



## **Celebrating Chartering @ 30 – MINNESOTA'S STORY**

While the 2009 Legislature legalized Affiliated Building Companies (ABC's), there was agreement that this solution was short term and that the goal was to finally address direct ownership of facilities in the 2010 session.

Given her stewardship of the 2009 legislation, Senator Kathy Saltzman was charged by leadership to take lead on the charter school facilities issues in the Senate. Senator Saltzman authored the legislation in the Senate, while Representative Linda Slocum carried the bill in the House. While the bill did get a hearing in the House, action was focused over in the Senate. A couple dozen meetings were held with school leaders, lenders, lawyers and other interested parties, and multiple hearings in the Senate Education Committee.

The final legislation would have done the following:

- Prohibit any new ABC's from being established,
- Establish accountability requirements for existing ABC's
- Establish a process for transitioning from an ABC to direct ownership
- Revamp the Lease Aid program to create 3 types of facilities aid, lease aid for schools that lease space, transitional facilities aid for schools with existing ABC's, and building aid for schools that no longer have outstanding bonds or mortgages.
- Allow a charter school to own facilities directly,
- Establish eligibility criteria for schools seeking to own a facility,
- Create a state Charter School Facilities Authority that would approve schools seeking to own facilities,
- Grant the Charter School Facilities Authority the ability to issue revenue bonds for charter school facilities,
- Establish a total amount of bonding authority of the Charter School Facilities Authority
- Establish processes for the sale of the bonds, repayment of bonds by schools, oversight of situations involving defaults on the bonds, mandatory technical assistance for schools in potential default, etc. etc. etc.
- Require an annual inventory of vacant public buildings which could be utilized for long-term lease to charter schools

Despite the enormous effort and work to craft the legislation and get buy-in from all the various stakeholders, the bill failed in conference committee. The House was willing to go along with the charter school facilities legislation if the Senate would agree to legislation the House wanted that would allow traditional districts' school boards to renew certain levies without voter approval. In the wee hours of the last night of the session, neither the Senate nor the House were willing to compromise with the other, so neither the Senate nor the House provisions made their way into the final conference committee bill.

**NOTE:** Twelve (12) years later, the direct ownership of charter school facilities and related proposals are still not resolved.

**P.S.** There was one piece of legislation regarding charter schools passed in 2010. The law was changed to accelerate the cash flow aid payments for small charter schools whose enrollment was 100% special education.

**NEXT WEEK: The Third Decade: 2011 – 2021**



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