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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1384

- 03/02/2015 Authored by Erickson, Mariani and Slocum
The bill was read for the first time and referred to the Committee on Education Innovation Policy
- 03/12/2015 Adoption of Report: Placed on the General Register
Read Second Time
- 05/18/2015 Pursuant to Rule 4.20, returned to the Committee on Education Innovation Policy

1.1 A bill for an act
 1.2 relating to education; recodifying charter school statutes; making technical
 1.3 corrections; removing obsolete and duplicative provisions; amending Minnesota
 1.4 Statutes 2014, sections 124D.10, subdivisions 1, 3, 4, 8; 124D.11, subdivision 9.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 124D.10, subdivision 1, is amended to read:

1.7 Subdivision 1. **Purposes.** (a) The primary purpose of this section is to improve all
 1.8 pupil learning and all student achievement. Additional purposes include to:

- 1.9 (1) increase learning opportunities for all pupils;
- 1.10 (2) encourage the use of different and innovative teaching methods;
- 1.11 (3) measure learning outcomes and create different and innovative forms of
 1.12 measuring outcomes;

- 1.13 (4) establish new forms of accountability for schools; or
- 1.14 (5) create new professional opportunities for teachers, including the opportunity to
 1.15 be responsible for the learning program at the school site.

1.16 (b) This section does not provide a means to keep open a school that a school board
 1.17 decides to close. However, a school board may endorse or authorize the establishing of
 1.18 a charter school to replace the school the board decided to close. Applicants seeking a
 1.19 charter under this circumstance must demonstrate to the authorizer that the charter sought
 1.20 is substantially different in purpose and program from the school the board closed and
 1.21 that the proposed charter satisfies the requirements of this subdivision. If the school
 1.22 board that closed the school authorizes the charter, it must document in its affidavit to the
 1.23 commissioner that the charter is substantially different in program and purpose from
 1.24 the school it closed.

2.1 (c) An authorizer shall not approve an application submitted by a charter school
 2.2 developer under subdivision 4, paragraph (a), if the application does not comply with this
 2.3 subdivision. The commissioner shall not approve an affidavit submitted by an authorizer
 2.4 under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

2.5 Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

2.6 Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this
 2.7 subdivision have the meanings given them.

2.8 "Application" to receive approval as an authorizer means the proposal an eligible
 2.9 authorizer submits to the commissioner under paragraph ~~(e)~~ (d) before that authorizer is
 2.10 able to submit any affidavit to charter to a school.

2.11 "Application" under subdivision 4 means the charter school business plan a
 2.12 school developer submits to an authorizer for approval to establish a charter school that
 2.13 documents the school developer's mission statement, school purposes, program design,
 2.14 financial plan, governance and management structure, and background and experience,
 2.15 plus any other information the authorizer requests. The application also shall include a
 2.16 "statement of assurances" of legal compliance prescribed by the commissioner.

2.17 "Affidavit" means a written statement the authorizer submits to the commissioner
 2.18 for approval to establish a charter school under subdivision 4 attesting to its review and
 2.19 approval process before chartering a school.

2.20 (b) The following organizations may authorize one or more charter schools:

2.21 (1) a school board, intermediate school district school board, or education district
 2.22 organized under sections 123A.15 to 123A.19;

2.23 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
 2.24 of 1986, excluding a nonpublic sectarian or religious institution; any person other than a
 2.25 natural person that directly or indirectly, through one or more intermediaries, controls,
 2.26 is controlled by, or is under common control with the nonpublic sectarian or religious
 2.27 institution; and any other charitable organization under this clause that in the federal IRS
 2.28 Form 1023, Part IV, describes activities indicating a religious purpose, that:

2.29 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
 2.30 Foundations;

2.31 (ii) is registered with the attorney general's office; and

2.32 (iii) is incorporated in the state of Minnesota and has been operating continuously
 2.33 for at least five years but does not operate a charter school;

2.34 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
 2.35 four-year degrees and is registered with the Minnesota Office of Higher Education under

3.1 chapter 136A; community college, state university, or technical college governed by the
3.2 Board of Trustees of the Minnesota State Colleges and Universities; or the University
3.3 of Minnesota;

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

3.9 (5) single-purpose authorizers formed as charitable, nonsectarian organizations
3.10 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state
3.11 of Minnesota under chapter 317A as a corporation with no members or under section
3.12 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

3.13 (c) Eligible organizations interested in being approved as an authorizer under this
3.14 paragraph must submit a proposal to the commissioner that includes the provisions
3.15 of paragraph ~~(e)~~ (d) and a five-year financial plan. Such authorizers shall consider and
3.16 approve charter school applications using the criteria provided in subdivision 4 and shall
3.17 not limit the applications it solicits, considers, or approves to any single curriculum,
3.18 learning program, or method.

