

Gene:

On July 27, 2020, the Board of School Administrators met to review the proposed legislation on charter schools. The board asked me to express its deep appreciation for the opportunity to comment on the legislation. Our board aspires to agreement on this bill so that our board can endorse it in hopes of aiding its passage next session.

First, the board strongly supports strengthening the nepotism requirement contained in this bill. As you know, nearly half of the charter school directors have a license, consequently, the board has been engaged in cases involving nepotism. The board finds that simply requiring charter school boards to have a nepotism policy has not been enough to safeguard the public. The language below represents a significant step toward higher ethical standards. Respectfully, there was a concern expressed about the legal definition of "supermajority." I believe the board would prefer a more definitive language. One approach may be to consider the two-thirds standard for amending the US Constitution. See proposed changes below in red.

- (b) The board must adopt a nepotism policy that prohibits the employment of immediate family members of a board member, 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 :~~ without:  
(1) ~~it~~ publicly ~~posting~~ the position for 20 business days; and (2) ~~two-thirds of a supermajority of the hiring by the board of directors~~ **approves the hire**. 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.

The Board also strongly supports strengthening the qualifications to be an administrator of a charter school contained on Pages 20 lines 23 and offers no amendments.

- (a) A charter school board of directors must establish qualifications for all persons who hold administrative, supervisory, or instructional leadership positions. The qualifications must include a requirement that a person hold a minimum of a four-year degree from an accredited institution that includes education on the following: instruction and assessment, curriculum design, human resource and personnel management, professional ethics, child development, financial management, legal and compliance management, special education oversight, contract management, effective communication, cultural competency, board and authorizer relationships, parent relationships, and community partnerships. A charter school board of directors must use those qualifications as the basis for the job description, hiring, and performance evaluation of the charter school director. The charter school director must use those qualifications as the basis for the job descriptions, hiring, and performance review for the administrative, supervisory, and instructional leaders who report to the charter school director.

- (b) A person who does not hold a valid administrator's license may perform administrative, supervisory, or instructional leadership duties. A person without a valid administrator's license must

complete a minimum of 25 hours annually of competency-based training modules corresponding to the individual's annual professional development needs and plan approved by the charter school board of directors. Training modules include but are 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.

The Board wants to affirm that the eight hours of training required in section (c) below would be on top of the 125 clock hour requirement for licensed administrators. The board supports this additional requirement.

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

The Board strongly supports strengthening ethical standards concerning the consulting work of charter school employees. The board has had concerns with charter school consultants at affiliated building companies as well and respectfully suggest that they be part of this legislation (see suggested language below). The board also believes the authorizers ought to be made aware of such arrangements.

**Page 22 lines 6 – 8      charter school directors and contracts with other schools**

(f) No charter school administrator may serve as a paid administrator or consultant with another charter school or an affiliated building company without the knowledge and a two-thirds vote of approval of the board of directors of the charter schools involved in such an arrangement. The board of directors involved in such arrangements must submit the administrator or consultant contract to the affected authorizers for review.

The Board strongly supports the additions to this section and suggests it cover ex-officio members and ABC's as well (see amendments in red).

124E.13 Subd. 3. Affiliated nonprofit building corporation.

(a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. A charter school may organize an affiliated nonprofit building corporation if the charter school:

(1) has operated for at least six consecutive years;

- (2) as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;
- (3) has long-range strategic and financial plans that include enrollment projections for at least five years;
- (4) completes a feasibility study of facility options that outlines the benefits and costs of each option; and
- (5) has a plan that describes project parameters and budget.

(b) An affiliated nonprofit building corporation under this subdivision must:

- (1) be incorporated under section 317A;
- (2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;
- (3) post on the school website the name, mailing address, bylaws, minutes of board meetings, and names of the current board of directors including ex-officio board members, of the affiliated nonprofit building corporation;
- (4) submit to the commissioner a copy of its annual audit by December 31 of each year; and
- (5) comply with government data practices law under chapter 13.
- (6) comply with Chapter 13D governing open meetings

(c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(d) The Board of Directors of an affiliated building company including ex-officio board members, must be composed of members who are not immediate family members or related parties. An individual on the affiliated building company board, including ex-officio board members, must not be a family member, employee, or contractor of the charter school.

(e) The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer must oversee the efforts of the board of directors of the charter school to ensure legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must consider that failure when evaluating the charter school.