ARTICLE 6

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2023 Supplement, section 124E.13, subdivision 1, is amended to read:

Subdivision 1. Leased space. A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. In all cases, the eligible lessor must also be the building owner. The commissioner must review and approve or disapprove lease aid applications in a timely manner to determine eligibility for lease aid under section 124E.22. Sec. 2. Minnesota Statutes 2022, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

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

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

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

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

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

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

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

Sec. 3. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, is amended to read:

Subd. 6. Charter school building lease aid. (a) For building lease aid under Minnesota Statutes, section 124E.22:

(b) The 2024 appropriation includes $9,047,000 for 2023 and $82,410,000 for 2024.

(c) The 2025 appropriation includes $9,156,000 for 2024 and $85,422,000 for 2025.

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Sec. 4. APPROPRIATIONS;

Subdivision 1. Department of Education. The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. Safe schools supplemental aid for charter schools. (a) For safe schools supplemental aid for charter schools:

(b) Safe schools supplemental aid for a charter school equals the product of:

(1) the amount appropriated under paragraph (a); and

(2) the ratio of (i) the charter school's student enrollment on October 1, 2024, to (ii) the student enrollment on October 1, 2024, for all charter schools in the state.

(c) Safe schools supplemental aid must be reserved and used only for costs associated with safe schools activities authorized under Minnesota Statutes, section 126C.44, subdivision 4, or building lease expenses not funded by building lease aid that are attributable to facility security enhancements made by the landlord after March 1, 2024.

(d) One hundred percent of the aid under this subdivision must be paid in fiscal year 2025 on a schedule to be determined by the commissioner.

(e) This is a onetime appropriation.