



## AN AGENDA TO FULFILL A PROMISE 2019-2020

When Minnesota's charter school law was enacted in 1991 the underlying promise was that chartered public schools would have the autonomy and ability to be innovative **in exchange** for being accountable for student success and good stewardship of resources.

*Twenty-seven years later that promise is still a work in progress.*

While charter schools have been held accountable for student success and good stewardship of resources, public policies have not provided the autonomy, nor resources for charter schools to fulfill the innovative purposes outlined in the charter school law.

One measure of accountability is that 25% of chartered schools have closed, or never opened because they did not demonstrate results or fulfill their original promise. One measure of public policy not fulfilling its promise is the growing disparity in funding for charter school students.

*Twenty-seven years later that promise is still a work in progress.*

**Today, there are three significant areas of public policy** which need to be addressed to provide the latitude promised to charter schools.

- 1] **Equitable Funding for Charter School Students**
- 2] **A Rationale Policy Approach for Charter School Facilities**
- 3] **The Latitude for Innovation – Accountability vs Autonomy**

### 1] **EQUITABLE FUNDING FOR CHARTER SCHOOL STUDENTS**

- 1 Provide schools with **an increase in the general revenue formula** that at least matches the rate of inflation in the previous biennium.
- 2 Provide **adequate and stable funding for Pre-K programs**.
- 3 Increase the state percentage of special education funding.
- 4 Require that the **state fund all Cross-District Special Education Costs** and eliminate Tuition Bill Back to resident districts.
- 5 Provide **full and equal Extended Time Revenue** for students who attend chartered public schools.
- 6 Allow charter school that serve significant populations of graduation incentive students to be designated as an **Alternative Learning Program (ALP) and be eligible for ALP funding**.

- 7 Provide equitable **Small School Revenue** to the same percentage of charter schools as traditional districts that qualify for this revenue. (*Approximately 50% of schools districts receive Small School Revenue*)
- 8 Provide adequate **QComp Funding** to allow for the additional schools who wish to participate in the program.
- 9 Provide that charter school students with **equal funding from Local Option Levies**
- 10 Provide that charter school students who attend a charter school in their resident district receive an **equal share of excess levy revenue** adopted by the voters of that district.
- 11 Require the state to **provide charter schools with the difference when the state shifts funding from state revenue sources to local property taxes**, or require that local property taxes provide charter school students who attend a charter school within their resident district an equal share of funds from the cost shift to property taxes.
- 12 Provide all public schools with adequate funding to meet the increasing cost of student transportation.
- 13 Provide charter schools with the state average of local health and safety levies that traditional districts can levy without voter approval to assist schools in meeting federal, state, and local health & safety requirements.
- 14 Provide adequate and ongoing funding to all public schools for school counselors and mental health services.
- 15 Provide per-pupil state school safety revenue to enhance the safety of school facilities and services to maintain safe learning environments for students.

## 2] A RATIONAL POLICY APPROACH FOR CHARTER SCHOOL FACILITIES

- 1 Allow direct ownership of facilities by charter schools that meet appropriate criteria, including a record of effective governance, sound financial management, effective business practices, and a plan for a sustainable future.
- 2 Establish a Minnesota Charter School Facilities Authority empowered to issue bonds for qualifying charter schools to purchase, purchase and renovate, or construct facilities directly owned by the school
- 3 Transfer the ownership of school facilities currently held by a school's non-profit affiliated building company to the school non-profit corporation when the mortgage or bonds of that affiliated company are either renegotiated or redeemed, so that if a school closes after that point, the facility is deemed school property and a public asset.
- 4 Restructure "Lease Aid" revenue to be "Facilities Aid" revenue with a differentiated rate for "Facility Lease Aid" for all schools that lease or have a mortgage, and "Facility Asset Preservation Aid" for schools that own a building without any debt on the facility.

- 5 Allow facility related health and safety facility requirements as allowable expenses in the definition of Facilities Lease Aid and Facility Asset Preservation
- 6 Limit the amount a school district or other public entity may charge for leasing a facility to a charter school to the “Facility Asset Preservation Aid” revenue rate if the public facility is without debt.
- 7 Provide leverage to charter schools in negotiating leases by allowing charter schools to include health and safety requirements in lease costs eligible under Facilities Aid Revenue, given that charter schools must comply with all federal, state and local health and safety laws and regulations, but do not possess the ability to levy for Health and Safety as traditional districts
- 8 Exempt property a charter school leases from a property owner from real estate taxes on the portion of the property the school leases, in the same manner as property leased by a traditional district is exempt.
- 9 Clarify that the Commissioner approves or disapproves the Lease Aid application, not the actual lease(s) of a school.
- 10 Tie the per pupil amount of Lease (Facilities) Aid amount to 20 percent of the general revenue formula.

