subdivision
 67.6 3. The commissioner may reduce the charter school's state aid under section 127A.43 if the
 67.7 school employs a teacher who is not appropriately licensed or approved by the Professional
 67.8 Educator Licensing and Standards Board. The school may employ necessary employees
 67.9 who are not required to hold teaching licenses to perform duties other than teaching and
 67.10 may contract for other services. The school may discharge teachers and nonlicensed
 67.11 employees. The charter school board is subject to section 181.932 governing whistle-blowers.
 67.12 When offering employment to a prospective employee, a charter school must give that
 67.13 employee a written description of the terms and conditions of employment and the school's
 67.14 personnel policies.

67.15 Sec. 12. Minnesota Statutes 2022, section 124E.13, subdivision 1, is amended to read:

67.16 Subdivision 1. **Leased space.** A charter school may lease space from: an independent
 67.17 or special school board; other public organization; private, nonprofit, nonsectarian
 67.18 organization; private property owner; or a sectarian organization if the leased space is
 67.19 constructed as a school facility. In all cases, the eligible lessor must also be the building
 67.20 owner. The commissioner must review and approve or disapprove leases in a timely manner
 67.21 to determine eligibility for lease aid under section 124E.22.

67.22 Sec. 13. Minnesota Statutes 2022, section 124E.13, subdivision 3, is amended to read:

67.23 Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building
 67.24 corporation may purchase, expand, or renovate an existing facility to serve as a school or
 67.25 may construct a new school facility. A One charter school may organize an affiliated
 67.26 nonprofit building corporation that serves only that charter school if the charter school:

67.27 (1) has operated for at least six consecutive years;

67.28 (2) as of June 30, has a net positive unreserved general fund balance in the preceding
 67.29 three fiscal years;

67.30 (3) has long-range strategic and financial plans that include enrollment projections for
 67.31 at least five years;

68.1 (4) completes a feasibility study of facility options that outlines the benefits and costs
 68.2 of each option; and

68.3 (5) has a plan that describes project parameters and budget.

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

230.25 (1) be incorporated under section 317A;

230.26 (2) comply with applicable Internal Revenue Service regulations, including regulations

230.27 for "supporting organizations" as defined by the Internal Revenue Service;

230.28 (3) post on the school website the name, mailing address, bylaws, minutes of board

230.29 meetings, and names of the current board of directors of the affiliated nonprofit building

230.30 corporation;

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

231.2 and

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

231.4 (c) An affiliated nonprofit building corporation must not serve as the leasing agent for

231.5 property or facilities it does not own. A charter school that leases a facility from an affiliated

231.6 nonprofit building corporation that does not own the leased facility is ineligible to receive

231.7 charter school lease aid. The state is immune from liability resulting from a contract between

231.8 a charter school and an affiliated nonprofit building corporation.

231.9 (d) The board of directors of the charter school must ensure the affiliated nonprofit

231.10 building corporation complies with all applicable legal requirements. The charter school's

231.11 authorizer must oversee the efforts of the board of directors of the charter school to ensure

231.12 legal compliance of the affiliated building corporation. A school's board of directors that

231.13 fails to ensure the affiliated nonprofit building corporation's compliance violates its

231.14 responsibilities and an authorizer must consider that failure when evaluating the charter

231.15 school.

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

68.5 (1) be incorporated under section 317A;

68.6 (2) comply with applicable Internal Revenue Service regulations, including regulations

68.7 for "supporting organizations" as defined by the Internal Revenue Service;

68.8 (3) post on the school website the name, mailing address, bylaws, minutes of board

68.9 meetings, and names of the current board of directors of the affiliated nonprofit building

68.10 corporation;

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

68.12 and

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

68.14 (c) An affiliated nonprofit building corporation must not serve as the leasing agent for

68.15 property or facilities it does not own. A charter school that leases a facility from an affiliated

68.16 nonprofit building corporation that does not own the leased facility is ineligible to receive

68.17 charter school lease aid. The state is immune from liability resulting from a contract between

68.18 a charter school and an affiliated nonprofit building corporation.

68.19 (d) The board of directors of the charter school must ensure the affiliated nonprofit

68.20 building corporation complies with all applicable legal requirements. The charter school's

68.21 authorizer must oversee the efforts of the board of directors of the charter school to ensure

68.22 legal compliance of the affiliated building corporation. A school's board of directors that

68.23 fails to ensure the affiliated nonprofit building corporation's compliance violates its

68.24 responsibilities and an authorizer must consider that failure when evaluating the charter

68.25 school.

