ARTICLE 6

CHARTER SCHOOLS

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

Subdivision 1. Purposes. (a) The primary purpose of mission-driven charter schools is to improve all pupils' learning and achievement and success of all students.

Additional purposes include:

1. increase quality learning opportunities for all pupils;
2. encourage the use of different and innovative teaching methods;
3. measure learning outcomes and create different and innovative forms of measuring outcomes;
4. establish new forms of accountability for schools; or
5. create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) A charter school must identify the purposes it will address in the charter contract and document the implementation of those purposes in the school's annual report.

Documentation of the implementation of those purposes shall be a component of the authorization's performance review of the school.

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

124E.02 DEFINITIONS.

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

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

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

(d) "Charter management organization" or "CMO" means any nonprofit or for-profit entity or organization that contracts with a charter school board of directors to provide, manages, or operates or manages a charter school, or is a network of charter schools or can control all or substantially all of a school's education program or a school's administrative, financial, business, or operational functions.

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

ARTICLE 5

CHARTER SCHOOLS

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

Subdivision 1. Purposes. The primary purpose of charter schools is to improve all pupils' learning and achievement and success of all students. Additional purposes include:

1. increase quality learning opportunities for all pupils;
2. encourage the use of different and innovative teaching methods;
3. measure learning outcomes and create different and innovative forms of measuring outcomes;
4. establish new forms of accountability for schools; or
5. create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

A charter school must identify the purposes it will address in the charter contract and document the implementation of those purposes in the school's annual report.

Documentation of the implementation of those purposes must be a component of the authorization's performance review of the school.

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

124E.02 DEFINITIONS.

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

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

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

(d) "Charter management organization" or "CMO" means any nonprofit or for-profit entity or organization that contracts with a charter school board of directors to provide, manages, or operates or manages a charter school, or is a network of charter schools or can control all or substantially all of a school's education program or a school's administrative, financial, business, or operational functions.

(e) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.
"Educational management organization" or "EMO" means a nonprofit for-profit entity or organization that provides, manages, oversees, operates, or manages a charter school or a network of charter schools or can control all or substantially all of the school's education program, or the school's administrative, financial, business, or operational functions.

A charter school must comply with the Minnesota Public School Fee Law, section 121A.11, subdivision 3.

"Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnership is no more remote than first cousin of spouses, parents, grandparents, siblings, children, first cousins, aunts, uncles, grandchildren, nieces, nephews, or first cousin cousins.

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

1. current and projected demographic information;
2. student enrollment patterns;
3. information on existing schools and types of educational programs currently available;
4. characteristics of proposed students and families;
5. availability of properly zoned and classified facilities; and
6. quantification of existing demand for the school or site.

"Person" means an individual or entity of any kind.

"Related party" means an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party.

For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124E.03, subdivision 2, is amended to read:

Subd. 2. Certain federal, state, and local requirements. (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.
(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.
(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.
(d) A charter school is a district for the purposes of tort liability under chapter 466.
(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124E.03, subdivision 2, is amended to read:

Subd. 2. Certain federal, state, and local requirements. (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.
(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.
(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.
(d) A charter school is a district for the purposes of tort liability under chapter 466.
(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.
A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

A charter school must comply with continuing truant notification under section 260A.03.

A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).

The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

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

A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575.

The authorizer authorizes; (1) to review applications for new schools, (2) to negotiate and execute the performance charter contracts with the schools it authorizes; (3) to conduct ongoing monitoring, oversight, and evaluation of the school's academic, operational, and financial performance during the term of the charter contract; (4) to evaluate the academic, operational, and financial performance of the school as defined in the charter contract prior to the end of the contract to determine the renewal, nonrenewal, or termination of the contract; and (5) to comply with authorizer requirements in chapter 124E.

A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).

The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

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

A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575.

The authorizer authorizes; (1) to review applications for new schools, (2) to negotiate and execute the performance charter contracts with the schools it authorizes; (3) to conduct ongoing monitoring, oversight, and evaluation of the school's academic, operational, and financial performance during the term of the charter contract; (4) to evaluate the academic, operational, and financial performance of the school as defined in the charter contract prior to the end of the contract to determine the renewal, nonrenewal, or termination of the contract; and (5) to comply with authorizer requirements in chapter 124E.

Roles, responsibilities, and requirements for authorizers. The authorizer must participate in department-approved training. (a) The role of an authorizer is to ensure that any school it authorizes has the autonomy to which the school is entitled, fulfills the purposes of a charter school, and is accountable to the agreed upon terms of the charter school contract in order to safeguard quality educational opportunities for students and maintain public trust and confidence.

(b) An authorizer has the following responsibilities:

(1) to review applications for new schools, to make ready-to-open determinations for new schools, to review applications for grade and site expansions, to review applications for change in authorizers, and to determine whether to approve or deny an application based on the authorizer's approved criteria;

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

(3) to conduct ongoing monitoring, oversight, and evaluation of the school’s academic, operational, and financial performance during the term of the charter contract;

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

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

The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

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

A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575.

