



Association of Metropolitan School Districts

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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.
- School districts should not be required to subsidize the transportation and special education costs of charter schools.

- 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.

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As the chart below shows in column (G), this has a tremendous financial impact on AMSD member school districts, with average cross-subsidies ranging from \$854 per pupil to more than \$1,300 per WADM. In comparison, the average per pupil cross-subsidy for charter schools is just \$160.¹

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 2022-23, AMSD districts spent nearly \$60 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 will spend more than \$5.7 million in FY23 transporting students to charter schools.

SPECIAL EDUCATION CROSS-SUBSIDY BY DISTRICT TYPE

Special Education Cross-Subsidies FY2022-23

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 \$	931,737	2,308,362,180	1,449,921,072	858,441,108	104,513,959	753,927,150	809.16
By Stratum							
Minneapolis and St. Paul School Districts	67,407	229,690,551	124,513,017	105,177,534	15,316,900	89,860,633	1,333.11
Other Metro, Inner Ring Suburbs	94,647	252,699,599	137,133,148	115,566,451	14,598,626	100,967,825	1,066.79
Other Metro, Outer Ring Suburbs	295,083	728,600,070	441,050,872	287,549,198	35,395,880	252,153,318	854.52
Non-Metro >= 2K Pupils	208,491	520,586,287	330,103,930	190,482,357	23,423,463	167,058,894	801.27
Non-Metro 1K-2K Pupils	100,301	208,081,478	128,682,806	79,398,671	7,475,541	71,923,131	717.07
Non-Metro < 1K Pupils	94,870	179,001,768	112,708,828	66,292,940	5,722,995	60,569,945	638.45
District Totals	860,799	2,118,659,753	1,274,192,603	844,467,151	101,933,404	742,533,747	862.61
Charter Schools	70,938	189,702,427	175,728,470	13,973,957	2,580,555	11,393,403	160.61

Source: Minnesota Department of Education, July 2023

END NOTES

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