

1.1 ..... moves to amend H.F. No. 1580 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2016, section 124E.02, is amended to read:

1.4 **124E.02 DEFINITIONS.**

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

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

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

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

1.14 (e) "Immediate family" means an individual whose relationship by blood, marriage,  
1.15 adoption, or partnership is no more remote than first cousin.

1.16 (f) "Person" means an individual or entity of any kind.

1.17 (g) "Related party" means an affiliate or immediate relative of the other interested party,  
1.18 an affiliate of an immediate relative who is the other interested party, or an immediate  
1.19 relative of an affiliate who is the other interested party.

1.20 (h) "Charter management organization" or "CMO" means any nonprofit entity that  
1.21 contracts with a charter school board of directors to provide, manage, or oversee all or  
1.22 substantially all of the school's educational design or implementation, or the charter school's  
1.23 administrative, financial, business, or operational functions.

2.1 (i) "Education management organization" or "EMO" means any for-profit entity that  
 2.2 provides, manages, or oversees all or substantially all of the educational design or  
 2.3 implementation of the charter school's administrative, financial, business, or operational  
 2.4 functions.

2.5 (j) "Online education service provider" means an organization that provides the online  
 2.6 learning management system, virtual learning environment, or online student management  
 2.7 system and services for the implementation and operation of the online education program.

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

2.10 Sec. 2. Minnesota Statutes 2016, section 124E.05, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

2.30 ~~(8) an assurance specifying that the organization is committed to serving as an authorizer~~  
 2.31 ~~for the full five-year term.~~

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

3.6 Sec. 3. Minnesota Statutes 2016, section 124E.06, subdivision 7, is amended to read:

3.7 Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The  
3.8 effective date of a merger must be July 1. The merged school must continue under the  
3.9 identity of one of the merging schools. The authorizer and the merged school must execute  
3.10 a new charter contract under section 124E.10, subdivision 1, by July 1. The authorizer must  
3.11 submit to the commissioner a copy of the new signed charter contract within ten business  
3.12 days of executing the contract.

3.13 (b) Each merging school must submit a separate year-end report for the previous fiscal  
3.14 year for that school only. After the final fiscal year of the premerger schools is closed out,  
3.15 each of those schools must transfer the fund balances and debts to the merged school.

3.16 (c) For its first year of operation, the merged school is eligible to receive aid from  
3.17 programs requiring approved applications equal to the sum of the aid of all of the merging  
3.18 schools. For aids based on prior year data, the merged school is eligible to receive aid for  
3.19 its first year of operation based on the combined data of all of the merging schools.

3.20 (d) A charter school notified that its contract is not being renewed or terminated under  
3.21 section 124E.10, subdivision 4, may merge with another school only if the school proposing  
3.22 to take over the school:

3.23 (1) has a compatible academic or learning program;

3.24 (2) had, as of June 30 of the previous year, a net positive unreserved general fund balance  
3.25 for at least three fiscal years; and

3.26 (3) submits a plan for the assimilation of the schools into a merged school that is approved  
3.27 by the authorizers of the schools involved in the merger.

3.28 After approving the school's plan for the assimilation of the schools into a merged school,  
3.29 the authorizer shall submit an affidavit in the form and manner prescribed by the  
3.30 commissioner at least 60 business days prior to contract nonrenewal or contract termination.

4.1 Sec. 4. Minnesota Statutes 2016, section 124E.07, subdivision 2, is amended to read:

4.2 Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before the  
 4.3 school completes its ~~third~~ second year of operation. Board elections must be held during  
 4.4 the school year but may not be conducted on days when the school is closed. The term of  
 4.5 office for board members begins July 1.