3.19 ~~(e)~~ (d) An eligible authorizer under this subdivision must apply to the commissioner
3.20 for approval as an authorizer before submitting any affidavit to the commissioner to charter
3.21 a school. The application for approval as a charter school authorizer must demonstrate
3.22 the applicant's ability to implement the procedures and satisfy the criteria for chartering a
3.23 school under this section. The commissioner must approve or disapprove an application
3.24 within 45 business days of the application deadline. If the commissioner disapproves
3.25 the application, the commissioner must notify the applicant of the specific deficiencies
3.26 in writing and the applicant then has 20 business days to address the deficiencies to the
3.27 commissioner's satisfaction. After the 20 business days expire, the commissioner has 15
3.28 business days to make a final decision to approve or disapprove the application. Failing to
3.29 address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to
3.30 be an authorizer. The commissioner, in establishing criteria for approval, must consider
3.31 the applicant's:

- 3.32 (1) capacity and infrastructure;
- 3.33 (2) application criteria and process;
- 3.34 (3) contracting process;
- 3.35 (4) ongoing oversight and evaluation processes; and
- 3.36 (5) renewal criteria and processes.

4.1 ~~(d)~~ (e) An applicant must include in its application to the commissioner to be an
 4.2 approved authorizer at least the following:

4.3 (1) how chartering schools is a way for the organization to carry out its mission;

4.4 (2) a description of the capacity of the organization to serve as an authorizer,
 4.5 including the personnel who will perform the authorizing duties, their qualifications, the
 4.6 amount of time they will be assigned to this responsibility, and the financial resources
 4.7 allocated by the organization to this responsibility;

4.8 (3) a description of the application and review process the authorizer will use to
 4.9 make decisions regarding the granting of charters;

4.10 (4) a description of the type of contract it will arrange with the schools it charters
 4.11 that meets the provisions of subdivision 6;

4.12 (5) the process to be used for providing ongoing oversight of the school consistent
 4.13 with the contract expectations specified in clause (4) that assures that the schools chartered
 4.14 are complying with both the provisions of applicable law and rules, and with the contract;

4.15 (6) a description of the criteria and process the authorizer will use to grant expanded
 4.16 applications under subdivision 4, paragraph ~~(j)~~ (s);

4.17 (7) the process for making decisions regarding the renewal or termination of
 4.18 the school's charter based on evidence that demonstrates the academic, organizational,
 4.19 and financial competency of the school, including its success in increasing student
 4.20 achievement and meeting the goals of the charter school agreement; and

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

4.23 ~~(e)~~ (f) A disapproved applicant under this section may resubmit an application
 4.24 during a future application period.

4.25 ~~(f)~~ (g) If the governing board of an approved authorizer votes to withdraw as
 4.26 an approved authorizer for a reason unrelated to any cause under subdivision 23, the
 4.27 authorizer must notify all its chartered schools and the commissioner in writing by July
 4.28 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The
 4.29 commissioner may approve the transfer of a charter school to a new authorizer under this
 4.30 paragraph after the new authorizer submits an affidavit to the commissioner.

4.31 ~~(g)~~ (h) The authorizer must participate in department-approved training.

4.32 ~~(h)~~ (i) The commissioner shall review an authorizer's performance every five years
 4.33 in a manner and form determined by the commissioner and may review an authorizer's
 4.34 performance more frequently at the commissioner's own initiative or at the request of a
 4.35 charter school operator, charter school board member, or other interested party. The

5.1 commissioner, after completing the review, shall transmit a report with findings to the
5.2 authorizer.

5.3 (j) If, consistent with this section, the commissioner finds that an authorizer has not
5.4 fulfilled the requirements of this section, the commissioner may subject the authorizer
5.5 to corrective action, which may include terminating the contract with the charter school
5.6 board of directors of a school it chartered. The commissioner must notify the authorizer
5.7 in writing of any findings that may subject the authorizer to corrective action and
5.8 the authorizer then has 15 business days to request an informal hearing before the
5.9 commissioner takes corrective action. If the commissioner terminates a contract between
5.10 an authorizer and a charter school under this paragraph, the commissioner may assist the
5.11 charter school in acquiring a new authorizer.

5.12 ~~(j)~~ (k) The commissioner may at any time take corrective action against an
5.13 authorizer, including terminating an authorizer's ability to charter a school for:

5.14 (1) failing to demonstrate the criteria under paragraph ~~(e)~~ (d) under which the
5.15 commissioner approved the authorizer;

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

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

5.19 (4) any good cause shown that provides the commissioner a legally sufficient reason
5.20 to take corrective action against an authorizer.

5.21 Sec. 3. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

5.22 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
5.23 a school developer, may charter a licensed teacher under section 122A.18, subdivision
5.24 1, or a group of individuals that includes one or more licensed teachers under section
5.25 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
5.26 authorizer's affidavit under paragraph ~~(b)~~ (d).

5.27 (b) The school must be organized and operated as a nonprofit corporation under
5.28 chapter 317A and the provisions under the applicable chapter shall apply to the school
5.29 except as provided in this section.

5.30 (c) Notwithstanding sections 465.717 and 465.719, a school district, subject to this
5.31 section and section 124D.11, may create a corporation for the purpose of establishing a
5.32 charter school.

