



Send to TK

Minnesota State Board of Education

705 Capitol Square Building, 550 Cedar Street, St. Paul, MN 55101 (612) 297-1925

TO: Senator Ember Reichgott

FROM: Marsha Gronseth *Marsha*
Executive Director
State Board of Education

DATE: April 5, 1990

RE: Chartered school legislation

I am writing regarding the chartered school legislation that is included in S.F. 1898. Although the state board has not adopted any specific position regarding the concept of chartered schools, I would like to share some concerns about the potential role that the state board would be required to play under the chartered school legislation as it is currently drafted. I requested Chuck Mottl, attorney general for the state board, to review the draft and he raised the following issues relating to the state board.

If the state board were to grant the charter for a school, instead of a local school board, the state board would have to negotiate the terms of the charter. As the bill is drafted, the charter would have to address issues such as the budget and financing of the school, as well as provide evidence of an agreement with all of the involved bargaining units about employment procedures for the chartered school. This poses a serious problem because the state board would not have any jurisdiction over the use of individual school district revenues to provide financing for a chartered school. In the alternative, if state money were to be used, the legislature would have to appropriate additional money to be used to fund a school chartered by the state board.

A similar problem would occur in regard to entering into any agreement relating to employment issues. The state board not have any authority to alter the collective bargaining contracts or tenure laws that govern the employment terms of the local school district employees. Therefore it seems that the local school district would have to be a party to any agreement entered into between the state board and the chartered school.

An additional concern of the state board is the question of who would assume liability for the school's debts in the event a school chartered by the state board would file bankruptcy or unexpectedly relinquish the charter while still having substantial outstanding debts.

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Although this is a very brief overview of some of the more critical issues, I hope I have demonstrated why it would be difficult, if not impossible, for the state board to effectively grant a school charter under the current legislation. If you would not object, I would suggest that any involvement by the state board be deleted from this legislation at this time. While it may be appropriate to involve the state board and provide state funding for these schools at some point in the future if school districts do not grant charters, this would allow some time to explore different ways of how to best structure any potential state involvement. I understand that Betsy Rice has briefly discussed the board's concerns with you. Betsy and I have also discussed some additional issues that were raised by the state board's attorney general which relate to local school districts granting charters to schools. I indicated to Betsy that I would be very willing to work with her and other legislative staff during conference committee in redrafting some of the specific language to resolve some of the technical problems, if you wish.

I appreciate any consideration you may give to the state board's concerns regarding this matter. Please do not hesitate to call me at 7-1925 if you have additional questions.

cc: Betsy Rice
Tom Lindquist, State Board Chair