68.26 Sec. 14. Minnesota Statutes 2022, section 124E.16, is amended to read:

68.27 **124E.16 REPORTS.**

68.28 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits,

68.29 audit procedures, and audit requirements as a district, except as required under this

68.30 subdivision. Audits must be conducted in compliance with generally accepted governmental

68.31 auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing

68.32 auditing procedures. A charter school is subject to and must comply with sections 15.054;

69.1 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06 governing government property

69.2 and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing

69.3 municipal contracting. The audit must comply with the requirements of sections 123B.75

69.4 to 123B.83 governing school district finance, except when the commissioner and authorizer

69.5 approve a deviation made necessary because of school program finances. The commissioner,

69.6 state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance

69.7 audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must

69.8 submit a plan under section 123B.81, subdivision 4.

69.9 (b) The charter school must submit an audit report to the commissioner and its authorizer
69.10 annually by December 31.

69.11 (c) The charter school, with the assistance of the auditor conducting the audit, must
69.12 include with the report, as supplemental information: (1) a copy of a new management
69.13 ~~agreements~~ agreement or an amendment to a current agreement with a ~~charter management~~
69.14 ~~organization or an educational management organization~~ and (2) ~~service agreements or~~
69.15 ~~contracts over the lesser of \$100,000 or ten percent of the school's most recent annual audited~~
69.16 ~~expenditures~~ CMO or EMO signed during the audit year; and (2) a copy of a service
69.17 agreement or contract with a company or individual totaling over five percent of the audited
69.18 expenditures for the most recent audit year. The agreements must detail the terms of the
69.19 agreement, including the services provided and the annual costs for those services. ~~If the~~
69.20 ~~entity that provides the professional services to the charter school is exempt from taxation~~
69.21 ~~under section 501 of the Internal Revenue Code of 1986, that entity must file with the~~
69.22 ~~commissioner by February 15 a copy of the annual return required under section 6033 of~~
69.23 ~~the Internal Revenue Code of 1986.~~

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

69.27 (e) If the audit report finds that a material weakness exists in the financial reporting
69.28 systems of a charter school, the charter school must submit a written report to the
69.29 commissioner explaining how the charter school will resolve that material weakness. An
69.30 auditor, as a condition of providing financial services to a charter school, must agree to
69.31 make available information about a charter school's financial audit to the commissioner and
69.32 authorizer upon request.

69.33 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report
69.34 approved by the board of directors. The annual report must at least include information on
70.1 school enrollment, student attrition, governance and management, staffing, finances,
70.2 management agreements with a CMO or EMO, academic performance, innovative practices
70.3 and implementation, and future plans. A charter school may combine this report with the
70.4 reporting required under section 120B.11 governing the world's best workforce. A charter
70.5 school must post the annual report on the school's official website. A charter school also
70.6 must distribute the annual report by publication, mail, or electronic means to its authorizer,
70.7 school employees, and parents and legal guardians of students enrolled in the charter school.
70.8 The reports are public data under chapter 13.

70.9 (b) An authorizer must submit an annual public report in a manner specified by the
70.10 commissioner by January 15 for the previous school year ending June 30 that shall at least
70.11 include key indicators of school academic, operational, and financial performance. The
70.12 report is part of the system to evaluate authorizer performance under section 124E.05,
70.13 subdivision 5.

- 70.14 Subd. 3. **Public accounting and reporting CMO and EMO agreements.** (a) A charter
70.15 school that enters into a management agreement with a CMO or EMO must:
- 70.16 (1) publish on the charter school website for at least 20 business days the proposed final
70.17 agreement for public review and comment before the school board may adopt the contract
70.18 or agreement. Any changes made to the posted agreement during the public review period
70.19 or any proposed amendments to the agreement once adopted must be posted for 20 business
70.20 days before the board may adopt the amendments to the contract;
- 70.21 (2) annually publish on the charter school website a statement of assurance that no
70.22 member of the school board, staff, or any agent of the school has been promised or received
70.23 any form of compensation or gifts from the CMO or EMO and that no board member,
70.24 employee, or agent of the CMO or EMO or any of the organization affiliates or providers
70.25 serve on the charter school board; and
- 70.26 (3) conduct an independent review and evaluation of the services provided by the CMO
70.27 or EMO and publish the evaluation on the school's website at least 30 business days before
70.28 the end of the current contract.
- 70.29 (b) A management agreement with a CMO or EMO must contain the following:
- 70.30 (1) the term of the contract, not to exceed five years;
- 70.31 (2) the total dollar value of the contract including the annual projected costs of services;
- 70.32 (3) a description and terms of the services to be provided during the term of the contract;
- 71.1 (4) notice that a charter school closure during the term of the contract by action of the
71.2 authorizer or the school's board results in the balance of the current contract becoming null
71.3 and void;
- 71.4 (5) an annual statement of assurance to the charter school board that the CMO or EMO
71.5 provided no compensation or gifts to any charter school board member, staff member, or
71.6 agent of the charter school;
- 71.7 (6) an annual statement of assurance that no charter school board member, employee,
71.8 contractor, or agent of the CMO or EMO or any affiliated organization is a board member
71.9 of the charter school or any other charter school;
- 71.10 (7) the policies and protocols that meet federal and state laws regarding student and
71.11 personnel data collection, usage, access, retention, disclosure and destruction, and
71.12 indemnification and warranty provisions in case of data breaches by the CMO or EMO;
71.13 and
- 71.14 (8) an annual assurance that all assets purchased on behalf of the charter school using
71.15 public funds remain assets of the school.