The authorizer authorizes; (1) to review applications for new schools, (2) to negotiate and execute the performance charter contracts with the schools it authorizes; (3) to conduct ongoing monitoring, oversight, and evaluation of the school's academic, operational, and financial performance during the term of the charter contract; (4) to evaluate the academic, operational, and financial performance of the school as defined in the charter contract prior to the end of the contract to determine the renewal, nonrenewal, or termination of the contract; and (5) to comply with authorizer requirements in chapter 124E.

Sec. 4. Minnesota Statutes 2022, section 124E.05, subdivision 2, is amended to read:
the department or other government agency exercises in relation to a public school, school board, or school district.

Subd. 5. The authorizer shall document in the authorizer annual report under section 124E.16, subdivision 2, paragraph (b), the annual successful completion of training of its staff members during the previous year relative to chartering and an authorizer's role and responsibilities.

Subd. 6. (a) The authorizer must participate in department-approved training.

Sec. 5. Minnesota Statutes 2022, section 124E.05, subdivision 3, is amended to read:

Subd. 3. The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner, subject to paragraphs (b) and (c), and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school board member of directors, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer and the schools authorized by the authorizer.

(b) A disapproved applicant under this section may resubmit an application during a future application period.

Sec. 6. Minnesota Statutes 2022, section 124E.05, subdivision 5, is amended to read:

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

(c) An authorizer must document in the authorizer annual report under section 124E.16, subdivision 2, paragraph (b), the annual successful completion of training of its staff members during the previous year relative to chartering and an authorizer's role and responsibilities.
(b) Consistent with this subdivision, the commissioner must:

(1) use criteria appropriate to the authorizer and the schools it charters to review the authorizer’s performance; and

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

(c) The commissioner’s form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable. When reviewing an authorizer’s performance under this subdivision, the commissioner must not:

(1) fail to credit;

(2) withhold points; or

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

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

(2) notwithstanding any updates to comply with state or federal law or to make technical corrections; publish the authorizer performance review criteria and process at least 12 months before any change or process takes effect;

(3) base the performance review system on the authorizer’s role and responsibilities in sections 124E.05, subdivision 2, and 124E.10;

(4) evaluate the authorizer’s performance on adherence and implementation of the authorizer’s approved policies, procedures, and processes that are subject to section 124E.05, subdivision 5, paragraph (b); and

(5) include input from the authorizer, charter school administrators, and charter school boards of directors.

(g) The commissioner’s form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable.

(h) Consistent with this subdivision, the commissioner must:

(4) use criteria appropriate to the authorizer and the schools it charters to review the authorizer’s performance; and

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

(g) The commissioner’s form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable. When reviewing an authorizer’s performance under this subdivision, the commissioner must not:

(1) fail to credit;

(2) withhold points; or

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

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

(2) publish the authorizer performance review criteria and process at least 12 months before any change or process takes effect; except for changes required to take effect earlier in accordance with state or federal law;

(3) evaluate the authorizer’s performance on adherence and implementation of the authorizer’s policies, procedures, and processes that are subject to section 124E.05; subdivision 2, paragraph (b);

(4) solicit feedback from the authorizer, charter school administrators, and charter school boards of directors; and

(5) use existing department data on the authorizer to minimize duplicate reporting to the extent practicable.

(g) Consistent with this subdivision the commissioner must not penalize in any way an authorizer for not chartering additional schools or for the absence of complaints against an authorizer or an authorizer’s portfolio of schools; or

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

(2) penalize an authorizer for not undertaking any role or responsibilities beyond those defined in the authorizer’s approved policies, procedures or processes, the charter contract, or this section.
Sec. 7. Minnesota Statutes 2023 Supplement, section 124E.06, subdivision 1, is amended to read:

Subdivision 1. Individuals eligible to organize. (a) An authorizer, after receiving an application from a charter school developer, may charter either a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under subdivision 4.

(b) "Application" under this section means the charter school business plan a charter school developer submits to an authorizer for approval to establish a charter school. This application must include:

(1) the proposed school's:
   (i) mission and vision statements;
   (ii) purposes and goals;
   (iii) educational program design and how the program will improve student learning, success, and achievement;
   (iv) plan to address the social and emotional learning needs of students and student support services;
   (v) plan to provide special education management and services;
   (vi) plan for staffing the school with appropriately qualified and licensed personnel;
   (vii) financial plan;
   (viii) governance and management structure and plan;
   (ix) market need and demand study; and
   (x) plan for ongoing outreach and dissemination of information about the school's offerings and enrollment procedure to families that reflect the diversity of Minnesota's population and targeted groups under section 124E.17, subdivision 1, paragraph (a);

(2) the school developer's experience and background, including criminal history and bankruptcy background checks; and

(3) any other information the authorizer requests; and

(4) a "statement of assurances" of legal compliance prescribed by the commissioner.

