

SENATE
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NINETY-THIRD SESSION

S.F. No. 3450

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03/04/2024	11920	Authors added Mann; Coleman
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1.1 A bill for an act

1.2 relating to education; modifying charter school provisions; amending Minnesota

1.3 Statutes 2022, sections 124E.01, subdivision 1; 124E.05, subdivisions 2, 5; 124E.07;

1.4 124E.10, subdivision 4; 124E.12, subdivision 2; 124E.14; 124E.17; Minnesota

1.5 Statutes 2023 Supplement, sections 124E.02; 124E.05, subdivision 4; 124E.11.

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

1.7 Section 1. Minnesota Statutes 2022, section 124E.01, subdivision 1, is amended to read:

1.8 Subdivision 1. **Goal and purposes.** ~~The primary purpose goal of charter mission-driven~~

1.9 ~~chartered public~~ schools is to improve ~~all pupil the~~ learning ~~and all student,~~ achievement,

1.10 ~~and success of students. Additional purposes include to~~ The purposes of chartered public

1.11 schools are to:

- 1.12 (1) increase quality learning opportunities for all ~~pupils~~ students;
- 1.13 (2) encourage the use of different and innovative teaching methods;
- 1.14 (3) measure learning outcomes and create different and innovative forms of measuring
- 1.15 outcomes;
- 1.16 (4) establish new forms of accountability for schools; or
- 1.17 (5) create new professional opportunities for teachers, including the opportunity to be
- 1.18 responsible for the learning program at the school site.

1.19 A chartered public school must identify the purposes it will address in the charter contract

1.20 and document the implementation of those purposes in the school's annual report.

1.21 Documentation of the implementation of those purposes shall be a component of the

1.22 authorizer's performance review of the school.

2.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 124E.02, is amended to read:

2.2 **124E.02 DEFINITIONS.**

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

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

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

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

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

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

2.19 (g) "Immediate family" means ~~an individual whose~~ any relationship by blood, marriage,
2.20 adoption, or partnership is no more remote than first cousin of spouses, parents, grandparents,
2.21 siblings, children, aunts, uncles, grandchildren, nieces, and nephews.

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

2.24 (1) current and projected demographic information;

2.25 (2) student enrollment patterns;

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

2.27 (4) characteristics of proposed students and families;

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

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

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

3.1 (j) "Related party" means an affiliate or immediate relative of the other interested party,
 3.2 an affiliate of an immediate relative who is the other interested party, or an immediate
 3.3 relative of an affiliate who is the other interested party.

3.4 (k) For purposes of this chapter, the terms defined in section 120A.05 have the same
 3.5 meanings.

3.6 Sec. 3. Minnesota Statutes 2022, section 124E.05, subdivision 2, is amended to read:

3.7 Subd. 2. **Roles, responsibilities, and requirements for authorizers.** ~~The authorizer~~
 3.8 ~~must participate in department-approved training.~~ (a) The role of an authorizer is to ensure
 3.9 that the schools it authorizes have the autonomy to which the school is entitled, fulfills the
 3.10 purposes of a chartered public school, and is accountable to the agreed upon terms of the
 3.11 charter school contract in order to safeguard quality educational opportunities for students
 3.12 and maintain public trust and confidence.

3.13 (b) An authorizer has the following responsibilities:

3.14 (1) to review applications and make ready-to-open determinations for new schools,
 3.15 including grade and site expansions and transfers of current schools, and to determine
 3.16 whether to approve or deny an application based on the authorizer's approved criteria;

3.17 (2) to negotiate and execute the performance charter contracts with the schools it
 3.18 authorizes;

3.19 (3) to conduct ongoing monitoring, oversight, and evaluation of the school's academic,
 3.20 operational, and financial performance commensurate with the school's circumstances during
 3.21 the term of the charter contract;

3.22 (4) to evaluate the academic, operational, and financial performance of the school as
 3.23 defined in the charter contract prior to the end of the contract to determine the renewal,
 3.24 nonrenewal, or termination of the contract; and

3.25 (5) to comply with authorizer requirements in chapter 124E.

3.26 (c) The commissioner shall not require an authorizer to undertake any role or
 3.27 responsibility beyond those in statute or the charter contract, or perform any function which
 3.28 the department or other government agency exercises in relation to a public school, school
 3.29 board, or school district.

