



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 charter schools 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 may 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 may be billed.

back to the resident school district. As the chart below shows in column (G), this has a tremendous financial impact on metropolitan school districts, with average cross-subsidies ranging from \$797 per pupil to more than \$1,200 per WADM. In comparison, the average per pupil cross-subsidy for charter schools is just \$95.¹

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

Table 2: Special Education Cross-Subsidies FY 2017

District	(A) Adjusted PU	(B) Special Education Expenditure	(C) Categorical Revenue	(D) Gross Cross- Subsidy (B-C)	(E) Adjusted General Education Revenue for Special Education	(F) Adjusted Net Cross- Subsidy (D-E)	(G) Per WADM
Totals	934,686	1,917,310,562	1,102,151,023	815,159,540	107,270,822	707,888,718	757.35
By Stratum							
Minneapolis and St. Paul	77,932	227,019,005	113,792,019	113,226,986	18,173,463	95,053,523	1,219.69
Other Metro, Inner	97,379	202,159,768	99,810,904	102,348,864	14,264,495	88,084,369	904.56
Other Metro, Outer	296,239	604,159,083	334,208,389	269,950,694	33,663,475	236,287,219	797.62
NonMet > = 2K	206,641	431,531,807	248,263,374	183,268,434	24,004,207	159,264,226	770.73
NonMet 1K-2K	104,128	178,379,607	103,648,407	74,731,200	8,132,774	66,598,426	639.58
NonMet < 1K	94,785	151,827,912	87,781,469	64,046,443	6,908,724	57,137,718	602.82
District Totals	877,104	1,795,077,182	987,504,562	807,572,620	105,147,138	702,425,481	800.85
Charter Schools	57,583	122,233,381	114,646,461	7,586,920	2,123,683	5,463,237	94.88

Source: Minnesota Department of Education, July 2018

END NOTES

¹ [Minnesota Department of Education: Special Education Cross-Subsidies Fiscal Year 2017.](#)