(c) An authorizer shall not approve an application submitted by a charter school developer under paragraph (a) if the application does not comply with subdivision 3, paragraph (e), and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does not comply with subdivision 3, paragraph (e), and section 124E.01, subdivision 1.
Sec. 8. Minnesota Statutes 2023 Supplement, section 124E.06, subdivision 4, is amended to read:

Subd. 4. Authorizer's affidavit; approval process. (a) Before an operator may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state:

(1) the terms and conditions under which the authorizer would charter a school, including a market need and demand study; and

(2) how the authorizer intends to oversee:

(i) the fiscal and student performance of the charter school; and

(ii) compliance with the terms of the written contract between the authorizer and the charter school board of directors under section 124E.10, subdivision 1.

(b) The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receiving the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of the commissioner's final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. An authorizer who fails to obtain the commissioner's approval is precluded from chartering the school that is the subject of this affidavit.

(c) The grades and number of primary enrollment sites in an approved affidavit may only be modified under subdivision 5.

Sec. 9. Minnesota Statutes 2023 Supplement, section 124E.06, subdivision 5, is amended to read:

Subd. 5. Adding grades or sites. (a) A charter school may apply to the authorizer to amend the school charter to add grades or primary enrollment sites beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplemental affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplemental affidavit to the commissioner by October 1 to be eligible to add grades or sites in the next school year. The supplemental affidavit must document the authorizer's satisfaction:

(1) the need for the additional grades or sites with supporting long-range enrollment projections for site expansion, a market need and demand study with long-range enrollment projections;
address any deficiencies in the supplemental affidavit to the commissioner's satisfaction.

The ongoing board structure by the end of the first year of operation and complete the transition from the initial board of directors to the board capacity to administer and manage the additional grades or sites at least three years of sound school finances and a plan to add grades or sites that sustains the school's finances, and 124E.07 BOARD OF DIRECTORS.

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

Subd. 2. Ongoing board of directors. The ongoing board must be elected before the school completes its third year of operation. The board must begin the transition to the ongoing board structure by the end of the first year of operation and complete the transition by the end of the second year of operation. The terms of board members shall begin on July 1. Terms shall be no less than two years. The bylaws shall set the number of terms an

The ongoing board must be elected before the school completes its third year of operation. The board must begin the transition to the ongoing board structure by the end of the first year of operation and complete the transition by the end of the second year of operation. The terms of board members shall begin on July 1. Terms shall be no less than two years. The bylaws shall set the number of terms an

The school may not add grades or sites until the commissioner has approved the supplemental affidavit. The commissioner must notify the authorizer of final approval or final disapproval within 15 business days after receiving the authorization to the deficiencies in the supplemental affidavit and the authorization to add any deficiencies in the supplemental affidavit to the commissioner's satisfaction. The commissioner shall notify the authorizer of final approval or final disapproval of a supplemental affidavit within 15 business days after receiving the authorization to the deficiencies in the supplemental affidavit and the authorization to add any deficiencies in the supplemental affidavit to the commissioner's satisfaction. The commissioner's approval or disapproval of a supplemental affidavit is final. Sec. 10. Minnesota Statutes 2022, section 124E.07, is amended to read: 124E.07 BOARD OF DIRECTORS.

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

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

Subd. 3. Membership criteria. (a) The ongoing charter school board of directors shall
have at least five nonvoting members and include: The board members must not be related
parties. The ongoing board shall include:

(2) at least one parent or legal guardian of a student enrolled in the charter school, who

is a teacher on a charter school board and must not be an employee of the charter
school, and

(3) at least one interested community member who resides in Minnesota, is not employed
in an administrative or supervisory capacity for more than 240
hours in a school calendar year, or

provides the services for students for which they are
licensed, who serves the charter school in an administrative or supervisory capacity for more than 240
hours in a school calendar year.

NOTE: COMPARE SENATE LINES 67.24-67.28 TO HOUSE LINES 58.24-58.27;
SENATE LINES 67.29-68.5 TO HOUSE LINES 58.34-59.7; SENATE LINES
68.6-68.8 TO HOUSE LINES 58.28-58.29; AND SENATE LINES 68.9-68.12 TO
HOUSE LINES 58.30-58.33.

The board structure must be defined in the bylaws. The board structure may include
(a) a majority of teachers under this paragraph (a), (b) a majority of parents (b), (iii) a
majority of community members, or (iv) a minimum of members who are
affiliated with the charter school and the chief administrator may only serve as an ex-officio
nonvoting board member. No charter school employees shall serve on the board other than teachers under
clause (1). Contractors providing facilities, goods, or services to a charter school shall not
serve on the board of directors of the charter school.

(b) An individual is prohibited from serving as a member of the charter school board of
directors if: (1) the individual, an immediate family member, or the individual's partner is

NOTE: COMPARE SENATE LINES 67.24-67.28 TO HOUSE LINES 58.24-58.27;
SENATE LINES 67.29-68.5 TO HOUSE LINES 58.34-59.7; SENATE LINES
68.6-68.8 TO HOUSE LINES 58.28-58.29; AND SENATE LINES 68.9-68.12 TO
HOUSE LINES 58.30-58.33.