3.30 (d) The authorizer shall document in the annual income and expenditure report under
 3.31 subdivision 8 or the authorizer annual report under section 124E.16, subdivision 2, paragraph

4.1 (b), the annual successful completion of training of its staff members during the previous
4.2 year relative to chartering and an authorizer's role or responsibilities.

4.3 Sec. 4. Minnesota Statutes 2023 Supplement, section 124E.05, subdivision 4, is amended
4.4 to read:

4.5 Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must
4.6 include in its application to the commissioner at least the following:

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

4.8 (2) a description of the capacity of the organization to serve as an authorizer, including
4.9 the positions allocated to authorizing duties, the qualifications for those positions, the
4.10 full-time equivalencies of those positions, and the financial resources available to fund the
4.11 positions;

4.12 (3) the application and review process the authorizer uses to decide whether to grant
4.13 charters;

4.14 (4) the type of contract it arranges with the schools it charters to meet the provisions of
4.15 section 124E.10;

4.16 (5) the process for overseeing the school, consistent with clause (4), to ensure that the
4.17 schools chartered comply with applicable law and rules and the contract;

4.18 (6) the criteria and process the authorizer uses to approve applications adding grades or
4.19 sites under section 124E.06, subdivision 5; and

4.20 (7) the process for renewing or terminating the school's charter based on evidence
4.21 showing the academic, organizational, and financial competency of the school, including
4.22 its success in increasing student achievement and meeting the goals of the charter school
4.23 agreement; and.

4.24 ~~(8) an assurance specifying that the organization is committed to serving as an authorizer~~
4.25 ~~until the commissioner terminates the organization's ability to authorize charter schools~~
4.26 ~~under subdivision 6 or the organization formally withdraws as an approved authorizer under~~
4.27 ~~subdivision 7.~~

4.28 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the
4.29 requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict
4.30 of interest between an authorizer and its charter schools or ongoing evaluation or continuing
4.31 education of an administrator or other professional support staff by submitting to the
4.32 commissioner a written promise to comply with the requirements.

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

5.2 Subd. 5. **Review by commissioner.** (a) The commissioner shall review an authorizer's
 5.3 performance every five years in a manner and form determined by the commissioner, subject
 5.4 to paragraphs (b) and (c), and may review an authorizer's performance more frequently at
 5.5 the commissioner's own initiative or at the request of a charter school ~~operator~~ lead
 5.6 administrator, charter school board ~~member~~ of directors, or other interested party. The
 5.7 commissioner, after completing the review, shall transmit a report with findings to the
 5.8 authorizer and the schools authorized by the authorizer.

5.9 (b) Consistent with this subdivision, the commissioner must:

5.10 ~~(1) use criteria appropriate to the authorizer and the schools it charters to review the~~
 5.11 ~~authorizer's performance; and~~

5.12 ~~(2) consult with authorizers, charter school operators, and other charter school~~
 5.13 ~~stakeholders in developing review criteria under this paragraph.~~

5.14 ~~(e) The commissioner's form must use existing department data on the authorizer to~~
 5.15 ~~minimize duplicate reporting to the extent practicable. When reviewing an authorizer's~~
 5.16 ~~performance under this subdivision, the commissioner must not:~~

5.17 ~~(1) fail to credit;~~

5.18 ~~(2) withhold points; or~~

5.19 ~~(3) otherwise penalize an authorizer for failing to charter additional schools or for the~~
 5.20 ~~absence of complaints against the authorizer's current portfolio of charter schools.~~

5.21 (1) develop the criteria and process of the performance review system in consultation
 5.22 with authorizers, school administrators, charter school boards of directors, and other charter
 5.23 school stakeholders;

5.24 (2) publish the authorizer performance review criteria and process at least 12 months
 5.25 before any change or process takes effect;

5.26 (3) base the performance review system on and limit it to the authorizer's role and
 5.27 responsibilities in sections 124E.05, subdivision 2, and 124E.10;

5.28 (4) evaluate the authorizer's performance on adherence and implementation of the
 5.29 authorizer's policies, procedures, and processes that are subject to section 124E.05,
 5.30 subdivision 5, paragraph (b), and must include input from the authorizer, charter school
 5.31 administrators, and charter school boards of directors; and

6.1 (5) develop and maintain a portfolio of all reports and data submitted to the department
 6.2 since the last review to minimize any duplicative submissions and reporting of information
 6.3 for the review.

