



ISSUE: Charter School Lease Aid

In 1997, the Legislature established Lease Aid to help schools cover leasing costs, as they were not permitted to own facilities. Initially, the aid was set at \$1,500 per pupil but was reduced to \$1,200 in 2003. It was later increased to \$1,314 per pupil in 2013, where it has remained ever since. **If lease aid had been tied to inflation since its inception in 1999, it would now exceed \$2,400 (CPI).**

Today, charters are eligible to receive the lesser of 90% of total lease costs or \$1,314 per pupil. **In FY23, total lease costs of all charters amounted to \$121.4 million dollars, with a Lease Aid appropriation of only \$89.2 million.** This means an additional **\$32.2 million** was paid from the schools' general funds.

All schools are facing increasing lease costs, and given lease aid has not been raised in over a decade, every year more lease costs are coming out of general funds for the classroom.

STATUTORY REFERENCE: MN Statutes 124E.26, 124E.22, and 124E.13

POLICY SOLUTION: Increase Lease Aid and Link to the General Formula

- Increase Lease Aid to reflect rising facility costs.
- Link increases in Lease Aid to increases in the general formula for predictable and equitable funding.

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