



Celebrating Chartering @ 30 – MINNESOTA'S STORY

The concerns about the financial management of charter schools continued to be a primary focus well into the decade of 2000-2009.

In the summer of 2004, Representative Entenza issued another in a series of reports on the financial management of charter schools. The report found that of 88 charter schools, 26 failed to submit their financial data to the commissioner by the December 31st deadline in 2003. The report also pointed out that several charter schools did not provide board minutes as requested and required under the Data Practices Law. His report called for more oversight of charter school finances by the Department of Education.

In the fall of 2004, another charter school, Colonel Charles Young Military Academy, financially collapsed. This failure of financial management prompted the MN Department of Education to require management training for charter school boards and sponsors.

In 2005, legislation was proposed to give the commissioner the authority to close charters if they missed financial deadlines.

In 2006, the MN State Auditor issued a report titled: **Financial Trends of Minnesota School Districts and Charter Schools 2001-2005**. The Report had three purposes: 1] to provide citizens and policy makers a greater understanding of education finances, 2] offer a way to compare districts and charters in terms of revenues and expenditures; and 3] communicate areas of concern regarding oversight.

At the end of the Report, the State Auditor included a four-page Addendum about the financial management of charter schools. The Auditor wrote, "*While the concept undoubtedly served many students well, it is a fact that many charter schools have been poorly managed. **It does not appear that this mismanagement is intentional in most cases, rather, many charter schools appear to suffer from a lack of financial training and expertise.***"

*"In light of financial problems charter schools have and are experiencing, the **State Auditor's***

Office will be increasing its oversight of charter schools. Specifically, the office has begun conducting desk reviews of annual audits submitted by charter schools.”

“Because charter schools are publicly funded entities, financial mismanagement is especially troubling. **Not only do charter school students miss out on educational opportunities when finances are mismanaged, the public trust is also violated as taxpayer dollars are squandered.** As the taxpayer’s watchdog, the **State Auditor’s Office will work to ensure that public dollars are spent appropriately in charter schools so that an interesting and innovative concept is given the opportunity to succeed.**”

NEXT WEEK: Recommendations for the 2005 Legislative Brief Update and the 2005-2007 Accountability Changes



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