6.4 (c) Consistent with this subdivision the commissioner must not:

6.5 (1) penalize in any way an authorizer for not chartering additional schools or the absence
 6.6 of complaints against an authorizer or an authorizer's portfolio of schools; or

6.7 (2) penalize an authorizer for not undertaking any role or responsibilities beyond those
 6.8 defined in the authorizer's approved policies, procedures or processes, the charter contract,
 6.9 or this section.

6.10 Sec. 6. Minnesota Statutes 2022, section 124E.07, is amended to read:

6.11 **124E.07 BOARD OF DIRECTORS.**

6.12 Subdivision 1. **Initial board of directors.** Before entering into a contract or other
 6.13 agreement for professional or other services, goods, or facilities, the operators authorized
 6.14 to organize and operate a school must establish a board of directors composed of at least
 6.15 five members ~~who are not related parties.~~ The initial board members must not be related
 6.16 parties. The initial board continues to serve until a timely election for members of the
 6.17 ongoing charter school board of directors is held according to the school's articles and
 6.18 bylaws under subdivision 4. The initial board of directors and school developers must
 6.19 comply with the training requirements in subdivision 7 upon the incorporation of the school.

6.20 Subd. 2. **Ongoing board of directors.** ~~The ongoing board must be elected before the~~
 6.21 ~~school completes its third year of operation.~~ The ongoing board must begin the transition
 6.22 to the ongoing board structure by the end of the first year of operation and complete the
 6.23 transition by the end of the second year of operation. The terms of board members shall
 6.24 begin on July 1. Terms shall be no less than two years. The bylaws shall set the number of
 6.25 terms an individual may serve on the board and as an officer of the board. Board elections
 6.26 must be held during the school year but may not be conducted on days when the school is
 6.27 closed.

6.28 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall
 6.29 have at least five ~~nonrelated~~ members ~~and include:~~ The board members must not be related.
 6.30 The ongoing board shall include: (1) at least one licensed teacher who is employed as a
 6.31 teacher at the school or provides instruction under contract between the charter school and
 6.32 a cooperative. A teacher is an individual who holds a valid teaching license issued by the
 6.33 Professional Educator Licensing and Standards Board (PELSB), is employed by the school

7.1 or contracted between the charter school or a teacher cooperative for at least 720 hours in
 7.2 a school calendar year, serves as a teacher of record, and provides instruction to students
 7.3 in the areas for which they are approved by PELSB; or a PELSB licensed school psychologist,
 7.4 social worker, librarian, pathologist, nurse, or counselor who provides the services for
 7.5 students for which they are licensed. An individual who serves in an administrative or
 7.6 supervisory capacity for more than 240 hours in a school calendar year is not eligible to
 7.7 serve on the board of directors; (2) at least one parent or legal guardian of a student enrolled
 7.8 in the charter school who is not an employee of the charter school; and (3) at least one
 7.9 interested community member who resides in Minnesota, is not employed by the charter
 7.10 school, and does not have a child enrolled in the school. The board structure must be defined
 7.11 in the bylaws. The board structure may ~~include~~ (i) be a majority of teachers under this
 7.12 paragraph ~~or~~, (ii) be a majority of parents ~~or~~, (iii) be a majority of community members, or
 7.13 ~~it may~~ (iv) have no clear majority. The ~~chief financial officer and the~~ chief administrator
 7.14 may only serve as an ex-officio nonvoting board ~~members~~ member. No charter school
 7.15 employees shall serve on the board other than teachers under clause (1). Contractors providing
 7.16 facilities, goods, or services to a charter school shall not serve on the board of directors of
 7.17 the charter school.

7.18 (b) An individual is prohibited from serving as a member of the charter school board of
 7.19 directors if: (1) the individual, an immediate family member, or the individual's partner is
 7.20 a full or part owner or principal with a for-profit or nonprofit entity or independent contractor
 7.21 with whom the charter school contracts, directly or indirectly, for professional services,
 7.22 goods, or facilities; or (2) an immediate family member is an employee of the school. An
 7.23 individual may serve as a member of the board of directors if no conflict of interest exists
 7.24 under this paragraph, consistent with this section. An individual is prohibited from serving
 7.25 on more than one charter school board at the same time in either an elected or ex-officio
 7.26 capacity.

7.27 (c) A violation of paragraph (b) renders a contract voidable at the option of the
 7.28 commissioner or the charter school board of directors. A member of a charter school board
 7.29 of directors who violates paragraph (b) is individually liable to the charter school for any
 7.30 damage caused by the violation.

