



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) create 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) Increase learning opportunities for all pupils;
- 2) encourage the use of different and innovative teaching methods;
- 3) measure learning outcomes and creating different and innovative forms of measuring outcomes;
- 4) establish 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 \$718 per pupil to more than \$1,150 per WADM. In comparison, the average per pupil cross-subsidy for charter schools is just \$111.¹

School districts are also 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.

In 2019-20, AMSD districts spent more than \$47 million of their general education revenue on special education costs for resident students attending charter schools.

The Minnesota Department of Education estimates that public school districts spent more than \$5.1 million in FY22 transporting students to charter schools.

SPECIAL EDUCATION CROSS SUBSIDY BY DISTRICT TYPE

Special Education Cross-Subsidies FY2021

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 Adjusted Weighted Pupil Unit WADM
Totals in \$	930,962	2,198,800,026	1,459,462,150	739,337,876	103,231,639	636,106,236	683.28
By Stratum							
Minneapolis and St. Paul	71,295	234,473,008	136,906,390	97,566,617	15,427,920	82,138,697	1,152.10
Other Metro, Inner	95,106	236,014,912	144,273,871	91,741,041	14,856,440	76,884,601	808.41
Other Metro, Outer	294,101	689,319,561	443,464,192	245,855,369	34,753,650	211,101,719	717.79
Non-Metro >= 2K	206,303	496,958,735	327,540,352	169,418,383	23,125,411	146,292,972	709.12
Non-Metro 1K-2K	100,263	196,687,312	127,790,561	68,896,751	7,235,040	61,661,711	615.00
Non-Metro < 1K	94,218	168,444,203	112,704,586	55,739,617	5,462,734	50,276,883	533.62
District Totals	861,286	2,021,897,730	1,292,679,953	729,217,777	100,861,194	628,356,583	729.56
Charter Schools	69,675	176,902,295	166,782,197	10,120,099	2,370,446	7,749,653	111.23

Source: Minnesota Department of Education, August 2022

END NOTES

¹Minnesota Department of Education: Special Education Cross-Subsidies.