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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2010

02/25/2014 Authored by Slocum

The bill was read for the first time and referred to the Committee on Education Policy

1.1 A bill for an act
1.2 relating to education; modifying certain charter school approval provisions;
1.3 amending Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 4.

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

1.5 Section 1. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 4,
1.6 is amended to read:

1.7 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
1.8 a school developer, may charter a licensed teacher under section 122A.18, subdivision
1.9 1, or a group of individuals that includes one or more licensed teachers under section
1.10 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
1.11 authorizer's affidavit under paragraph (b). The school must be organized and operated as a
1.12 nonprofit corporation under chapter 317A and the provisions under the applicable chapter
1.13 shall apply to the school except as provided in this section.

1.14 Notwithstanding sections 465.717 and 465.719, a school district, subject to this
1.15 section and section 124D.11, may create a corporation for the purpose of establishing a
1.16 charter school.

1.17 (b) Before the operators may establish and operate a school, the authorizer must file
1.18 an affidavit with the commissioner stating its intent to charter a school. An authorizer
1.19 must file a separate affidavit for each school it intends to charter. The affidavit must
1.20 state the terms and conditions under which the authorizer would charter a school and
1.21 how the authorizer intends to oversee the fiscal and student performance of the charter
1.22 school and to comply with the terms of the written contract between the authorizer and the
1.23 charter school board of directors under subdivision 6. The commissioner must approve or
1.24 disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If

2.1 the commissioner disapproves the affidavit, the commissioner shall notify the authorizer
2.2 of the deficiencies in the affidavit and the authorizer then has 20 business days to address
2.3 the deficiencies. The commissioner has ten days to approve or disapprove the authorizer's
2.4 reply. If the authorizer does not address deficiencies to the commissioner's satisfaction, the
2.5 commissioner's disapproval is final. Failure to obtain commissioner approval precludes an
2.6 authorizer from chartering the school that is the subject of this affidavit.

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

2.11 (d) The operators authorized to organize and operate a school, before entering into
2.12 a contract or other agreement for professional or other services, goods, or facilities,
2.13 must incorporate as a nonprofit corporation under chapter 317A and must establish a
2.14 board of directors composed of at least five members who are not related parties until a
2.15 timely election for members of the ongoing charter school board of directors is held
2.16 according to the school's articles and bylaws under paragraph (f). A charter school board
2.17 of directors must be composed of at least five members who are not related parties.
2.18 Staff members employed at the school, including teachers providing instruction under a
2.19 contract with a cooperative, members of the board of directors, and all parents or legal
2.20 guardians of children enrolled in the school are the voters eligible to elect the members
2.21 of the school's board of directors. A charter school must notify eligible voters of the
2.22 school board election dates at least 30 days before the election. Board of director meetings
2.23 must comply with chapter 13D.

2.24 (e) A charter school shall publish and maintain on the school's official Web site: (1)
2.25 the minutes of meetings of the board of directors, and of members and committees having
2.26 any board-delegated authority, for at least one calendar year from the date of publication;
2.27 (2) directory information for members of the board of directors and committees having
2.28 board-delegated authority; and (3) identifying and contact information for the school's
2.29 authorizer. Identifying and contact information for the school's authorizer must be
2.30 included in other school materials made available to the public. Upon request of an
2.31 individual, the charter school must also make available in a timely fashion financial
2.32 statements showing all operations and transactions affecting income, surplus, and deficit
2.33 during the school's last annual accounting period; and a balance sheet summarizing assets
2.34 and liabilities on the closing date of the accounting period. A charter school also must
2.35 include that same information about its authorizer in other school materials that it makes
2.36 available to the public.

3.1 (f) Every charter school board member shall attend annual training throughout the
3.2 member's term on the board. All new board members shall attend initial training on
3.3 the board's role and responsibilities, employment policies and practices, and financial
3.4 management. A new board member who does not begin the required initial training within
3.5 six months after being seated and complete that training within 12 months of being seated
3.6 on the board is automatically ineligible to continue to serve as a board member. The
3.7 school shall include in its annual report the training attended by each board member
3.8 during the previous year.

3.9 (g) The ongoing board must be elected before the school completes its third year of
3.10 operation. Board elections must be held during the school year but may not be conducted
3.11 on days when the school is closed for holidays, breaks, or vacations. The charter school
3.12 board of directors shall be composed of at least five nonrelated members and include: (i)
3.13 at least one licensed teacher employed as a teacher at the school or providing instruction
3.14 under contract between the charter school and a cooperative; (ii) at least one parent or
3.15 legal guardian of a student enrolled in the charter school who is not an employee of
3.16 the charter school; and (iii) at least one interested community member who resides in
3.17 Minnesota and is not employed by the charter school and does not have a child enrolled
3.18 in the school. The board may include a majority of teachers described in this paragraph
3.19 or parents or community members, or it may have no clear majority. The chief financial
3.20 officer and the chief administrator may only serve as ex-officio nonvoting board members.
3.21 No charter school employees shall serve on the board other than teachers under item (i).
3.22 Contractors providing facilities, goods, or services to a charter school shall not serve on
3.23 the board of directors of the charter school. Board bylaws shall outline the process and
3.24 procedures for changing the board's governance structure, consistent with chapter 317A.
3.25 A board may change its governance structure only:

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

3.29 (2) with the authorizer's approval.

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

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

3.34 (i) The granting or renewal of a charter school by an authorizer must not be
3.35 contingent on the charter school being required to contract, lease, or purchase services
3.36 from the authorizer. Any potential contract, lease, or purchase of service from an

4.1 authorizer must be disclosed to the commissioner, accepted through an open bidding
4.2 process, and be a separate contract from the charter contract. The school must document
4.3 the open bidding process. An authorizer must not enter into a contract to provide
4.4 management and financial services for a school that it authorizes, unless the school
4.5 documents that it received at least two competitive bids.

4.6 (j) An authorizer may permit the board of directors of a charter school to expand the
4.7 operation of the charter school to additional sites or grades at the school beyond those
4.8 described in the authorizer's original affidavit as approved by the commissioner only
4.9 after submitting a supplemental affidavit for approval to the commissioner in a form and
4.10 manner prescribed by the commissioner. The supplemental affidavit must document that:

4.11 (1) the proposed expansion plan demonstrates need and projected enrollment;

4.12 (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating
4.13 students' improved academic performance and growth on statewide assessments under
4.14 chapter 120B;

4.15 (3) the charter school is financially sound and the financing it needs to implement
4.16 the proposed expansion exists; and

4.17 (4) the charter school has the governance structure and management capacity to
4.18 carry out its expansion.

4.19 (k) The commissioner shall have 30 business days to review and comment on the
4.20 supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in
4.21 the supplemental affidavit and the authorizer then has 20 business days to address, to the
4.22 commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school
4.23 may not expand grades or add sites until the commissioner has approved the supplemental
4.24 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.