4.6 Sec. 5. Minnesota Statutes 2016, section 124E.07, subdivision 3, is amended to read:

4.7 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall  
 4.8 have at least five nonrelated members and include: (1) at least one licensed teacher who is  
 4.9 employed ~~as a teacher at~~ by the school or provides as a teacher to provide instruction to  
 4.10 students or a licensed teacher who is engaged as a teacher to provide instruction to students  
 4.11 under contract between the charter school and a cooperative; (2) at least one parent or legal  
 4.12 guardian of a student enrolled in the charter school who is not an employee of the charter  
 4.13 school or an immediate family member of a school employee; and (3) at least one interested  
 4.14 community member who resides in Minnesota, is not employed by or under contract to the  
 4.15 charter school, and does not have a child enrolled in the school. The board structure may  
 4.16 include a majority of teachers under this paragraph or parents or community members, or  
 4.17 it may have no clear majority. The board structure shall be stated in the school corporation's  
 4.18 bylaws. ~~The chief financial officer and the chief administrator may only serve as an~~ ex-officio  
 4.19 nonvoting board ~~members~~ member. No charter school employees shall serve on the board  
 4.20 other than teachers under clause (1). Contractors providing facilities, goods, or services to  
 4.21 a charter school shall not serve on the board of directors of the charter school.

4.22 (b) An individual is prohibited from serving as a member of the charter school board of  
 4.23 directors if: (1) the individual, an immediate family member, or the individual's partner is  
 4.24 a full or part owner or principal with a for-profit or nonprofit entity or independent contractor  
 4.25 with whom the charter school contracts, directly or indirectly, for professional services,  
 4.26 goods, or facilities; or (2) an immediate family member is an employee of the school. An  
 4.27 individual may serve as a member of the board of directors if no conflict of interest exists  
 4.28 under this paragraph, consistent with this section.

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

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

5.4 Sec. 6. Minnesota Statutes 2016, section 124E.07, subdivision 4, is amended to read:

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

5.8 (1) ~~by~~ a majority vote of the board of directors ~~and~~;

5.9 (2) a separate majority vote of the licensed teachers employed by the school as teachers  
 5.10 providing instruction to students, including licensed teachers providing instruction under a  
 5.11 contract between the school and a cooperative; and

5.12 ~~(2) (3) with notifying the authorizer's approval~~ authorizer prior to the effective date of  
 5.13 the change.

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

5.16 Sec. 7. Minnesota Statutes 2016, section 124E.07, subdivision 7, is amended to read:

5.17 Subd. 7. **Training.** (a) Every charter school board member, including the ex-officio  
 5.18 member, shall attend annual training throughout the member's term. ~~All new board members~~  
 5.19 ~~shall attend initial training on the board's role and responsibilities, employment policies and~~  
 5.20 ~~practices, and financial management. A new board member who does not begin the required~~  
 5.21 ~~initial training within six months after being seated and complete that training within 12~~  
 5.22 ~~months after being seated is automatically ineligible to continue to serve as a board member.~~  
 5.23 ~~The school shall include in its annual report the training each board member attended during~~  
 5.24 ~~the previous year.~~

5.25 (b) All newly elected board members must attend training on the board's role,  
 5.26 responsibilities, and procedures before being seated on the board. An individual shall not  
 5.27 be seated on the board until the training required in this paragraph is completed.

5.28 (c) All newly seated board members must attend training on public school finances and  
 5.29 financial management; employment law, policies, and practices; and student performance,  
 5.30 achievement, and outcomes. Any member who fails to complete the training required in  
 5.31 this paragraph within 12 months of being seated on the board is automatically removed

6.1 from the board and may not be elected or appointed to the board for a period of at least 12  
6.2 months after vacating the seat.

6.3 (d) The school must include in its annual report the training each board member attended  
6.4 during the previous year.

6.5 Sec. 8. Minnesota Statutes 2016, section 124E.10, subdivision 4, is amended to read:

6.6 Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a) The  
6.7 duration of the contract with an authorizer must be for the term contained in the contract  
6.8 according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract  
6.9 at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally  
6.10 terminate a contract during the term of the contract for any ground listed in paragraph (b).  
6.11 At least 60 business days before not renewing or terminating a contract, the authorizer shall  
6.12 notify the board of directors of the charter school of the proposed action in writing. The  
6.13 notice shall state the grounds for the proposed action in reasonable detail and describe the  
6.14 informal hearing process, consistent with this paragraph. The charter school's board of  
6.15 directors may request in writing an informal hearing before the authorizer within 15 business  
6.16 days after receiving notice of nonrenewal or termination of the contract. Failure by the board  
6.17 of directors to make a written request for an informal hearing within the 15-business-day  
6.18 period shall be treated as acquiescence to the proposed action. Upon receiving a timely  
6.19 written request for a hearing, the authorizer shall give ten business days' notice to the charter  
6.20 school's board of directors of the hearing date. The authorizer shall conduct an informal  
6.21 hearing before taking final action. The hearing shall be recorded by tape recording, video,  
6.22 or a court reporter at the expense of the authorizer. The recording shall be preserved for  
6.23 three years and shall be made available to the public. The authorizer shall take final action  
6.24 to renew or not renew a contract no later than 20 business days before the proposed date  
6.25 for terminating the contract or the end date of the contract.