The board structure must be defined in the bylaws. The board structure may include
(a) a majority of teachers under this paragraph (a), (b) a majority of parents (b), (iii) a
majority of community members, or (iv) a minimum of members who are
affiliated with the charter school and the chief administrator may only serve as an ex-officio
nonvoting board member. No charter school employees shall serve on the board other than teachers under
clause (1). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

REVISOR FULL-TEXT SIDE-BY-SIDE
68.22 a full or part owner or principal with a for-profit or nonprofit entity or independent contractor
68.23 with whom the charter school contracts, directly or indirectly, for professional services,
68.24 goods, or facilities; or (2) an immediate family member is an employee of the school. An
68.25 individual may serve as a member of the board of directors if no conflict of interest exists
68.26 under this paragraph, consistent with this section. An individual is prohibited from serving
68.27 on more than one charter school board at the same time in either an elected or ex-officio
68.28 capacity.

68.29 (g) A violation of paragraph (b) renders a contract voidable at the option of the
68.30 commissioner or the charter school board of directors. A member of a charter school board
68.31 of directors who violates paragraph (b) is individually liable to the charter school for any
damage caused by the violation.
68.32 (d) Any employee, agent, contractor, or board member of the authorizer who participates
68.33 in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the
68.34 charter school is ineligible to serve on the board of directors of a school chartered by that
68.35 authorizer.
68.36 (e) A charter school must disclose to the commissioner and its authorizer if a board
68.37 member, including an ex-officio nonvoting board member, is serving on multiple charter
68.38 school boards or committees of other charter school boards. The board member has an
68.39 affirmative duty to inform each school board of every school board where the board member
68.40 is a director or ex-officio member.

68.41 Subd. 4. Board structure. Board bylaws shall outline the process and procedures for
68.42 changing the board’s governance structure, consistent with chapter 317A. A board may
68.43 change its governance structure only:
68.44 (1) by a majority vote of the board of directors and a majority vote of the licensed teachers
68.45 employed by the school as teachers, including licensed teachers providing instruction under
68.46 a contract between the school and a cooperative; and
68.47 (2) by a majority vote of the licensed teachers employed by the school as teachers who
68.48 provide instruction to students, including licensed teachers providing instruction under a
68.49 contract between the school and a cooperative; and
68.50 (3) with the authorizer's approval.
68.51 Any change in board governance structure must conform with the board composition
68.52 established under this section.
68.53 (a) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of

68.25 a full or part owner or principal with a for-profit or nonprofit entity or independent contractor
68.26 with whom the charter school contracts, directly or indirectly, for professional services,
68.27 goods, or facilities; or (2) an immediate family member is an employee of the school. An
68.28 individual may serve as a member of the board of directors if no conflict of interest exists
68.29 under this paragraph, consistent with this section. An individual is prohibited from serving
68.30 on more than one charter school board at the same time in either an elected or ex-officio
68.31 capacity.
68.32 (g) A violation of paragraph (b) renders a contract voidable at the option of the
68.33 commissioner or the charter school board of directors. A member of a charter school board
68.34 of directors who violates paragraph (b) is individually liable to the charter school for any
damage caused by the violation.
68.35 (d) Any employee, agent, contractor, or board member of the authorizer who participates
68.36 in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the
68.37 charter school is ineligible to serve on the board of directors of a school chartered by that
68.38 authorizer.
68.39 (e) A charter school must disclose to the commissioner and its authorizer if a board
68.40 member, including an ex-officio nonvoting board member, is serving on multiple charter
68.41 school boards or committees of other charter school boards. The board member has an
68.42 affirmative duty to inform each school board of every school board where the board member
68.43 is a director or ex-officio member.

68.44 Subd. 4. Board structure. Board bylaws shall outline the process and procedures for
68.45 changing the board’s governance structure, consistent with chapter 317A. A board may
68.46 change its governance structure only:
68.47 (1) by a majority vote of the board of directors and a majority vote of the licensed teachers
68.48 employed by the school as teachers, including licensed teachers providing instruction under
68.49 a contract between the school and a cooperative; and
68.50 (2) by a majority vote of the licensed teachers employed by the school as teachers who
68.51 provide instruction to students, including licensed teachers providing instruction under a
68.52 contract between the school and a cooperative; and
68.53 (3) with the authorizer's approval.
68.54 Any change in board governance structure must conform with the board composition
68.55 established under this section.
68.56 (a) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of

59.15 (g) A contractor providing facilities, goods, or services to a charter school must not
59.16 serve on the board of directors. In addition, an individual is prohibited from serving as a
59.17 member of the charter school board of directors if: (1) the individual, an immediate family
59.18 member, or the individual’s partner is a full or part owner or principal with a for-profit or
59.19 nonprofit entity or independent contractor with whom the charter school contracts, directly
59.20 or indirectly, for professional services, goods, or facilities; or (2) an immediate family
59.21 member is an employee of the school. An individual may serve as a member of the board
59.22 of directors if no conflict of interest exists under this paragraph, consistent with this section.
59.23 (b) An individual is prohibited from serving on more than one charter school board at
59.24 the same time in either an elected or ex-officio capacity.