231.16 Sec. 14. Minnesota Statutes 2022, section 124E.25, subdivision 1a, is amended to read:

231.17 Subd. 1a. **School closures; payments.** (a) Notwithstanding subdivision 1 and section
231.18 127A.45, for a charter school ceasing operation on or before June 30, for the payment periods
231.19 occurring after the school ceases serving students, the commissioner shall withhold the
231.20 estimated state aid owed the school. The charter school board of directors and authorizer
231.21 must submit to the commissioner a closure plan under chapter ~~308A~~ or 317A, and financial
231.22 information about the school's liabilities and assets. After receiving the closure plan, financial
231.23 information, an audit of pupil counts, and documented lease expenditures from the charter
231.24 school and monitoring special education expenditures, the commissioner may release cash
231.25 withheld and may continue regular payments up to the current year payment percentages
231.26 if further amounts are owed. If, based on audits and monitoring, the school received state
231.27 aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to
231.28 eliminate the aid overpayment.

231.29 (b) For a charter school ceasing operations before or at the end of a school year,
231.30 notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary
231.31 final payments after the school submits the closure plan, an audit of pupil counts, documented
231.32 lease expenditures, and Uniform Financial Accounting and Reporting Standards (UFARS)
231.33 financial data and the commissioner monitors special education expenditures for the final
232.1 year of operation. The commissioner may make the final payment after receiving audited
232.2 financial statements under section 123B.77, subdivision 3.

71.16 (c) The CMO or EMO must annually provide the charter school board a financial report
71.17 by July 31 that accounts for income and expenditures for the previous fiscal year using the
71.18 account categories in uniform financial accounting and reporting standards.

71.19 (d) Any agreement with a CMO or EMO containing any of the following provisions is
71.20 null and void:

71.21 (1) restrictions on the charter school's ability to operate a school upon termination of
71.22 the agreement;

71.23 (2) restrictions on the annual or total amount of the school's operating surplus or fund
71.24 balance;

71.25 (3) authorization to allow a CMO or EMO to withdraw funds from a charter school
71.26 account; or

71.27 (4) authorization to allow a CMO or EMO to loan funds to the charter school.

71.28 (e) A CMO or EMO or its affiliates, employees, or agents may not contract with, be
71.29 employed by, or serve on the board of an authorizer. An authorizer or its affiliates, employees,
71.30 or agents may not contract with, be employed by, serve as a paid consultant for, or serve as
71.31 a board member of a CMO or EMO.

72.1 Sec. 15. Minnesota Statutes 2022, section 124E.25, subdivision 1a, is amended to read:

72.2 Subd. 1a. **School closures; payments.** (a) Notwithstanding subdivision 1 and section
72.3 127A.45, for a charter school ceasing operation on or before June 30, for the payment periods
72.4 occurring after the school ceases serving students, the commissioner shall withhold the
72.5 estimated state aid owed the school. The charter school board of directors and authorizer
72.6 must submit to the commissioner a closure plan under chapter ~~308A~~ or 317A, and financial
72.7 information about the school's liabilities and assets. After receiving the closure plan, financial
72.8 information, an audit of pupil counts, and documented lease expenditures from the charter
72.9 school and monitoring special education expenditures, the commissioner may release cash
72.10 withheld and may continue regular payments up to the current year payment percentages
72.11 if further amounts are owed. If, based on audits and monitoring, the school received state
72.12 aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to
72.13 eliminate the aid overpayment.

72.14 (b) For a charter school ceasing operations before or at the end of a school year,
72.15 notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary
72.16 final payments after the school submits the closure plan, an audit of pupil counts, documented
72.17 lease expenditures, and Uniform Financial Accounting and Reporting Standards (UFARS)
72.18 financial data and the commissioner monitors special education expenditures for the final
72.19 year of operation. The commissioner may make the final payment after receiving audited
72.20 financial statements under section 123B.77, subdivision 3.

232.3 (c) Notwithstanding sections 317A.701 to 317A.791, after closing a charter school and
232.4 satisfying creditors, remaining cash and investment balances shall be returned by the
232.5 commissioner to the state general fund.

72.21 (c) Notwithstanding sections 317A.701 to 317A.791, after closing a charter school and
72.22 satisfying creditors, remaining cash and investment balances shall be returned by the
72.23 commissioner to the state general fund.