### **3] THE LATITUDE FOR INNOVATION – BALANCING ACCOUNTABILITY VS AUTONOMY**

- 1 Define the goal of charter schools to be broader than student achievement on state tests, and reinforcing the language on the innovative purposes of chartered schools.
- 2 Define the role and responsibilities of authorizers, as well as the relationship between MDE, authorizers and charter schools.
- 3 Require authorizers to document annual training of authorizer staff and consultants relative to chartering and an authorizers role and responsibilities
- 4 Revise the definition of “immediate family” to eliminate first cousins, and align the definition of “related party” with “Immediate family”
- 5 Clarify that it is the obligation of a resident district to provide early childhood health and development screening for all children in a resident district because they receive funding for that purpose.
- 6 Provide start-up funding for new authorizers, and allow cities of the first and second class to be authorizers
- 7 Clarify that an authorizer is an approved authorizer until it voluntarily withdraws or the Commissioner withdraws it’s approval
- 8 Define the scope and criteria the commissioner may use in the performance evaluation of authorizers (MAPES) to eliminate its bureaucratic focus

- 9 Clarify that a school is held harmless in moving forward with an grade expansion or site expansion when an authorizer is developing its improvement plan under MAPES
- 10 Establish a “safe harbor” process for schools when an authorizer goes out of business by either its own action or that of the commissioner
- 11 Require “market research” that outlines the need and potential market for a school in the school developer application to an authorizer
- 12 Allow a charter school that serves a significant population of eligible “graduation incentive” students to become alternative learning programs and be eligible for additional funding
- 13 Redefine the role and responsibilities of MDE in grade, site and pre-school expansions by schools to that of “review and comment” with final decision left with the authorizer
- 14 Revise the school merger language to clarify the role and responsibilities of MDE and authorizers, and the criteria for the merger of schools
- 15 Clarify the definition of who qualifies as a “teacher” for serving on a charter school board
- 16 Establish that the regular term of office for charter school board members begin on July 1 and end on June 30 to coincide with the fiscal year
- 17 Require that charter corporation by-laws establish terms limits for members and officers
- 18 Remove the chief financial officer as an ex-officio non-voting member of the board
- 19 Clarify the definition of the basic board training required, and that ongoing training includes training on the board’s role and responsibilities regarding student performance, achievement, and progress
- 20 Clarify that the vote by teachers and the board in changing a board structure are two distinct votes
- 21 Ensure that enrolling schools provide parents and students with complete and accurate information about online opportunities, supplemental and comprehensive within and outside of school, and about their right to choose an online opportunity
- 22 Require an enrolling district to allow an online learning student to remain at the school site during regular school hours
- 23 Require MDE to create and implement a differentiated approach to approve and evaluate online programs recognizing the full range of online instructional models and student demographic profiles
- 24 Require MDE to collect and publish accurate and transparent staffing ratios of online programs including a consistent method of calculating online teacher, counselor and special education workloads.
- 25 Amend MN Statutes 471.59 to allow charter schools to enter into “joint powers” agreements with traditional districts and/or between charters to provide for special education services and other purposes (*i.e. transportation, staffing, technology, etc.*)

- 26 Establish a multiple measure accountability system for charter school contracts with authorizers that the state recognizes that includes student achievement, career and college readiness and student engagement that is differentiated to match the school mission and the students the school serves
- 27 Require a charter school board to request a renewal of its charter before the end of the contract and allow charter schools in good standing with their authorizer to transfer to another authorizer at the end of a contract without the approval of the current authorizer
- 28 Require that the 'informal hearing' that is held regarding a contract non-renewal or termination be recorded, made available to all parties and the public, and be kept on record
- 29 Revamp the mutual non-renewal process to reflect the an 'review and comment' role for MDE
- 30 Require that schools granted only a one or two year charter renewal establish a reserve fund for the potential closure of the school to ensure funding for paying its creditors
- 31 Establish a school closure process that includes the appointment of trustee to oversee the school closure, a closure fund that is dedicated for that purpose, and overseen by a joint MACS, MACSA and MDE
- 32 Clarify that the prohibition on distributing services or goods of value in exchange for enrollment includes gifts of money, as well as agents of the school
- 33 Require teacher preparation programs to equip perspective teachers with online teaching competencies
- 34 Revise the Tiered License system to eliminate annual renewal of license for innovative interdisciplinary programs
- 35 Revamp and modernize the teacher Re-licensure system process and procedures
- 36 Provide ongoing and sustainable policy and financial incentives for programs to recruit, prepare and support a teaching workforce that reflects Minnesota's demographic diversity
- 37 Clarify the provision that all administrative, supervisory and instructional leadership personnel must have a professional development plan, but eliminate the requirement that those plans be documented in the school's annual report
- 38 Revise the requirement that group health insurance must be rebid at least every two years
- 39 Clarify that school employees, parents and board members of a charter school cannot be on the authorizing board of the authorizer of the school
- 40 Define CMO and EMO's and establish transparency and accountability measures to protect charter schools in contracts with a CMO or EMO, and require these organizations to report expenditures to schools using UFARS codes
- 41 Clarify which management agreements need to be included with the school's annual audit

- 42 Clarify that charter schools document the efforts to disseminate information about charter school offerings to low-income families, students of color and students at risk in the annual report.
- 43 Address the requirement that charter schools carry an additional \$3 million in liability coverage for potential release of hazardous substances
- 44 Allow a charter school student to participate in a High School League activity in their resident district if the charter school does not offer the activity or does not have a cooperative agreement with another school(s) for that activity.

**Adopted by the Board and Ratified by the Membership – November, 2018**