60.1 Subd. 4. Board structure. Board bylaws shall outline the process and procedures for
60.2 changing the board's governance structure, consistent with chapter 317A. A board may
60.3 change its governance structure only:
60.4 (1) by a majority vote of the board of directors and a majority vote of the licensed teachers
60.5 employed by the school as teachers, including licensed teachers providing instruction under
60.6 a contract between the school and a cooperative; and
60.7 (2) by a majority vote of the licensed teachers employed by the school as teachers who
60.8 provide instruction to students, including licensed teachers providing instruction under a
60.9 contract between the school and a cooperative; and
60.10 (3) with the authorizer's approval.
60.11 Any change in board governance structure must conform with the board composition
60.12 established under this section.
60.13 (a) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of

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the board of directors, and all parents or legal guardians of children enrolled in the school
are the voters eligible to elect the members of the school's board of directors. A charter
school must notify eligible voters of the school board election dates at least 30 days before
the election.

(3) evaluate student achievement, postsecondary and workforce readiness, and student
biographies, and candidate statements at least ten calendar days before the election and post
this information on the school's website.

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

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

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

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

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

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

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

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

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

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

Subd. 7. Training. Every charter school board member shall attend annual training
throughout the member's term. All new board members shall attend initial training on the
board's role and responsibilities, employment policies and practices, and financial
management. A new board member who does not begin the required initial training within
six months after being seated and complete that training within 12 months after being seated
(a) Every charter school board member and nonvoting ex-officio member who is a charter school director or chief administrator must attend board training.

(b) Prior to beginning their term, a new board member must complete training on a charter school board's role and responsibilities, open meeting law, and data practices law.

(c) A new board member must complete training on employment policies and practices under chapter 181; public school funding and financial management; and the board's roles and responsibilities regarding student success, achievement, and performance within 12 months of being seated on the board or the individual is automatically ineligible to continue to serve as a board member. A board member who does not complete training within the 12-month period is ineligible to be elected or appointed to a charter school board for a period of 18 months.

(d) Every charter school board member must complete annual training throughout the member's term based on an annual assessment of the training needs of individual members and the full board. Ongoing training includes but is not limited to budgeting, financial management, recruiting and hiring a charter school director or chief administrator, evaluating a charter school director or chief administrator, governance-management relationships, student support services, the Pupil Fair Dismissal Act, state standards, cultural diversity, success planning, strategic planning, program oversight and evaluation, compensation systems, human resources policies, effective parent and community relationships, authorizer contract and relationships, charter school law, legal liability, board recruitment and elections, board meetings and operations, policy development and review, and school health and safety.

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

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

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

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

(b) A charter school shall publish and maintain on the school's official website: (1) the meeting minutes of the board of directors and of members and committees having board-delegated authority, within 30 calendar days following the earlier of the date of board.
(c) A charter school must include identifying and contact information for the school's authorizer in other school materials it makes available to the public.

Sec. 11. Minnesota Statutes 2022, section 124E.10, subdivision 2, is amended to read:

Sec. 12. Minnesota Statutes 2022, section 124E.10, subdivision 4, is amended to read:

Sub. 2. Limits on charter school agreements. (a) A school must disclose to the commissioner any potential contract, lease, or purchase of service from the school's or an authorizer and who is subject to the Minnesota Rules of Professional Conduct.

(b) An authorizer must not condition granting or renewing a charter on:

(1) the charter school being required to contract, lease, or purchase services from the authorizer; or

(2) the bargaining unit status of school employees.

Sec. 12. Minnesota Statutes 2022, section 124E.10, subdivision 4, is amended to read:

Subd. 4. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days after receiving notice of nonrenewal or notice of termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The hearing shall be recorded by audio recording, video recording, or a court reporter. The recording shall be preserved for three or the next regularly scheduled meeting, and for at least 365 days from the date of publication; having board-delegated authority; and (3) identifying and contact information for the school's authorizer.

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

Sec. 11. Minnesota Statutes 2022, section 124E.10, subdivision 2, is amended to read:

Subd. 2. Limits on charter school agreements. (a) A school must disclose to the commissioner any potential contract, lease, or purchase of service from the school's or an authorizer and who is subject to the Minnesota Rules of Professional Conduct.

(b) An authorizer must not condition granting or renewing a charter on:

(1) the charter school being required to contract, lease, or purchase services from the authorizer; or

(2) the bargaining unit status of school employees.

Sec. 12. Minnesota Statutes 2022, section 124E.10, subdivision 4, is amended to read:

Subd. 4. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days after receiving notice of nonrenewal or notice of termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The hearing shall be recorded by audio recording, video recording, or a court reporter. The authorizer must preserve the recording
73.3 years and 
shall be made 
available to the public. The authorizer shall conduct an informal 

73.4 hearing before taking final action. The authorizer shall take final action to renew or not 

73.5 renew a contract no later than 20 business days before the proposed date for terminating 

73.6 the contract or the end date of the contract. 