5.33 ~~(b)~~ (d) Before the operators may establish and operate a school, the authorizer must
5.34 file an affidavit with the commissioner stating its intent to charter a school. An authorizer
5.35 must file a separate affidavit for each school it intends to charter. An authorizer must file

6.1 an affidavit by May 1 to be able to charter a new school in the next school year after the
 6.2 commissioner approves the authorizer's affidavit. The affidavit must state the terms and
 6.3 conditions under which the authorizer would charter a school and how the authorizer
 6.4 intends to oversee the fiscal and student performance of the charter school and to comply
 6.5 with the terms of the written contract between the authorizer and the charter school
 6.6 board of directors under subdivision 6. The commissioner must approve or disapprove
 6.7 the authorizer's affidavit within 60 business days of receipt of the affidavit. If the
 6.8 commissioner disapproves the affidavit, the commissioner shall notify the authorizer of
 6.9 the deficiencies in the affidavit and the authorizer then has 20 business days to address the
 6.10 deficiencies. The commissioner must notify the authorizer of final approval or disapproval
 6.11 within 15 business days after receiving the authorizer's response to the deficiencies in the
 6.12 affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction,
 6.13 the commissioner's disapproval is final. Failure to obtain commissioner approval precludes
 6.14 an authorizer from chartering the school that is the subject of this affidavit.

6.15 ~~(e)~~ (e) The authorizer may prevent an approved charter school from opening for
 6.16 operation if, among other grounds, the charter school violates this section or does not meet
 6.17 the ready-to-open standards that are part of the authorizer's oversight and evaluation
 6.18 process or are stipulated in the charter school contract.

6.19 ~~(d)~~ (f) The operators authorized to organize and operate a school, before entering
 6.20 into a contract or other agreement for professional or other services, goods, or facilities,
 6.21 must incorporate as a nonprofit corporation under chapter 317A ~~and~~.

6.22 (g) The operators authorized to organize and operate a school, before entering into a
 6.23 contract or other agreement for professional or other services, goods, or facilities, must
 6.24 establish a board of directors composed of at least five members who are not related parties
 6.25 until a timely election for members of the ongoing charter school board of directors is
 6.26 held according to the school's articles and bylaws under paragraph ~~(f)~~ (l). ~~A charter school~~
 6.27 ~~board of directors must be composed of at least five members who are not related parties.~~

6.28 (h) Staff members employed at the school, including teachers providing instruction
 6.29 under a contract with a cooperative, members of the board of directors, and all parents
 6.30 or legal guardians of children enrolled in the school are the voters eligible to elect the
 6.31 members of the school's board of directors. A charter school must notify eligible voters of
 6.32 the school board election dates at least 30 days before the election.

6.33 (i) Board of director meetings must comply with chapter 13D.

6.34 ~~(e)~~ (j) A charter school shall publish and maintain on the school's official Web site:
 6.35 (1) the minutes of meetings of the board of directors, and of members and committees
 6.36 having any board-delegated authority, for at least one calendar year from the date

7.1 of publication; (2) directory information for members of the board of directors and
7.2 committees having board-delegated authority; and (3) identifying and contact information
7.3 for the school's authorizer. Identifying and contact information for the school's authorizer
7.4 must be included in other school materials made available to the public.

7.5 (k) Upon request of an individual, the charter school must also make available in
7.6 a timely fashion financial statements showing all operations and transactions affecting
7.7 income, surplus, and deficit during the school's last annual accounting period; and a
7.8 balance sheet summarizing assets and liabilities on the closing date of the accounting
7.9 period. A charter school also must include that same information about its authorizer in
7.10 other school materials that it makes available to the public.

7.11 ~~(f)~~ (l) Every charter school board member shall attend annual training throughout
7.12 the member's term on the board. All new board members shall attend initial training on
7.13 the board's role and responsibilities, employment policies and practices, and financial
7.14 management. A new board member who does not begin the required initial training within
7.15 six months after being seated and complete that training within 12 months of being seated
7.16 on the board is automatically ineligible to continue to serve as a board member. The
7.17 school shall include in its annual report the training attended by each board member
7.18 during the previous year.

7.19 ~~(g)~~ (m) The ongoing board must be elected before the school completes its third
7.20 year of operation. Board elections must be held during the school year but may not be
7.21 conducted on days when the school is closed for holidays, breaks, or vacations.

7.22 (n) The charter school board of directors shall be composed of at least five nonrelated
7.23 members and include: (i) at least one licensed teacher employed as a teacher at the school
7.24 or providing instruction under contract between the charter school and a cooperative; (ii)
7.25 at least one parent or legal guardian of a student enrolled in the charter school who is not
7.26 an employee of the charter school; and (iii) at least one interested community member
7.27 who resides in Minnesota and is not employed by the charter school and does not have a
7.28 child enrolled in the school. The board may include a majority of teachers described in
7.29 this paragraph or parents or community members, or it may have no clear majority. The
7.30 chief financial officer and the chief administrator may only serve as ex-officio nonvoting
7.31 board members. No charter school employees shall serve on the board other than teachers
7.32 under item (i). Contractors providing facilities, goods, or services to a charter school shall
7.33 not serve on the board of directors of the charter school.