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

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

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

6.31 (3) violations of law; or

6.32 (4) other good cause shown.

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

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

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

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

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

7.11 Sec. 9. Minnesota Statutes 2016, section 124E.10, is amended by adding a subdivision to  
7.12 read:

7.13 Subd. 5a. School transfer of authorizers. (a) If the authorizer and the charter school  
7.14 board mutually agree to not renew the contract for a reason unrelated to any cause under  
7.15 subdivision 4, the authorizer and charter school must jointly submit to the commissioner a  
7.16 written and signed letter of their intent to mutually not renew the contract. The authorizer  
7.17 that is a party to the existing contract must inform the proposed authorizer about the fiscal,  
7.18 operational, and student performance status of the school, including unmet contract outcomes  
7.19 and other contractual obligations. The charter contract between the proposed authorizers  
7.20 and the school must identify and provide a plan to address any outstanding obligations. If  
7.21 the commissioner does not approve the transfer of authorizer, the current authorizer and the  
7.22 school may withdraw their letter of nonrenewal and enter into a new contract. If the  
7.23 commissioner does not approve the transfer and the authorizer and school enter into a new  
7.24 contract without withdrawing their letter of nonrenewal, the school must be dissolved  
7.25 according to applicable law and the terms of the contract.

7.26 (b) If, at the end of a contract, a charter school board votes to not renew its contract with  
7.27 the authorizer and is not subject to action of the authorizer under subdivision 4, the charter  
7.28 school board must notify the authorizer and commissioner that it does not plan to renew the  
7.29 relationship with the authorizer. The authorizer that is party to the existing contract must  
7.30 inform the proposed authorizer about the fiscal, operational, and student performance status  
7.31 of the school. The charter contract between the proposed authorizer and the school must  
7.32 identify and provide a plan to address any performance issues identified by the current  
7.33 authorizer. If the commissioner does not approve the transfer of authorizers and the current

8.1 authorizer and school do not enter into a new contract, the school must be dissolved according  
8.2 to applicable law and the terms of the contract.

8.3 (c) If the governing board of an approved authorizer votes to withdraw as an authorizer  
8.4 under section 124E.05, subdivision 7, the proposed authorizer may submit a transfer request  
8.5 to the commissioner at any time after the withdrawing authorizer has given proper notice  
8.6 to the commissioner and the schools it authorizes. The commissioner shall have 20 business  
8.7 days to review the transfer request and notify the proposed authorizer and the school of the  
8.8 commissioner's decision. The proposed authorizer and the school have 15 business days to  
8.9 address any issues identified by the commissioner's review. The commissioner shall have  
8.10 20 business days after the proposed authorizer and the school address any issues identified  
8.11 by the commissioner's initial review to make a final determination.

8.12 (d) If the commissioner withdraws the authority of the authorizer to authorize schools  
8.13 under section 124E.05, subdivision 6, the commissioner shall develop a transfer of authorizer  
8.14 plan with the authorizer, the charter school, and the proposed authorizer. This paragraph  
8.15 applies to schools not subject to nonrenewal for any cause under subdivision 4.

8.16 (e) Transfer requests with the proposed contracts under paragraphs (a) and (b) shall be  
8.17 submitted to the commissioner at least 105 business days before the end of an existing  
8.18 contract. The commissioner shall have 30 business days to review the transfer request and  
8.19 notify the proposed authorizer and school of the commissioner's decision. The proposed  
8.20 authorizer and school shall have 15 business days to address any issues identified by the  
8.21 commissioner's review. The commissioner shall make a final determination of the transfer  
8.22 request no later than 45 business days before the end of the current contract.

