



Association of Metropolitan School Districts

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AMSD Position on Charter Schools

The Department of Education should be directed to identify which, if any, exemptions from state law or rule allow charter schools to increase student achievement or increase efficiencies. The Governor and Legislature should extend any identified exemptions to all school districts. In addition, the State should fully reimburse school districts for the cost of providing transportation and special education services to charter school students.

AMSD BELIEVES

- Students and families are best served when charter schools are held to the same high standards applied to school districts.
- The State should fully reimburse school districts for the costs related to providing transportation and special education services to charter school students.

- 5) creating new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Charter schools are exempt from many state statutes and rules applicable to school districts to allow them to pursue these goals. However, the state does not collect best practices data from charter schools or examine whether freedom from certain state statutes and rules has allowed them to accomplish their achievement goals.

The first charter school opened in Minnesota in 1992. A key motivation behind establishing charter schools was the opportunity for charters to serve as labs of innovation to try new instructional strategies and models that, if successful, could be replicated by school districts throughout the state. According to the charter school law (124E.01), the purpose of charter schools is to:

- 1) increasing learning opportunities for all pupils;
- 2) encouraging the use of different and innovative teaching methods;
- 3) measuring learning outcomes and creating different and innovative forms of measuring outcomes;
- 4) establishing new forms of accountability for schools; or

Under current law, charter schools bill a special education student's resident school district for eligible unreimbursed special education costs. This has a significant impact on school districts as charter schools spend more per pupil than traditional schools to educate students with special needs. School districts have no ability to ensure that the services provided by charter schools are delivered effectively and efficiently exacerbating the underfunding of district special education programs. Prior to FY 2015, charter schools were able to bill back 100 percent of eligible unreimbursed costs. Beginning in FY 2015, charter schools were allowed to bill back no more than 90 percent of eligible unreimbursed costs, unless at least 90 percent of the charter schools' students qualify for special education costs in which case the full 100 percent could be billed back to the resident school district. The 2019 Legislature further restricted the amount charter schools can bill the resident school district to 85 percent in FY 2020 and 80 percent in FY 2021 and later.

As the chart below shows in column (G), this has a tremendous financial impact on metropolitan school districts, with average cross-subsidies ranging from \$860 per pupil to more than \$1,200 per WADM. In comparison, the average per pupil cross-subsidy for charter schools is just \$102.¹

In 2018-19, AMSD districts spent more than \$53 million of their general education

revenue on special education costs for resident students attending charter schools.

Similarly, school districts are required to provide transportation services for any resident student attending a charter school if the charter school chooses to not provide transportation services. School districts must use general education revenue to cover any unreimbursed transportation costs.

SPECIAL EDUCATION CROSS SUBSIDY BY DISTRICT TYPE

Special Education Cross-Subsidies FY 2019

District	(A) Adjusted PU	(B) Sped Educ Expenditure	(C) Categorical Revenue	(D) Gross Cross Subsidy (B-C)	(E) Adj. Gen Rev for SpEd	(F) Adj Net Cross Subsidy (D-E)	(G) Per WADM
Totals	947,454	2,092,546,717	1,237,274,196	861,919,434	102,309,840	759,692,597	801.83
BY STRATUM							
MPLS & ST PAUL	76,009	222,298,830	112,024,375	110,274,455	16,632,632	93,641,823	1,231.98
OTHER METRO, INNER	97,840	221,426,394	111,023,588	110,402,806	14,364,168	96,038,639	981.59
OTHER METRO, OUTER	299,957	662,550,798	371,493,820	291,056,979	32,839,745	258,217,234	860.85
NONMET >=2K	210,227	471,961,919	278,893,887	193,068,032	22,626,579	170,441,453	810.75
NONMET 1K-2K	104,502	192,201,939	111,658,740	80,543,199	7,621,240	72,921,959	697.80
NONMET < 1K	95,620	163,960,496	95,939,766	68,020,730	6,046,180	61,974,550	648.13
District Totals	884,156	1,934,400,377	1,081,034,175	853,366,202	100,130,544	753,235,657	851.93
Charter Schools	63,298	158,146,340	156,240,021	8,553,233	2,179,296	6,456,940	102.01

Source: Minnesota Department of Education, October 2020

END NOTES

¹ [Minnesota Department of Education: Special Education Cross-Subsidies.](#)