7.34 (o) Board bylaws shall outline the process and procedures for changing the board's
7.35 governance structure, consistent with chapter 317A. A board may change its governance
7.36 structure only:

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

8.4 (2) with the authorizer's approval.

8.5 Any change in board governance structure must conform with the composition of
8.6 the board established under this paragraph.

8.7 ~~(h)~~ (p) The granting or renewal of a charter by an authorizer must not be conditioned
8.8 upon the bargaining unit status of the employees of the school.

8.9 ~~(i)~~ (q) The granting or renewal of a charter school by an authorizer must not be
8.10 contingent on the charter school being required to contract, lease, or purchase services
8.11 from the authorizer.

8.12 (r) Any potential contract, lease, or purchase of service from an authorizer must
8.13 be disclosed to the commissioner, accepted through an open bidding process, and be a
8.14 separate contract from the charter contract. The school must document the open bidding
8.15 process. An authorizer must not enter into a contract to provide management and financial
8.16 services for a school that it authorizes, unless the school documents that it received at
8.17 least two competitive bids.

8.18 ~~(j)~~ (s) A charter school may apply to the authorizer to amend the school charter to
8.19 expand the operation of the school to additional grades or sites that would be students'
8.20 primary enrollment site beyond those defined in the original affidavit approved by the
8.21 commissioner. After approving the school's application, the authorizer shall submit a
8.22 supplementary affidavit in the form and manner prescribed by the commissioner. The
8.23 authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next
8.24 school year. The supplementary affidavit must document that the school has demonstrated
8.25 to the satisfaction of the authorizer the following:

8.26 (1) the need for the expansion with supporting long-range enrollment projections;

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

8.31 (3) a history of sound school finances and a finance plan to implement the expansion
8.32 in a manner to promote the school's financial sustainability; and

8.33 (4) board capacity and an administrative and management plan to implement its
8.34 expansion.

8.35 ~~(k)~~ (t) The commissioner shall have 30 business days to review and comment on the
8.36 supplemental affidavit. The commissioner shall notify the authorizer in writing of any

9.1 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to
 9.2 address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit.
 9.3 The commissioner must notify the authorizer of final approval or disapproval within 15
 9.4 business days after receiving the authorizer's response to the deficiencies in the affidavit.
 9.5 The school may not expand grades or add sites until the commissioner has approved the
 9.6 supplemental affidavit. The commissioner's approval or disapproval of a supplemental
 9.7 affidavit is final.

9.8 Sec. 4. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

9.9 Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all
 9.10 federal, state, and local health and safety requirements applicable to school districts.

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

9.13 (c) A school authorized by a school board may be located in any district, unless the
 9.14 school board of the district of the proposed location disapproves by written resolution.

9.15 (d) A charter school must be nonsectarian in its programs, admission policies,
 9.16 employment practices, and all other operations. An authorizer may not authorize a charter
 9.17 school or program that is affiliated with a nonpublic sectarian school or a religious
 9.18 institution.

9.19 (e) A charter school student must be released for religious instruction, consistent
 9.20 with section 120A.22, subdivision 12, clause (3).

9.21 ~~(e)~~ (f) Charter schools must not be used as a method of providing education or
 9.22 generating revenue for students who are being home-schooled. This paragraph does not
 9.23 apply to shared time aid under section 126C.19.

9.24 ~~(f)~~ (g) The primary focus of a charter school must be to provide a comprehensive
 9.25 program of instruction for at least one grade or age group from five through 18 years of age.
 9.26 Instruction may be provided to people older than 18 years of age. A charter school may
 9.27 offer a free preschool or prekindergarten that meets high-quality early learning instructional
 9.28 program standards that are aligned with Minnesota's early learning standards for children.

9.29 ~~(g)~~ (h) A charter school may not charge tuition.

9.30 ~~(h)~~ (i) A charter school is subject to and must comply with chapter 363A and section
 9.31 121A.04.

9.32 ~~(i)~~ (j) Once a student is enrolled in the school, the student is considered enrolled
 9.33 in the school until the student formally withdraws or is expelled under the Pupil Fair
 9.34 Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must
 9.35 comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and

10.1 (k) A charter school is subject to and must comply with the Minnesota Public School
10.2 Fee Law, sections 123B.34 to 123B.39.

10.3 ~~(j)~~ (l) A charter school is subject to the same financial audits, audit procedures, and
10.4 audit requirements as a district, except as required under subdivision 6a. Audits must be
10.5 conducted in compliance with generally accepted governmental auditing standards, the
10.6 federal Single Audit Act, if applicable, and section 6.65. A charter school is subject
10.7 to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04;
10.8 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with
10.9 the requirements of sections 123B.75 to 123B.83, except to the extent deviations are
10.10 necessary because of the program at the school. Deviations must be approved by the
10.11 commissioner and authorizer. The Department of Education, state auditor, legislative
10.12 auditor, or authorizer may conduct financial, program, or compliance audits. A charter
10.13 school determined to be in statutory operating debt under sections 123B.81 to 123B.83
10.14 must submit a plan under section 123B.81, subdivision 4.

10.15 ~~(k)~~ (m) A charter school is a district for the purposes of tort liability under chapter 466.