8.23 Sec. 10. Minnesota Statutes 2017 Supplement, section 124E.11, is amended to read:

8.24 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

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

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

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

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

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

9.7 (c) A charter school shall give enrollment preference to a sibling of an enrolled pupil  
9.8 and to a foster child of that pupil's parents and may give preference for enrolling children  
9.9 of the school's staff before accepting other pupils by lot. A charter school that is located in  
9.10 Duluth township in St. Louis County and admits students in kindergarten through grade 6  
9.11 must give enrollment preference to students residing within a five-mile radius of the school  
9.12 and to the siblings of enrolled children. A charter school may give enrollment preference  
9.13 to children currently enrolled in the school's free preschool or prekindergarten program  
9.14 under section 124E.06, subdivision 3, paragraph (a), who are eligible to enroll in kindergarten  
9.15 in the next school year.

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

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

9.29 (f) The charter school or any agent of the school shall not distribute any services ~~or~~<sub>2</sub>  
9.30 goods, payments, or other incentives of value to students, parents, or guardians as an  
9.31 inducement, term, or condition of enrolling a student in a charter school.

9.32 (g) Once a student is enrolled in the school, the student is considered enrolled in the  
9.33 school until the student formally withdraws school receives a request for the transfer of  
9.34 educational records from another school, or a written election by the parent or guardian of

10.1 the student withdrawing the student, or is expelled under the Pupil Fair Dismissal Act in  
 10.2 sections 121A.40 to 121A.56.

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

10.9 Sec. 11. Minnesota Statutes 2016, section 124E.16, is amended to read:

10.10 **124E.16 REPORTS.**

10.11 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits,  
 10.12 audit procedures, and audit requirements as a district, except as required under this  
 10.13 subdivision. Audits must be conducted in compliance with generally accepted governmental  
 10.14 auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing  
 10.15 auditing procedures. A charter school is subject to and must comply with sections 15.054;  
 10.16 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06 governing government property  
 10.17 and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing  
 10.18 municipal contracting. The audit must comply with the requirements of sections 123B.75  
 10.19 to 123B.83 governing school district finance, except when the commissioner and authorizer  
 10.20 approve a deviation made necessary because of school program finances. The commissioner,  
 10.21 state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance  
 10.22 audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must  
 10.23 submit a plan under section 123B.81, subdivision 4.

10.24 (b) The charter school must submit an audit report to the commissioner and its authorizer  
 10.25 annually by December 31.

10.26 (c) The charter school, with the assistance of the auditor conducting the audit, must  
 10.27 include with the audit report, as supplemental information: (1) a copy of a new management  
 10.28 agreements agreement or an amendment to a current agreement with a ~~charter management~~  
 10.29 ~~organization~~ CMO or EMO signed during the audit year; or ~~an educational management~~  
 10.30 ~~organization and (2) service agreements or contracts over the lesser of \$100,000 or ten~~  
 10.31 ~~percent of the school's most recent annual audited expenditures~~ (2) a copy of a new agreement  
 10.32 or amendment to a current contract with an online education service provider; and (3) a  
 10.33 copy of a service agreement or contract with a company or individual totaling over ten  
 10.34 percent of the audited expenditures for the most recent audit year. The agreements must

11.1 detail the terms of the agreement, including the services provided and the annual costs for  
 11.2 those services. ~~If the entity that provides the professional services to the charter school is~~  
 11.3 ~~exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity~~  
 11.4 ~~must file with the commissioner by February 15 a copy of the annual return required under~~  
 11.5 ~~section 6033 of the Internal Revenue Code of 1986.~~

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

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

11.15 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report  
 11.16 approved by the board of directors. The annual report must at least include information on  
 11.17 school enrollment, student attrition, governance and management, staffing, finances, academic  
 11.18 performance, innovative practices and implementation, ~~and~~ future plans and management  
 11.19 agreements with a CMO, EMO, or online education service provider. A charter school may  
 11.20 combine this report with the reporting required under section 120B.11 governing the world's  
 11.21 best workforce. A charter school must post the annual report on the school's official Web  
 11.22 site. A charter school also must distribute the annual report by publication, mail, or electronic  
 11.23 means to its authorizer, school employees, and parents and legal guardians of students  
 11.24 enrolled in the charter school. The reports are public data under chapter 13.