73.7 (b) An authorizer may terminate or not renew a contract upon any of the following 

73.8 grounds: 

73.9 (1) failure to demonstrate satisfactory academic achievement for all students, including 

73.10 the requirements for pupil performance contained in the contract; 

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

73.12 (3) violations of law; or 

73.13 (4) other good cause shown. 

73.14 If the authorizer terminates or does not renew a contract under this paragraph, the school 

73.15 must be dissolved according to the applicable provisions of chapter 317A. 

73.16 (c) The commissioner, after providing reasonable notice to the board of directors of a 

73.17 charter school and the existing authorizer, and after providing an opportunity for a public 

73.18 hearing, may terminate the existing contract between the authorizer and the charter school 

73.19 board if the charter school has a history of: 

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

73.21 (2) financial mismanagement or failure to meet generally accepted standards of fiscal 

73.22 management; or 

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

73.24 Sec. 13. Minnesota Statutes 2022, section 124E.10, subdivision 5, is amended to read: 

73.25 Subd. 5. Mutual nonrenewal. If the authorizer and the charter school board of directors 

73.26 of a charter school serving enrolled students mutually agree not to renew the contract, or if 

73.27 the governing board of an approved authorizer votes to withdraw as an approved authorizer 

73.28 for a reason unrelated to any cause under subdivision 4, a change in authorizers is allowed. 

73.29 The authorizer and the school board must jointly submit a written and signed letter of their 

73.30 intent to the commissioner to mutually not renew the contract. The authorizer that is a party 

73.31 to the existing contract must inform the proposed authorizer about the fiscal, operational, 

73.32 and student performance status of the school, including unmet contract outcomes and other 

73.33 outstanding contractual obligations. The charter contract between the proposed authorizer 

73.34 and the school must identify and provide a plan to address any outstanding obligations from 

73.35 the previous contract. The proposed authorizer must submit the proposed contract at least 

73.36 105 business days before the end of the existing charter contract. The commissioner has 30 

73.37 business days to review and make a determination on the change in authorizer. The proposed 

73.38 authorizer and the school have 15 business days to respond to the determination and address 

73.39 for three years and make the recording available to the public. The authorizer shall conduct 

73.40 an informal hearing before taking final action. The authorizer shall take final action to renew 

73.41 or not renew a contract no later than 20 business days before the proposed date for terminating 

73.42 the contract or the end date of the contract. 

73.43 (b) An authorizer may terminate or not renew a contract upon any of the following 

73.44 grounds: 

73.45 (1) failure to demonstrate satisfactory academic achievement for all students, including 

73.46 the requirements for pupil performance contained in the contract; 

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

73.48 (3) violations of law; or 

73.49 (4) other good cause shown. 

73.50 If the authorizer terminates or does not renew a contract under this paragraph, the school 

73.51 must be dissolved according to the applicable provisions of chapter 317A. 

73.52 (c) The commissioner, after providing reasonable notice to the board of directors of a 

73.53 charter school and the existing authorizer, and after providing an opportunity for a public 

73.54 hearing, may terminate the existing contract between the authorizer and the charter school 

73.55 board if the charter school has a history of: 

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

73.57 (2) financial mismanagement or failure to meet generally accepted standards of fiscal 

73.58 management; or 

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

73.60 Sec. 13. Minnesota Statutes 2022, section 124E.10, subdivision 5, is amended to read: 

73.61 Subd. 5. Mutual nonrenewal. If the authorizer and the charter school board of directors 

73.62 of a charter school serving enrolled students mutually agree not to renew the contract, or if 

73.63 the governing board of an approved authorizer votes to withdraw as an approved authorizer 

73.64 for a reason unrelated to any cause under subdivision 4, a change in authorizers is allowed. 

73.65 The authorizer and the school board must jointly submit a written and signed letter of their 

73.66 intent to the commissioner to mutually not renew the contract. The authorizer that is a party 

73.67 to the existing contract must inform the proposed authorizer about the fiscal, operational, 

73.68 and student performance status of the school, including unmet contract outcomes and other 

73.69 outstanding contractual obligations. The charter contract between the proposed authorizer 

73.70 and the school must identify and provide a plan to address any outstanding obligations from 

73.71 the previous contract. The proposed authorizer must submit the proposed contract at least 

73.72 105 business days before the end of the existing charter contract. The commissioner has 30 

73.73 business days to review and make a determination on the change in authorizer. The proposed 

73.74 authorizer and the school have 15 business days to respond to the determination and address
any issues identified by the commissioner. The commissioner must make a final determination no later than 45 business days before the end of the current charter contract. If the commissioner does not approve a change in authorizer, the school and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

Sec. 14. Minnesota Statutes 2023 Supplement, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

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

(1) pupils within an age group or grade level;
(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or
(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

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

(c) Admission to a charter school must be free to any eligible pupil who resides within the state. A charter school must give enrollment preference to a Minnesota resident pupil over pupils that do not reside in Minnesota. A charter school must require a pupil who does not reside in Minnesota to annually apply to enroll in accordance with paragraphs (a) to (f).

A charter school must give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A staff member eligible for an enrollment preference for their children must be an individual employed at the school whose employment is stipulated in advance to at least 480 hours in a school calendar year. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children.

