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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **350**

01/19/2017 Authored by Liebling
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; modifying the count of pupil units for purposes of
1.3 calculating charter school lease aid to include a pupil's time spent in PSEO courses;
1.4 appropriating money; amending Minnesota Statutes 2016, section 124E.22.

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

1.6 Section 1. Minnesota Statutes 2016, section 124E.22, is amended to read:

1.7 **124E.22 BUILDING LEASE AID.**

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

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

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

1.15 (3) the appropriateness of the proposed lease in the context of the space needs and
1.16 financial circumstances of the charter school. The commissioner must approve aid only for
1.17 a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the
1.18 charter school of its lease obligations at the time the charter contract is terminated or not
1.19 renewed. The closure clause under item (ii) must not be constructed or construed to relieve
1.20 the charter school of its lease obligations in effect before the charter contract is terminated
1.21 or not renewed.

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

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

2.6 (d) A charter school's building lease aid pupil units equals the sum of the charter school
2.7 pupil units under section 126C.05 and the pupil units for the portion of the day that the
2.8 charter school's enrolled students are participating in the Postsecondary Enrollment Options
2.9 Act under section 124D.09 and not otherwise included in the pupil count under section
2.10 126C.05.

2.11 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.