10.16 ~~(h)~~ (n) A charter school must comply with chapters 13 and 13D; and sections
10.17 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

10.18 ~~(m)~~ (o) A charter school is subject to the Pledge of Allegiance requirement under
10.19 section 121A.11, subdivision 3.

10.20 ~~(n)~~ (p) A charter school offering online courses or programs must comply with
10.21 section 124D.095.

10.22 ~~(o)~~ (q) A charter school and charter school board of directors are subject to chapter
10.23 181.

10.24 ~~(p)~~ (r) A charter school must comply with section 120A.22, subdivision 7, governing
10.25 the transfer of students' educational records and sections 138.163 and 138.17 governing
10.26 the management of local records.

10.27 ~~(q)~~ (s) A charter school that provides early childhood health and developmental
10.28 screening must comply with sections 121A.16 to 121A.19.

10.29 ~~(r)~~ (t) A charter school that provides school-sponsored youth athletic activities
10.30 must comply with section 121A.38.

10.31 ~~(s)~~ (u) A charter school is subject to and must comply with continuing truant
10.32 notification under section 260A.03.

10.33 ~~(t)~~ (v) A charter school must develop and implement a teacher evaluation and
10.34 peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to
10.35 (13). The teacher evaluation process in this paragraph does not create any additional
10.36 employment rights for teachers.

11.1 ~~(u)~~ (w) A charter school must adopt a policy, plan, budget, and process, consistent
 11.2 with section 120B.11, to review curriculum, instruction, and student achievement and
 11.3 strive for the world's best workforce.

11.4 ~~(v)~~ (x) A charter school must comply with section 121A.031 governing policies on
 11.5 prohibited conduct.

11.6 ~~(w)~~ (y) A charter school must comply with all pupil transportation requirements in
 11.7 section 123B.88, subdivision 1. A charter school must not require parents to surrender
 11.8 their rights to pupil transportation under section 123B.88, subdivision 2.

11.9 Sec. 5. Minnesota Statutes 2014, section 124D.11, subdivision 9, is amended to read:

11.10 Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section
 11.11 127A.45, subdivision 3, if the current year aid payment percentage under section
 11.12 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current
 11.13 fiscal year to a charter school shall be of an equal amount on each of the 24 payment
 11.14 dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment
 11.15 percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid
 11.16 payments for the current fiscal year to a charter school shall be of an equal amount on
 11.17 each of the 16 payment dates in July through February.

11.18 (b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing
 11.19 operation on or prior to June 30 of a school year, for the payment periods occurring after
 11.20 the school ceases serving students, the commissioner shall withhold the estimated state aid
 11.21 owed the school. The charter school board of directors and authorizer must submit to the
 11.22 commissioner a closure plan under chapter 308A or 317A, and financial information about
 11.23 the school's liabilities and assets. After receiving the closure plan, financial information,
 11.24 an audit of pupil counts, documentation of lease expenditures, and monitoring of special
 11.25 education expenditures, the commissioner may release cash withheld and may continue
 11.26 regular payments up to the current year payment percentages if further amounts are
 11.27 owed. If, based on audits and monitoring, the school received state aid in excess of the
 11.28 amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid
 11.29 overpayment. For a charter school ceasing operations prior to, or at the end of, a school
 11.30 year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may
 11.31 be made after receiving the closure plan, audit of pupil counts, monitoring of special
 11.32 education expenditures, documentation of lease expenditures, and school submission of
 11.33 Uniform Financial Accounting and Reporting Standards (UFARS) financial data for the
 11.34 final year of operation. Final payment may be made upon receipt of audited financial
 11.35 statements under section 123B.77, subdivision 3.

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

12.4 (d) If, within the timeline under section 471.425, a charter school fails to pay the state
 12.5 of Minnesota, a school district, intermediate school district, or service cooperative after
 12.6 receiving an undisputed invoice for goods and services, the commissioner may withhold
 12.7 an amount of state aid sufficient to satisfy the claim and shall distribute the withheld
 12.8 aid to the interested state agency, school district, intermediate school district, or service
 12.9 cooperative. An interested state agency, school district, intermediate school district, or
 12.10 education cooperative shall notify the commissioner when a charter school fails to pay an
 12.11 undisputed invoice within 75 business days of when it received the original invoice.

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

12.15 ~~(f)~~ (e) In order to receive state aid payments under this subdivision, a charter school
 12.16 in its first three years of operation must submit a school calendar in the form and manner
 12.17 requested by the department and a quarterly report to the Department of Education. The
 12.18 report must list each student by grade, show the student's start and end dates, if any,
 12.19 with the charter school, and for any student participating in a learning year program,
 12.20 the report must list the hours and times of learning year activities. The report must be
 12.21 submitted not more than two weeks after the end of the calendar quarter to the department.
 12.22 The department must develop a Web-based reporting form for charter schools to use
 12.23 when submitting enrollment reports. A charter school in its fourth and subsequent year of
 12.24 operation must submit a school calendar and enrollment information to the department in
 12.25 the form and manner requested by the department.

12.26 ~~(g)~~ (f) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
 12.27 school and satisfaction of creditors, cash and investment balances remaining shall be
 12.28 returned to the state.