(d) A person may not be admitted to a charter school: (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission com
year for which the pupil seeks admission commences or has completed kindergarten; except
that a charter school may establish and publish on its website a policy for admission of
selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b)
and (c).

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

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

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

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

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 124E.12, subdivision 1, is amended
to read:

Subdivision 1. Teachers. A charter school, excluding its preschool or prekindergarten
program established under section 124E.06, subdivision 3, must employ or contract with
necessary teachers, as defined by section 122A.06, subdivision 2, or contract with a
cooperative formed under chapter 308A to provide necessary teachers, who hold valid
licenses to perform the particular service for which they are employed in the school. A
charter school may not contract with a CMO or EMO to provide necessary teachers. A
charter school's preschool or prekindergarten program must employ or contract with teachers

year for which the pupil seeks admission commences or has completed kindergarten; except
that a charter school may establish and publish on its website a policy for admission of
selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b)
and (c).

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

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

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

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

(i) A charter school serving at least 90 percent of enrolled students who are eligible for
special education services and have a primary disability of deaf, deafblind, or hard-of-hearing
may give enrollment preference to students who are eligible for special education services
and have a primary disability of deaf, deafblind, or hard-of-hearing. The charter school may
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cooperative formed under chapter 308A to provide necessary teachers, who hold valid
licenses to perform the particular service for which they are employed in the school. A
charter school may not contract with a CMO or EMO to provide necessary teachers. A
charter school's preschool or prekindergarten program must employ or contract with teachers
knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction established under section 124E.06, subdivision 3. The commissioner may reduce the charter school’s state aid under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the Professional Educator Licensing and Standards Board. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932 governing whistle-blowers. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school’s personnel policies.

Subd. 2. Administrators. (a) A person, without holding a valid administrator’s license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for all persons who hold administrative, supervisory, or instructional leadership roles. The qualifications shall cover at least: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. (b) A charter school board of directors must establish qualifications for all persons who hold administrative, academic supervision, or instructional leadership positions. The board of directors must use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, academic supervision, or instructional leadership roles. The qualifications shall cover at least: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, academic supervision, or instructional leadership roles.
a valid administrator's license; serving as a charter school director or chief administrator.

must complete a minimum of 25 hours annually of competency-based training corresponding
to the individual's annual professional development needs and plan approved by the charter
school board of directors. Training includes but is not limited to: instruction and curriculum,
state standards; teacher and staff hiring, development, support, and evaluation;
social-emotional learning; data collection and usage; assessment methodologies; use of
technology for learning and management; charter school law and requirements; code of
professional ethics; financial management and state accounting requirements; grant
management, legal and compliance management; special education management; health
and safety laws; restorative justice; cultural competencies; effective communication; parent
relationships; board and management relationships; community partnerships; charter contract
and authorizer relationships; and public accountability.

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

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

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

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

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

Sec. 17. Minnesota Statutes 2022, section 124E.14, is amended to read:

124E.14 CONFLICTS OF INTEREST.

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

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

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

Sec. 17. Minnesota Statutes 2022, section 124E.14, is amended to read:

124E.14 CONFLICTS OF INTEREST.

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

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

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

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

(3), has a financial or other interest in the entity with which the charter school is contracting. A

violation of this prohibition renders the contract void.

(b) The conflict of interest provisions under this section do not apply to compensation

paid to a teacher employed as a teacher by the charter school or a teacher who provides

instructional services to the charter school through a cooperative formed under chapter

308A when the teacher also serves on the charter school board of directors.

(c) A charter school board member, employee, or officer is a local official for purposes

of section 471.895 with regard to receipt of gifts as defined under section 10A.071, subdivision 1, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

(d) No charter school employee or board member may serve on the board or

decision-making committee of the school's authorizer. An employee or school board member

must disclose to the school's board of directors any paid compensation they receive from

the school's authorizer.

Sec. 18. Minnesota Statutes 2023 Supplement, section 124E.16, subdivision 1, is amended
to read:

Subdivision 1. Audit report. (a) A charter school is subject to the same financial audits,

audit procedures, and audit requirements as a district, except as required under this

subdivision. Audits must be conducted in compliance with generally accepted governmental

auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing

auditing procedures. A charter school is subject to and must comply with sections 15.554,

118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06 governing government property

and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing

municipal contracting. The audit must comply with the requirements of sections 123B.75

to 123B.85 governing school district finance, except when the commissioner and authorizer

approve a deviation made necessary because of school program finances. The commissioner,

state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance

audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must

submit a plan under section 123B.81, subdivision 4.

(b) The charter school must submit an audit report to the commissioner and its authorizer

annually by December 31.

(c) The charter school, with the assistance of the auditor conducting the audit, must

include with the report, as supplemental information: (1) a copy of a new management

agreement or an amendment to a current agreement with a CMO or EMO signed during the

audit year; and (2) a copy of a service agreement or contract with a company or individual

having a financial or other interest in the entity with which the charter school is contracting. A

violation of this prohibition renders the contract void.

