

S.F. No. 977, as introduced - 87th Legislative Session (2011-2012) [11-2173]

2.1 Sec. 2. Minnesota Statutes 2010, section 124D.11, subdivision 4, is amended to read:

2.2 Subd. 4. **Building lease and savings aid.** (a) When a charter school finds it
2.3 economically advantageous to rent or lease a building or land for any instructional
2.4 purposes and it determines that the total operating capital revenue under section 126C.10,
2.5 subdivision 13, is insufficient for this purpose, it may apply to the commissioner for
2.6 building lease aid for this purpose. The commissioner must review and either approve or
2.7 deny a lease aid application using the following criteria:

2.8 (1) the reasonableness of the price based on current market values;

2.9 (2) the extent to which the lease conforms to applicable state laws and rules; and

2.10 (3) the appropriateness of the proposed lease in the context of the space needs and
2.11 financial circumstances of the charter school.

2.12 (b) A charter school must not use the building lease aid it receives for custodial,
2.13 maintenance service, utility, or other operating costs. The amount of building lease aid
2.14 per pupil unit served for a charter school for any year shall not exceed the lesser of ~~(a)~~
2.15 (1) 90 percent of the approved cost or ~~(b)~~ (2) the product of the pupil units served for the
2.16 current school year times the greater of the charter school's building lease aid per pupil
2.17 unit served for fiscal year 2003, excluding the adjustment under Laws 2002, chapter
2.18 392, article 6, section 4, or \$1,200.

2.19 (c) If a charter school, currently receiving aid under this subdivision, negotiates a
2.20 lease that would decrease the lease aid per pupil unit that the charter school receives, the
2.21 charter school's savings aid shall equal one-half of that difference. If a charter school
2.22 has not previously received aid under this subdivision, the charter school's savings aid
2.23 shall equal one-half of the difference between \$1,200 and the school's initial lease aid
2.24 per pupil unit.

2.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
2.26 and later.