

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 836**

(SENATE AUTHORS: BONOFF, Petersen, B., Nelson and Schmit)

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1.1 A bill for an act  
 1.2 relating to education; providing additional accountability for charter schools;  
 1.3 amending Minnesota Statutes 2012, section 124D.10, subdivision 23.  
 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 124D.10, subdivision 23, is amended to  
 1.6 read:

1.7 Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a)  
 1.8 The duration of the contract with an authorizer must be for the term contained in the  
 1.9 contract according to subdivision 6. The authorizer may or may not renew a contract at  
 1.10 the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally  
 1.11 terminate a contract during the term of the contract for any ground listed in paragraph (b).  
 1.12 At least 60 business days before not renewing or terminating a contract, the authorizer  
 1.13 shall notify the board of directors of the charter school of the proposed action in writing.  
 1.14 The notice shall state the grounds for the proposed action in reasonable detail and that the  
 1.15 charter school's board of directors may request in writing an informal hearing before the  
 1.16 authorizer within 15 business days of receiving notice of nonrenewal or termination of  
 1.17 the contract. Failure by the board of directors to make a written request for an informal  
 1.18 hearing within the 15-business-day period shall be treated as acquiescence to the proposed  
 1.19 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten  
 1.20 business days' notice to the charter school's board of directors of the hearing date. The  
 1.21 authorizer shall conduct an informal hearing before taking final action. The authorizer  
 1.22 shall take final action to renew or not renew a contract no later than 20 business days  
 1.23 before the proposed date for terminating the contract or the end date of the contract.

1.24 (b) A contract may be terminated or not renewed upon any of the following grounds:

- 2.1 (1) failure to meet the requirements for pupil performance contained in the contract;  
2.2 (2) failure to meet generally accepted standards of fiscal management;  
2.3 (3) violations of law; or  
2.4 (4) other good cause shown.

2.5 If a contract is terminated or not renewed under this paragraph, the school must be  
2.6 dissolved according to the applicable provisions of chapter 317A.

2.7 (c) If the authorizer and the charter school board of directors mutually agree to  
2.8 terminate or not renew the contract, a change in authorizers is allowed if the commissioner  
2.9 approves the change to a different eligible authorizer to authorize the charter school.

2.10 Both parties must jointly submit their intent in writing to the commissioner to mutually  
2.11 terminate the contract. The authorizer that is a party to the existing contract must inform  
2.12 the proposed authorizer about the fiscal and operational status and student performance  
2.13 of the school. Before the commissioner determines whether to approve a change in  
2.14 authorizer, the proposed authorizer must identify any outstanding issues in the proposed  
2.15 charter contract that were unresolved in the previous charter contract and have the charter  
2.16 school agree to resolve those issues. If no change in authorizer is approved, the school  
2.17 must be dissolved according to applicable law and the terms of the contract.

2.18 (d) The commissioner, after providing reasonable notice to the board of directors of  
2.19 a charter school and the existing authorizer, and after providing an opportunity for a public  
2.20 hearing, may terminate the existing contract between the authorizer and the charter school  
2.21 board if the charter school has a history of:

- 2.22 (1) failure to meet pupil performance requirements consistent with state law;  
2.23 (2) financial mismanagement or failure to meet generally accepted standards of  
2.24 fiscal management; or  
2.25 (3) repeated or major violations of the law.

2.26 (e) Notwithstanding other provisions of this subdivision, the authorizer of a charter  
2.27 school may terminate an existing contract between the authorizer and the charter school at  
2.28 the end of the current school year, after notifying the charter school board of directors  
2.29 by December 1, if in each of the previous three consecutive school years the charter  
2.30 school was in the bottom 25th percentile of all schools that received the state's multiple  
2.31 measurements rating unless the school was in the top 75th percentile of all schools that  
2.32 received the state's focus rating in any of those three previous years under the waiver  
2.33 from the federal Elementary and Secondary Education Act. If the authorizer chooses not  
2.34 to terminate the existing contract under these conditions, the authorizer must submit  
2.35 a public, written justification of the decision to the commissioner by December 1. The  
2.36 commissioner may use this decision as a factor in reviewing the authorizer's performance

3.1 under subdivision 3, paragraph (i). The multiple measurements and focus ratings identified  
3.2 in this paragraph are minimum conditions and are not intended to discourage and do not  
3.3 prevent an authorizer from closing schools which do not meet these conditions. This  
3.4 paragraph does not apply to a charter school:

3.5 (1) that has limited admission to students eligible to participate in the graduation  
3.6 incentives programs under section 124D.68;

3.7 (2) where 70 percent or more of enrolled students are eligible to participate in the  
3.8 graduation incentives programs under section 124D.68; or

3.9 (3) where 50 percent or more of enrolled students are eligible students with  
3.10 disabilities.

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2013, and applies to multiple  
3.12 measurements ratings and focus ratings from the 2010-2011 school year and later.