11.25 (b) An authorizer must submit an annual public report in a manner specified by the  
 11.26 commissioner by January 15 for the previous school year ending June 30 that shall at least  
 11.27 include key indicators of school academic, operational, and financial performance. The  
 11.28 report is part of the system to evaluate authorizer performance under section 124E.05,  
 11.29 subdivision 5.

11.30 Subd. 3. **Public accountability and reporting of education management and online**  
 11.31 **education service provider agreements.** (a) A charter school that enters into a management  
 11.32 agreement with a CMO, EMO, or an online education service provider must:

11.33 (1) publish on its Web site for at least 20 business days the proposed final agreement  
 11.34 for public review and comment before the school board may adopt the contract or agreement.

12.1 Any changes made to the posted agreement during the public review period or any proposed  
12.2 amendments to the agreement once adopted must be posted for 20 business days before the  
12.3 board may adopt the amendments to the contract;

12.4 (2) annually publish on its Web site a statement of assurance that no member of the  
12.5 school board, staff, or any agent of the school has been promised or received any form of  
12.6 compensation or gifts from the CMO, EMO, or online education service provider and that  
12.7 no person involved as a board member, employee, or agent of the CMO, EMO, or online  
12.8 education service provider or any of the affiliates of these organizations or providers serve  
12.9 on the charter school board; and

12.10 (3) conduct an independent review and evaluation of the services provided by the CMO,  
12.11 EMO, or online education service provider and publish the evaluation on the school's Web  
12.12 site at least 60 business days before the end of the current contract.

12.13 (b) All management contracts with a CMO, EMO, or online education service provider  
12.14 must contain the following provisions:

12.15 (1) the term of the contract, which may not be longer than five years;

12.16 (2) the total dollar value of the contract and the annual projected costs of services;

12.17 (3) the description and terms of the services to be provided during the term of the contract;

12.18 (4) a statement that if the charter school closes during the term of the contract by action  
12.19 of the authorizer or the school's board, the balance of the current contract becomes null and  
12.20 void;

12.21 (5) an annual statement of assurance to the school board that the CMO, EMO, or online  
12.22 education service provider provided no compensation or gifts to any school board member,  
12.23 staff member, or agent of the school;

12.24 (6) an annual statement of assurance that no board member, employee, contractor, or  
12.25 agent of the CMO, EMO, or online education service provider or any affiliated organization  
12.26 is a board member of the school;

12.27 (7) the policies and protocols that meet federal and state laws regarding student and  
12.28 personnel data collection, usage, access, retention, disclosure and destruction, and  
12.29 indemnification and warranty provisions in case of data breaches by the CMO, EMO, or  
12.30 online education service provider; and

12.31 (8) an assurance that all assets purchased on behalf of the charter school using public  
12.32 funds remain assets of the school.

13.1 (c) Any contract with a CMO, EMO, or an online education service provider containing  
 13.2 any of the following provisions is null and void:

13.3 (1) restrictions on the charter school's ability to operate a school upon termination of  
 13.4 the agreement;

13.5 (2) restrictions on the annual or total amount of the school's operating surplus or fund  
 13.6 balance;

13.7 (3) authorization to allow a CMO, EMO, or online education service provider to withdraw  
 13.8 funds from a charter school account; or

13.9 (4) authorization to allow a CMO, EMO, or online education service provider to loan  
 13.10 funds to the school.

13.11 Sec. 12. Minnesota Statutes 2016, section 124E.17, subdivision 1, is amended to read:

13.12 Subdivision 1. **Charter school information.** (a) Charter schools must disseminate  
 13.13 information about how to use the charter school offerings to targeted groups, among others.  
 13.14 Targeted groups include low-income families and communities, students of color, and  
 13.15 students who are at risk of academic failure.

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

13.20 (c) A charter school must document its dissemination efforts in its annual report.

13.21 Sec. 13. **REPEALER.**

13.22 Minnesota Statutes 2016, section 124E.10, subdivision 5, is repealed."

13.23 Amend the title accordingly