12.29 ~~(h)~~ (g) A charter school must have a valid, signed contract under section 124D.10,
 12.30 subdivision 6, on file at the Department of Education at least 15 days prior to the date of
 12.31 first payment of state aid for the fiscal year.

12.32 ~~(i)~~ (h) State aid entitlements shall be computed for a charter school only for the
 12.33 portion of a school year for which it has a valid, signed contract under section 124D.10,
 12.34 subdivision 6.

12.35 Sec. 6. **REVISOR'S INSTRUCTION.**

13.1 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed
 13.2 in column A to the references listed in column B. The revisor of statutes may alter the
 13.3 renumbering to incorporate statutory changes made during the 2015 regular legislative
 13.4 session. The revisor shall also make necessary cross-reference changes in Minnesota
 13.5 Statutes and Minnesota Rules consistent with the renumbering in this instruction and the
 13.6 relettering of paragraphs in sections 1 to 5.

13.7	<u>Column A</u>	<u>Column B</u>
13.8	<u>124D.10, subd. 1, paragraph (a)</u>	<u>124E.01, subd. 1</u>
13.9	<u>124D.10, subd. 1, paragraph (b)</u>	<u>124E.06, subd. 3, paragraph (d)</u>
13.10	<u>124D.10, subd. 1, paragraph (c)</u>	<u>124E.06, subd. 1, paragraph (b)</u>
13.11	<u>124D.10, subd. 2</u>	<u>124E.01, subd. 2</u>
13.12	<u>124D.10, subd. 3, paragraph (a)</u>	<u>124E.02, paragraph (a)</u>
13.13	<u>124D.10, subd. 3, paragraph (b)</u>	<u>124E.05, subd. 1</u>
13.14	<u>124D.10, subd. 3, paragraph (c)</u>	<u>124E.05, subd. 2, paragraph (a)</u>
13.15	<u>124D.10, subd. 3, paragraph (d)</u>	<u>124E.05, subd. 3, paragraph (a)</u>
13.16	<u>124D.10, subd. 3, paragraph (e)</u>	<u>124E.05, subd. 4</u>
13.17	<u>124D.10, subd. 3, paragraph (f)</u>	<u>124E.05, subd. 3, paragraph (b)</u>
13.18	<u>124D.10, subd. 3, paragraph (g)</u>	<u>124E.05, subd. 7</u>
13.19	<u>124D.10, subd. 3, paragraph (h)</u>	<u>124E.05, subd. 2, paragraph (b)</u>
13.20	<u>124D.10, subd. 3, paragraph (i)</u>	<u>124E.05, subd. 5</u>
13.21	<u>124D.10, subd. 3, paragraph (j)</u>	<u>124E.05, subd. 6, paragraph (a)</u>
13.22	<u>124D.10, subd. 3, paragraph (k)</u>	<u>124E.05, subd. 6, paragraph (b)</u>
13.23	<u>124D.10, subd. 4, paragraph (a)</u>	<u>124E.06, subd. 1, paragraph (a)</u>
13.24	<u>124D.10, subd. 4, paragraph (b)</u>	<u>124E.06, subd. 2, paragraph (a)</u>
13.25	<u>124D.10, subd. 4, paragraph (c)</u>	<u>124E.06, subd. 2, paragraph (c)</u>
13.26	<u>124D.10, subd. 4, paragraph (d)</u>	<u>124E.06, subd. 4</u>
13.27	<u>124D.10, subd. 4, paragraph (e)</u>	<u>124E.06, subd. 3, paragraph (g)</u>
13.28	<u>124D.10, subd. 4, paragraph (f)</u>	<u>124E.06, subd. 2, paragraph (b)</u>
13.29	<u>124D.10, subd. 4, paragraph (g)</u>	<u>124E.07, subd. 1</u>
13.30	<u>124D.10, subd. 4, paragraph (h)</u>	<u>124E.07, subd. 5</u>
13.31	<u>124D.10, subd. 4, paragraph (i)</u>	<u>124E.07, subd. 8, paragraph (a)</u>
13.32	<u>124D.10, subd. 4, paragraph (j)</u>	<u>124E.07, subd. 8, paragraph (b)</u>
13.33	<u>124D.10, subd. 4, paragraph (k)</u>	<u>124E.17, subd. 2</u>
13.34	<u>124D.10, subd. 4, paragraph (l)</u>	<u>124E.07, subd. 7</u>
13.35	<u>124D.10, subd. 4, paragraph (m)</u>	<u>124E.07, subd. 2</u>
13.36	<u>124D.10, subd. 4, paragraph (n)</u>	<u>124E.07, subd. 3, paragraph (a)</u>
13.37	<u>124D.10, subd. 4, paragraph (o)</u>	<u>124E.07, subd. 4</u>
13.38	<u>124D.10, subd. 4, paragraph (p)</u>	<u>124E.10, subd. 2, paragraph (c)</u>
13.39	<u>124D.10, subd. 4, paragraph (q)</u>	<u>124E.10, subd. 2, paragraph (b)</u>
13.40	<u>124D.10, subd. 4, paragraph (r)</u>	<u>124E.10, subd. 2, paragraph (a)</u>
13.41	<u>124D.10, subd. 4, paragraph (s)</u>	<u>124E.06, subd. 5, paragraph (a)</u>
13.42	<u>124D.10, subd. 4, paragraph (t)</u>	<u>124E.06, subd. 5, paragraph (b)</u>