7.31 (d) Any employee, agent, or board member of the authorizer who participates in initially
 7.32 reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school
 7.33 is ineligible to serve on the board of directors of a school chartered by that authorizer.

8.1 Subd. 4. **Board structure.** Board bylaws shall outline the process and procedures for
 8.2 changing the board's governance structure, consistent with chapter 317A. A board may
 8.3 change its governance structure only:

8.4 (1) by a majority vote of the board of directors ~~and a majority vote of the licensed teachers~~
 8.5 ~~employed by the school as teachers, including licensed teachers providing instruction under~~
 8.6 ~~a contract between the school and a cooperative; and~~

8.7 (2) by a majority vote of the licensed teachers employed by the school as teachers who
 8.8 provide instruction to students, including licensed teachers providing instruction under a
 8.9 contract between the school and a cooperative; and

8.10 ~~(2)~~ (3) with the authorizer's approval.

8.11 Any change in board governance structure must conform with the board composition
 8.12 established under this section.

8.13 Subd. 5. ~~Eligible voters~~ **Board elections.** (a) Staff members employed at the school,
 8.14 including teachers providing instruction under a contract with a cooperative, members of
 8.15 the board of directors, and all parents or legal guardians of children enrolled in the school
 8.16 are the voters eligible to elect the members of the school's board of directors. ~~A charter~~
 8.17 ~~school must notify eligible voters of the school board election dates at least 30 days before~~
 8.18 ~~the election.~~

8.19 (b) The board of directors must establish and publish election policies and procedures
 8.20 on the school's website.

8.21 (c) The board of directors must notify eligible voters of the school board election dates
 8.22 and voting procedures at least 30 calendar days before the election and post this information
 8.23 on the school's website.

8.24 (d) The board of directors must notify eligible voters of the candidates' names,
 8.25 biographies, and candidate statements at least ten calendar days before the election and post
 8.26 this information on the school's website.

8.27 Subd. 6. **Duties.** (a) The board of directors also shall decide and is responsible for all
 8.28 decision making on policy matters related to operating the school, including budgeting,
 8.29 curriculum programming, personnel, and operating procedures. ~~The board shall adopt a~~
 8.30 ~~nepotism policy.~~ The board shall must adopt personnel evaluation policies and practices
 8.31 that, at a minimum:

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

9.1 (2) evaluate how charter contract goals and commitments are executed;

9.2 (3) evaluate student achievement, postsecondary and workforce readiness, and student
9.3 engagement and connection goals;

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

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

9.7 (b) The board must adopt a nepotism policy that prohibits the employment of immediate
9.8 family members of a board member, a school employee, or a teacher who provides instruction
9.9 under a contract between the charter school and a cooperative. The board may waive this
9.10 policy if: (1) the position is publicly posted for 20 business days; and (2) a two-thirds
9.11 majority of the board of directors vote to approve the hiring. A board member, school
9.12 employee, or teacher under contract with a cooperative must not be involved in an interview,
9.13 selection process, hiring, supervision, or evaluation of an employee who is an immediate
9.14 family member of a board member.

9.15 ~~Subd. 7. **Training.** Every charter school board member shall attend annual training~~
9.16 ~~throughout the member's term. All new board members shall attend initial training on the~~
9.17 ~~board's role and responsibilities, employment policies and practices, and financial~~
9.18 ~~management. A new board member who does not begin the required initial training within~~
9.19 ~~six months after being seated and complete that training within 12 months after being seated~~
9.20 ~~is automatically ineligible to continue to serve as a board member. The school shall include~~
9.21 ~~in its annual report the training each board member attended during the previous year.~~

9.22 (a) Every charter school board member and nonvoting ex-officio member shall attend
9.23 board training.

9.24 (b) Prior to beginning their term, a new board member must complete training on a
9.25 charter school board's role and responsibilities, open meeting law, and data practices law.
9.26 An ex-officio member must complete this training within three months of starting
9.27 employment at the school.

9.28 (c) A new board member must complete training on employment policies and practices
9.29 under chapter 181; public school funding and financial management; and the board's roles
9.30 and responsibilities regarding student success, achievement, and performance within 12
9.31 months of being seated on the board or the individual is automatically ineligible to continue
9.32 to serve as a board member. A board member who does not complete training within the

10.1 12-month period is ineligible to be elected or appointed to a charter school board for a period
 10.2 of 18 months.

