



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 \$1,124 per WADM. In comparison, the average per pupil cross-subsidy for charter schools is just \$93.58.¹

In FY 2017, AMSD districts spent more than \$42 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 2018

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	942,947	1,997,920,891	1,165,487,655	832,433,236	101,382,866	731,042,635	775.27
BY STRATUM							
MPLS & ST PAUL	77,450	222,006,019	118,049,006	103,957,012	16,857,249	87,099,764	1,124.60
OTHER METRO, INNER	98,258	208,868,350	103,590,331	105,278,019	13,966,521	91,311,498	929.30
OTHER METRO, OUTER	298,171	637,248,886	348,296,058	288,952,828	32,550,800	256,402,028	859.92
NONMET >=2K	208,883	447,744,936	265,056,742	182,688,194	22,108,342	160,579,852	768.75
NONMET 1K-2K	104,509	184,884,847	106,751,489	78,133,358	7,738,949	70,394,409	673.57
NONMET < 1K	95,305	156,663,153	91,014,589	65,648,564	6,034,990	59,613,574	625.50
District Totals	882,576	1,857,416,191	1,032,758,215	824,657,975	99,256,851	725,393,390	821.90
Charter Schools	60,371	140,504,700	132,729,439	7,775,261	2,126,015	5,649,245	93.58

Source: Minnesota Department of Education, August 2019

END NOTES

¹ [Minnesota Department of Education: Special Education Cross-Subsidies Fiscal Year 2018.](#)