14.1	<u>124D.10, subd. 4a, paragraph (a)</u>	<u>124E.07, subd. 3, paragraph (b)</u>
14.2	<u>124D.10, subd. 4a, paragraph (b)</u>	<u>124E.14, paragraph (a)</u>
14.3	<u>124D.10, subd. 4a, paragraph (c)</u>	<u>124E.07, subd. 3, paragraph (c)</u>
14.4	<u>124D.10, subd. 4a, paragraph (d)</u>	<u>124E.07, subd. 3, paragraph (d)</u>
14.5	<u>124D.10, subd. 4a, paragraph (e)</u>	<u>124E.14, paragraph (b)</u>
14.6	<u>124D.10, subd. 4a, paragraph (f)</u>	<u>124E.14, paragraph (c)</u>
14.7	<u>124D.10, subd. 5</u>	<u>124E.06, subd. 6</u>
14.8	<u>124D.10, subd. 6</u>	<u>124E.10, subd. 1, paragraph (a)</u>
14.9	<u>124D.10, subd. 6a</u>	<u>124E.16, subd. 1, paragraphs (b) to</u>
14.10		<u>(e)</u>
14.11	<u>124D.10, subd. 7</u>	<u>124E.03, subd. 1</u>
14.12	<u>124D.10, subd. 8, paragraph (a)</u>	<u>124E.03, subd. 2, paragraph (a)</u>
14.13	<u>124D.10, subd. 8, paragraph (b)</u>	<u>124E.03, subd. 2, paragraph (b)</u>
14.14	<u>124D.10, subd. 8, paragraph (c)</u>	<u>124E.06, subd. 3, paragraph (e)</u>
14.15	<u>124D.10, subd. 8, paragraph (d)</u>	<u>124E.06, subd. 3, paragraph (b)</u>
14.16	<u>124D.10, subd. 8, paragraph (e)</u>	<u>124E.03, subd. 4, paragraph (a)</u>
14.17	<u>124D.10, subd. 8, paragraph (f)</u>	<u>124E.06, subd. 3, paragraph (c)</u>
14.18	<u>124D.10, subd. 8, paragraph (g)</u>	<u>124E.06, subd. 3, paragraph (a)</u>
14.19	<u>124D.10, subd. 8, paragraph (h)</u>	<u>124E.06, subd. 3, paragraph (f)</u>
14.20	<u>124D.10, subd. 8, paragraph (i)</u>	<u>124E.03, subd. 4, paragraph (b)</u>
14.21	<u>124D.10, subd. 8, paragraph (j)</u>	<u>124E.11, paragraph (g)</u>
14.22	<u>124D.10, subd. 8, paragraph (k)</u>	<u>124E.03, subd. 2, paragraph (c)</u>
14.23	<u>124D.10, subd. 8, paragraph (l)</u>	<u>124E.16, subd. 1, paragraph (a)</u>
14.24	<u>124D.10, subd. 8, paragraph (m)</u>	<u>124E.03, subd. 2, paragraph (d)</u>
14.25	<u>124D.10, subd. 8, paragraph (n)</u>	<u>124E.03, subd. 5, paragraph (a)</u>
14.26	<u>124D.10, subd. 8, paragraph (o)</u>	<u>124E.03, subd. 2, paragraph (e)</u>
14.27	<u>124D.10, subd. 8, paragraph (p)</u>	<u>124E.03, subd. 7, paragraph (a)</u>
14.28	<u>124D.10, subd. 8, paragraph (q)</u>	<u>124E.03, subd. 2, paragraph (f)</u>
14.29	<u>124D.10, subd. 8, paragraph (r)</u>	<u>124E.03, subd. 5, paragraph (b)</u>
14.30	<u>124D.10, subd. 8, paragraph (s)</u>	<u>124E.03, subd. 7, paragraph (b)</u>
14.31	<u>124D.10, subd. 8, paragraph (t)</u>	<u>124E.03, subd. 7, paragraph (c)</u>
14.32	<u>124D.10, subd. 8, paragraph (u)</u>	<u>124E.03, subd. 2, paragraph (g)</u>
14.33	<u>124D.10, subd. 8, paragraph (v)</u>	<u>124E.03, subd. 2, paragraph (h)</u>
14.34	<u>124D.10, subd. 8, paragraph (w)</u>	<u>124E.03, subd. 2, paragraph (i)</u>
14.35	<u>124D.10, subd. 8, paragraph (x)</u>	<u>124E.03, subd. 4, paragraph (c)</u>
14.36	<u>124D.10, subd. 8, paragraph (y)</u>	<u>124E.15, paragraph (a)</u>
14.37	<u>124D.10, subd. 8a</u>	<u>124E.25, subd. 3, paragraph (a)</u>
14.38	<u>124D.10, subd. 8b</u>	<u>124E.25, subd. 3, paragraph (b)</u>
14.39	<u>124D.10, subd. 9</u>	<u>124E.11, paragraphs (a) to (f)</u>
14.40	<u>124D.10, subd. 10</u>	<u>124E.10, subd. 1, paragraph (b)</u>
14.41	<u>124D.10, subd. 11, paragraph (a)</u>	<u>124E.12, subd. 1</u>
14.42	<u>124D.10, subd. 11, paragraph (b)</u>	<u>124E.12, subd. 2</u>
14.43	<u>124D.10, subd. 11, paragraph (c)</u>	<u>124E.07, subd. 6</u>
14.44	<u>124D.10, subd. 11, paragraph (d)</u>	<u>124E.12, subd. 5</u>