10.3 (d) Every charter school board member must complete annual training throughout the
 10.4 member's term based on an annual assessment of the training needs of individual members
 10.5 and the full board. Ongoing training includes but is not limited to: budgeting, financial
 10.6 management, recruiting and hiring a charter school director, evaluating a charter school
 10.7 director, governance-management relationships, student support services, student fair
 10.8 dismissal, state standards, cultural diversity, succession planning, strategic planning, program
 10.9 oversight and evaluation, compensation systems, human resources policies, effective parent
 10.10 and community relationships, authorizer contract and relationships, charter school law, legal
 10.11 liability, board recruitment and elections, board meetings and operations, policy development
 10.12 and review, and school health and safety.

10.13 (e) The organization or person providing training under paragraphs (b), (c), and (d) must
 10.14 certify the individual's completion of the training provided.

10.15 (f) The charter school is responsible for covering the costs related to board training. The
 10.16 charter school must include in its annual report the training each board member completed
 10.17 during the previous year.

10.18 (g) The board must ensure that an annual assessment of the board's performance is
 10.19 conducted and the results are reported in the school's annual report.

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

10.22 (b) A charter school shall publish and maintain on the school's official website: (1) the
 10.23 meeting minutes of the board of directors and of members and committees having
 10.24 board-delegated authority, for at least 365 days from the date of publication; (2) directory
 10.25 information for the board of directors and for the members of committees having
 10.26 board-delegated authority; and (3) identifying and contact information for the school's
 10.27 authorizer.

10.28 (c) A charter school must include identifying and contact information for the school's
 10.29 authorizer in other school materials it makes available to the public.

10.30 Sec. 7. Minnesota Statutes 2022, section 124E.10, subdivision 4, is amended to read:

10.31 **Subd. 4. Causes for nonrenewal or termination of charter school contract.** (a) The
 10.32 duration of the contract with an authorizer must be for the term contained in the contract
 10.33 according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract

11.1 at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally
11.2 terminate a contract during the term of the contract for any ground listed in paragraph (b).
11.3 At least 60 business days before not renewing or terminating a contract, the authorizer shall
11.4 notify the board of directors of the charter school of the proposed action in writing. The
11.5 notice shall state the grounds for the proposed action in reasonable detail and describe the
11.6 informal hearing process, consistent with this paragraph. The charter school's board of
11.7 directors may request in writing an informal hearing before the authorizer within 15 business
11.8 days after receiving notice of nonrenewal or termination of the contract. Failure by the board
11.9 of directors to make a written request for an informal hearing within the 15-business-day
11.10 period shall be treated as acquiescence to the proposed action. Upon receiving a timely
11.11 written request for a hearing, the authorizer shall give ten business days' notice to the charter
11.12 school's board of directors of the hearing date. The hearing shall be recorded by audio
11.13 recording, video recording, or a court reporter. The recording shall be preserved for three
11.14 years and shall be made available to the public. The authorizer shall conduct an informal
11.15 hearing before taking final action. The authorizer shall take final action to renew or not
11.16 renew a contract no later than 20 business days before the proposed date for terminating
11.17 the contract or the end date of the contract.

11.18 (b) An authorizer may terminate or not renew a contract upon any of the following
11.19 grounds:

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

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

11.23 (3) violations of law; or

11.24 (4) other good cause shown.

11.25 If the authorizer terminates or does not renew a contract under this paragraph, the school
11.26 must be dissolved according to the applicable provisions of chapter 317A.

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

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

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

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

12.2 Sec. 8. Minnesota Statutes 2023 Supplement, section 124E.11, is amended to read:

12.3 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

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

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

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

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

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

12.17 (c) Admission to a charter school must be free to any eligible pupil who resides within
12.18 the state. A charter school must give enrollment preference to a Minnesota resident pupil
12.19 over pupils that do not reside in Minnesota. A charter school must require a pupil who does
12.20 not reside in Minnesota to annually apply to enroll in accordance with paragraphs (a) to (f).
12.21 A charter school must give enrollment preference to a sibling of an enrolled pupil and to a
12.22 foster child of that pupil's parents and may give preference for enrolling children of the
12.23 school's staff before accepting other pupils by lot. A staff member eligible for an enrollment
12.24 preference for their children is an individual employed by the school for at least 480 hours
12.25 in a school calendar year. A charter school that is located in Duluth township in St. Louis
12.26 County and admits students in kindergarten through grade 6 must give enrollment preference
12.27 to students residing within a five-mile radius of the school and to the siblings of enrolled
12.28 children.