(b) The conflict of interest provisions under this section do not apply to compensation

paid to a teacher employed as a teacher by the charter school or a teacher who provides

instructional services to the charter school through a cooperative formed under chapter

308A when the teacher also serves on the charter school board of directors.

(c) A charter school board member, employee, or officer is a local official for purposes

of section 471.895 with regard to receipt of gifts as defined under section 10A.071, subdivision 1, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

(d) No charter school employee or board member may serve on the board or
decision-making committee of the school's authorizer. An employee or school board member

must disclose to the school's board of directors any paid compensation they receive from

the school's authorizer.

Sec. 18. Minnesota Statutes 2023 Supplement, section 124E.16, subdivision 1, is amended
to read:

Subdivision 1. Audit report. (a) A charter school is subject to the same financial audits,

audit procedures, and audit requirements as a district, except as required under this

subdivision. Audits must be conducted in compliance with generally accepted governmental

auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing

auditing procedures. A charter school is subject to and must comply with sections 15.554,

118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06 governing government property

and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing

municipal contracting. The audit must comply with the requirements of sections 123B.75

to 123B.85 governing school district finance, except when the commissioner and authorizer

approve a deviation made necessary because of school program finances. The commissioner,

state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance

audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must

submit a plan under section 123B.81, subdivision 4.
totaling over five percent of the audited expenditures for the most recent audit year. The
agreements must detail the terms of the agreement, including the services provided and the
annual costs for those services.

(d) A charter school independent audit report shall include audited financial data of an
affiliated building corporation under section 124E.13, subdivision 3, or other component
unit.

(e) If the audit report finds that a material weakness exists in the financial reporting
systems of a charter school, the charter school must submit a written report to the
commissioner explaining how the charter school will resolve that material weakness. An
auditor, as a condition of providing financial services to a charter school, must agree to
make available information about a charter school's financial audit to the commissioner and
authorizer upon request.

Sec. 19. Minnesota Statutes 2022, section 124E.17, is amended to read:

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

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

Subd. 2. Financial information. Upon request of an individual, the charter school must
make available in a timely fashion financial statements showing all operations and
transactions affecting the school's income, surplus, and deficit during the last annual
accounting period; and a balance sheet summarizing assets and liabilities on the closing
date of the accounting period. A charter school also must include that same information
about its authorizer in other school materials that it makes available to the public. Upon
request, the authorizer must provide the same information about its organization.

71.03 totaling over five percent of the audited expenditures for the most recent audit year. The
71.04 agreements must detail the terms of the agreement, including the services provided and the
71.05 annual costs for those services.

(d) A charter school independent audit report shall include audited financial data of an
71.12 affiliated building corporation under section 124E.13, subdivision 3, or other component
71.13 unit.

(e) If the audit report finds that a material weakness exists in the financial reporting
71.14 systems of a charter school, the charter school must submit a written report to the
71.15 commissioner explaining how the charter school will resolve that material weakness. An
71.16 auditor, as a condition of providing financial services to a charter school, must agree to
71.17 make available information about a charter school's financial audit to the commissioner and
71.18 authorizer upon request.

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transactions affecting the school's income, surplus, and deficit during the last annual
accounting period; and a balance sheet summarizing assets and liabilities on the closing
date of the accounting period. A charter school also must include that same information
about its authorizer in other school materials that it makes available to the public.

(b) Upon request of an individual, an authorizer must make available in a timely fashion
financial statements showing all operations and transactions affecting the authorizer's income,
surplus, and deficit during the last annual accounting period, and a balance sheet summarizing
assets and liabilities on the closing date of the accounting period.
Sec. 20. Minnesota Statutes 2022, section 124E.26, is amended to read:

124E.26 USE OF STATE MONEY.

Subd. 1. Purchasing buildings. A charter school may not use state money to purchase land or buildings. The charter school may own land and buildings if obtained through nonstate sources.

Subd. 2. Procurement policy required. Prior to the expenditure of any state funds, a charter school must adopt a procurement policy consistent with subdivision 4.

Subd. 3. All purchases. All purchases using state funds must be made consistent with the procurement policy adopted under subdivision 2.

Subd. 4. Required policy components. A charter school procurement policy must at a minimum include:

1) conflict of interest provisions consistent with section 124E.14;

2) thresholds for purchases by employees without board approval;

3) thresholds for purchases that require competitive bidding processes, except that a competitive bidding process must occur for any procurement estimated to exceed $25,000; and

4) a prohibition on breaking up a procurement into smaller components to avoid the thresholds established in clauses (2) and (3).

Subd. 5. Reduction in aid. If a charter school makes a purchase without a procurement policy adopted by the school's board or makes a purchase not in conformity with the school's procurement policy, the commissioner may reduce that charter school's state aid in an amount equal to the purchase.

Subd. 6. Property, financial investments, and contracting. A charter school is subject to and must comply with sections 15.054 and 118A.01 to 118A.06 governing government property and financial investments and sections 471.38, 471.391, 471.392, and 471.425 governing municipal contracting.