15.1	<u>124D.10, subd. 12</u>	<u>124E.03, subd. 3</u>
15.2	<u>124D.10, subd. 13</u>	<u>124E.03, subd. 6</u>
15.3	<u>124D.10, subd. 14</u>	<u>124E.16, subd. 2</u>
15.4	<u>124D.10, subd. 15, paragraphs (a)</u>	<u>124E.10, subd. 3, paragraphs (a) to</u>
15.5	<u>to (e)</u>	<u>(e)</u>
15.6	<u>124D.10, subd. 15, paragraph (f)</u>	<u>124E.05, subd. 8</u>
15.7	<u>124D.10, subd. 16</u>	<u>124E.15, paragraphs (b) to (d)</u>
15.8	<u>124D.10, subd. 17</u>	<u>124E.13, subd. 1</u>
15.9	<u>124D.10, subd. 17a</u>	<u>124E.13, subd. 3</u>
15.10	<u>124D.10, subd. 17b</u>	<u>124E.13, subd. 4</u>
15.11	<u>124D.10, subd. 19</u>	<u>124E.17, subd. 1</u>
15.12	<u>124D.10, subd. 20</u>	<u>124E.12, subd. 6</u>
15.13	<u>124D.10, subd. 21</u>	<u>124E.12, subd. 3</u>
15.14	<u>124D.10, subd. 22</u>	<u>124E.12, subd. 4</u>
15.15	<u>124D.10, subd. 23, paragraphs (a)</u>	<u>124E.10, subd. 4, paragraphs (a) and</u>
15.16	<u>and (b)</u>	<u>(b)</u>
15.17	<u>124D.10, subd. 23, paragraph (c)</u>	<u>124E.10, subd. 5</u>
15.18	<u>124D.10, subd. 23, paragraph (d)</u>	<u>124E.10, subd. 4, paragraph (c)</u>
15.19	<u>124D.10, subd. 23a, paragraph (a)</u>	<u>124E.13, subd. 2, paragraph (a)</u>
15.20	<u>124D.10, subd. 23a, paragraph (b)</u>	<u>124E.02, paragraph (b)</u>
15.21	<u>124D.10, subd. 23a, paragraph (c)</u>	<u>124E.13, subd. 2, paragraph (b)</u>
15.22	<u>124D.10, subd. 23a, paragraph (d)</u>	<u>124E.13, subd. 2, paragraph (c)</u>
15.23	<u>124D.10, subd. 24</u>	<u>124E.10, subd. 6</u>
15.24	<u>124D.10, subd. 25</u>	<u>124E.09</u>
15.25	<u>124D.10, subd. 27</u>	<u>124E.08</u>
15.26	<u>124D.11, subd. 1</u>	<u>124E.20, subd.1</u>
15.27	<u>124D.11, subd. 2</u>	<u>124E.23</u>
15.28	<u>124D.11, subd. 3</u>	<u>124E.20, subd. 2</u>
15.29	<u>124D.11, subd. 4</u>	<u>124E.22</u>
15.30	<u>124D.11, subd. 5</u>	<u>124E.21</u>
15.31	<u>124D.11, subd. 6</u>	<u>124E.24</u>
15.32	<u>124D.11, subd. 7</u>	<u>124E.26</u>
15.33	<u>124D.11, subd. 9, paragraph (a)</u>	<u>124E.25, subd. 1, paragraph (a)</u>
15.34	<u>124D.11, subd. 9, paragraph (b)</u>	<u>124E.25, subd. 1, paragraph (b)</u>
15.35	<u>124D.11, subd. 9, paragraph (c)</u>	<u>124E.25, subd. 4, paragraph (a)</u>
15.36	<u>124D.11, subd. 9, paragraph (d)</u>	<u>124E.25, subd. 4, paragraph (b)</u>
15.37	<u>124D.11, subd. 9, paragraph (e)</u>	<u>124E.25, subd. 2, paragraph (a)</u>
15.38	<u>124D.11, subd. 9, paragraph (f)</u>	<u>124E.25, subd. 1, paragraph (c)</u>
15.39	<u>124D.11, subd. 9, paragraph (g)</u>	<u>124E.25, subd. 2, paragraph (b)</u>
15.40	<u>124D.11, subd. 9, paragraph (h)</u>	<u>124E.25, subd. 2, paragraph (c)</u>