12.29 (d) A person may not be admitted to a charter school: (1) as a kindergarten pupil, unless
12.30 the pupil is at least five years of age on September 1 of the calendar year in which the school
12.31 year for which the pupil seeks admission commences; or (2) as a first grade student, unless
12.32 the pupil is at least six years of age on September 1 of the calendar year in which the school
12.33 year for which the pupil seeks admission commences or has completed kindergarten; except

13.1 that a charter school may establish and publish on its website a policy for admission of
13.2 selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b)
13.3 and (c).

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

13.9 (f) The charter school or any agent of the school must not distribute any services or
13.10 goods, payments, or other incentives of value to students, parents, or guardians as an
13.11 inducement, term, or condition of enrolling a student in a charter school.

13.12 (g) Once a student who resides in Minnesota is enrolled in the school in kindergarten
13.13 through grade 12, or in the school's free preschool or prekindergarten program under section
13.14 124E.06, subdivision 3, paragraph (b), the student is considered enrolled in the school until
13.15 the student formally withdraws, the school receives a request for the transfer of educational
13.16 records from another school or a written election by the parent or legal guardian of the
13.17 student withdrawing the student, or the student is expelled under the Pupil Fair Dismissal
13.18 Act in sections 121A.40 to 121A.56.

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

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

13.30 Sec. 9. Minnesota Statutes 2022, section 124E.12, subdivision 2, is amended to read:

13.31 Subd. 2. **Administrators.** ~~(a) A person, without holding a valid administrator's license,~~
13.32 ~~may perform administrative, supervisory, or instructional leadership duties. The board of~~
13.33 ~~directors shall establish qualifications for all persons who hold administrative, supervisory,~~

14.1 ~~or instructional leadership roles. The qualifications shall cover at least: instruction and~~
 14.2 ~~assessment; human resource and personnel management; financial management; legal and~~
 14.3 ~~compliance management; effective communication; and board, authorizer, and community~~
 14.4 ~~relationships. The board of directors shall use those qualifications as the basis for job~~
 14.5 ~~descriptions, hiring, and performance evaluations of those who hold administrative,~~
 14.6 ~~supervisory, or instructional leadership roles.~~

14.7 ~~(b) The board of directors and an individual who does not hold a valid administrative~~
 14.8 ~~license and who serves in an administrative, supervisory, or instructional leadership position~~
 14.9 ~~shall develop a professional development plan. The school's annual report must include~~
 14.10 ~~public personnel information documenting the professional development plan.~~

14.11 (a) A charter school board of directors must establish qualifications for all persons who
 14.12 hold administrative, academic supervision, or instructional leadership positions. The
 14.13 qualifications must include a requirement that a person hold a minimum of a four-year
 14.14 degree from an accredited institution. Other qualifications for these positions shall include,
 14.15 as appropriate for the specific position: instruction and assessment, curriculum design,
 14.16 human resource and personnel management, professional ethics, child development, financial
 14.17 management, legal and compliance management, special education oversight, contract
 14.18 management, effective communication, cultural competency, board and authorizer
 14.19 relationships, parent relationships, and community partnerships. A charter school board of
 14.20 directors must use those qualifications as the basis for the job description, hiring, and
 14.21 performance evaluation of the charter school director. The charter school director must use
 14.22 those qualifications as the basis for the job descriptions, hiring, and performance reviews
 14.23 for the administrative staff, academic program supervisors, and instructional leaders who
 14.24 report to the charter school director.

14.25 (b) A person who does not hold a valid administrator's license may perform
 14.26 administrative, academic supervision, or instructional leadership duties. A person without
 14.27 a valid administrator's license must complete a minimum of 25 hours annually of
 14.28 competency-based training corresponding to the individual's annual professional development
 14.29 needs and plan approved by the charter school board of directors. Training includes but is
 14.30 not limited to: instruction and curriculum; state standards; teacher and staff hiring,
 14.31 development, support, and evaluation; social-emotional learning; data collection and usage;
 14.32 assessment methodologies; use of technology for learning and management; charter school
 14.33 law and requirements; code of professional ethics; financial management and state accounting
 14.34 requirements; grant management; legal and compliance management; special education
 14.35 management; health and safety laws; restorative justice; cultural competencies; effective

15.1 communication; parent relationships; board and management relationships; community
 15.2 partnerships; charter contract and authorizer relationships; and public accountability.

15.3 (c) A person serving as a new charter school director with a valid administrator's license
 15.4 must complete a minimum of ten hours of competency-based training during the first year
 15.5 of employment on the following: charter school law and requirements, board and management
 15.6 relationships, and charter contract and authorizer relationships.

15.7 (d) The training a person must complete under paragraphs (b) and (c) may not be
 15.8 self-instructional. The organization or instructor providing the training must certify
 15.9 completion of the training. The person must submit the certification of completion of training
 15.10 to the charter school board of directors and certifications must be maintained in the personnel
 15.11 file. Completing required training must be a component of annual performance evaluations.

15.12 (e) All professional development training completed by the school director in the previous
 15.13 academic year must be documented in the charter school's annual report.

15.14 (f) No charter school administrator may serve as a paid administrator or consultant with
 15.15 another charter school without the knowledge and a two-thirds vote of approval of the boards
 15.16 of directors of the charter schools involved in such an arrangement. The boards of directors
 15.17 involved in such arrangements must send notice of this arrangement to authorizers upon
 15.18 approval by the boards.

15.19 (g) No charter school administrator may serve on the board of directors of another charter
 15.20 school.

15.21 Sec. 10. Minnesota Statutes 2022, section 124E.14, is amended to read:

15.22 **124E.14 CONFLICTS OF INTEREST.**

15.23 (a) No member of the board of directors, employee, officer, or agent of a charter school
 15.24 shall participate in selecting, awarding, or administering a contract if a conflict of interest
 15.25 exists. A conflict exists when:

15.26 (1) the board member, employee, officer, or agent;

15.27 (2) the immediate family of the board member, employee, officer, or agent;

15.28 (3) the partner of the board member, employee, officer, or agent; or

15.29 (4) an organization that employs, or is about to employ any individual in clauses (1) to
 15.30 (3),

16.1 has a financial or other interest in the entity with which the charter school is contracting. A
 16.2 violation of this prohibition renders the contract void.

16.3 (b) The conflict of interest provisions under this section do not apply to compensation
 16.4 paid to a teacher employed as a teacher by the charter school or a teacher who provides
 16.5 instructional services to the charter school through a cooperative formed under chapter
 16.6 308A when the teacher also serves on the charter school board of directors.

16.7 (c) A charter school board member, employee, or officer is a local official for purposes
 16.8 of section 471.895 with regard to receipt of gifts as defined under section 10A.071,
 16.9 subdivision 1, paragraph (b). A board member, employee, or officer must not receive
 16.10 compensation from a group health insurance provider.

16.11 (d) No charter school employee or board member may serve on the board or
 16.12 decision-making committee of the school's authorizer. An employee or school board member
 16.13 must disclose to the school board of directors any paid compensation they receive from the
 16.14 school's authorizer.

16.15 Sec. 11. Minnesota Statutes 2022, section 124E.17, is amended to read:

16.16 **124E.17 DISSEMINATION OF INFORMATION.**

16.17 Subdivision 1. **Charter school information.** (a) Charter schools must disseminate
 16.18 information about ~~how to use the charter school offerings to targeted groups, among others.~~
 16.19 ~~Targeted groups include low-income families and communities, students of color, and~~
 16.20 ~~students who are at risk of academic failure.~~ the school's offerings and enrollment procedures
 16.21 to families that reflect the diversity of Minnesota's population and targeted groups. Targeted
 16.22 groups include low-income families and communities, students of color, students at risk of
 16.23 academic failure, and students underrepresented in the school's student body relative to
 16.24 Minnesota's population. The school must document its dissemination activities in the school's
 16.25 annual report and be a component of the authorizer's performance review of the school.

16.26 (b) Authorizers and the commissioner must disseminate information to the public on
 16.27 how to form and operate a charter school. Authorizers, operators, and the commissioner
 16.28 also may disseminate information to interested stakeholders about the successful best
 16.29 practices in teaching and learning demonstrated by charter schools.

16.30 Subd. 2. **Financial information.** Upon request of an individual, the charter school must
 16.31 make available in a timely fashion financial statements showing all operations and
 16.32 transactions affecting the school's income, surplus, and deficit during the last annual
 16.33 accounting period; and a balance sheet summarizing assets and liabilities on the closing

- 17.1 date of the accounting period. ~~A charter school also must include that same information~~
- 17.2 ~~about its authorizer in other school materials that it makes available to the public.~~