



MINNESOTA: THE MODEL OF CHARTER SCHOOL TRANSPARENCY AND ACCOUNTABILITY

Among the criticisms **often raised across the country** about chartered public schools, is that charter schools are neither transparent nor accountable. The litany of criticisms includes, but is not limited to:

- Charter schools are not subject to Open Meeting laws,
- Charter schools do not do annual audits,
- Charter school online programs are unregulated,
- Charter school board members, founders and administrators are not subject to conflict of interest laws,
- There is no oversight of the performance of authorizers,
- Charter schools screen out special education students,
- Charter schools pick and choose their students,
- Charter schools are not subject to state accounting rules,

One would be dishonest if they did not acknowledge that there are states where some or all these criticisms may be true. There are states with weak laws and/or lax oversight which undermines public confidence and trust.

MINNESOTA is not a state with a weak law or lax oversight.

Minnesota's Charter School Law and Practices are TRANSPARENT AND ACCOUNTABLE.

From the beginning, Minnesota's law has been one of the strongest, if not **the** strongest law, in terms of requiring transparency and accountability. Nor is there lax oversight of chartering in this state. As the chartered public school movement has grown and matured in Minnesota, the **charter school community itself** has put forward numerous transparency and accountability measures and have gotten them enacted into law.

Minnesota's chartered public schools **are accountable to the state, the school's authorizer, and ultimately to the parents** of the children who attend the school.

- Minnesota's charter schools **must comply** with the state Open Meeting law.
- Minnesota's charter schools **must comply** with the state Data Practices law.
- Minnesota's charter schools **must comply** with UFARS – the state's Uniform Financial Accounting Reporting System.
- Minnesota's charter schools **must have an independent annual audit** and submit the audit to the Commissioner of Education.
- Minnesota's charter schools **must publish** a public annual report.
- Minnesota's charter schools that offer online programs **must seek state approval**.
- Minnesota's charter schools **must employ** teachers licensed by the state.
- Minnesota's charter schools **must comply** with the MN Teacher's Retirement Act and the Public Employees Retirement Act.
- Minnesota's charter schools **must comply** with the state Human Rights Act.

- Minnesota’s charter schools **are prohibited** from limiting admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, or any requirements or criteria for admission that are not allowed in law.
- Minnesota’s charter schools **must comply** with special education laws regarding pupils with a disability as though it were a district.
- Minnesota’s charter schools **must comply** with the Pupil Fair Dismissal Act.
- Minnesota’s charter schools **must comply** with state laws on bullying and maltreatment reporting.
- Minnesota’s charter schools **must comply** with the World’s Best Work Force requirements and graduation standards.
- Minnesota’s charter schools must comply with all federal, state and local health and safety laws.
- Minnesota’s charter schools **must be organized and operate** as a MN nonprofit corporation under MN Statute 317A and comply with the provisions of that law.
- Minnesota charter school boards **must be composed** of teachers, parents and community members.
- Minnesota’s charter school board members **must take** basic education/training to serve on the board in the areas of governance, school finance and human capital management.
- Minnesota charter school board members are **required to do annual ongoing training** in addition to the basic education/training and report that in the school’s annual report.
- Minnesota’s charter school board members and administrators **are subject** to strict conflict of interest provisions in state law.
- Minnesota’s charter school boards, employees and officers **are prohibited** from accepting any compensation or gifts from health insurance providers.
- Minnesota’s charter schools with Affiliated Building Companies (an ABC) **are responsible** to ensure that the ABC complies with all applicable legal requirements
- Minnesota’s charter schools **must seek authorizer’s approval and a state sign-off** to expand beyond grades in the original charter or to add additional sites.
- Minnesota’s charter school authorizers **are subject** to a performance review by the state at least every five years.
- Minnesota’s charter school authorizers **must submit** an annual income and expenditure statement related to the oversight of charter schools.
- Minnesota’s charter schools **are fully liable** for their activities and **must indemnify and hold harmless** their authorizer and the state from any suit, or liability that arises from the school’s operation.

The ultimate accountability is that a **Minnesota’s charter school can be closed** by the authorizer or the state for failure to demonstrate satisfactory achievement for all students, failure to meet performance requirements of the charter contract, failure to meet generally accepted standards of fiscal management, and/or major or repeated violations of law.

Even though Minnesota is the model of accountability and transparency, the Minnesota Association of Charter Schools year-in and year-out has proposed and supported further measures to ensure that Minnesota’s chartered public schools are not subject to the criticism of chartered schools in other states. **Almost all of the transparency and accountability measures enacted by the legislature over the last decade have been put forth by Association.**

While Minnesota’s charter school law has been continually updated, there are transparency and accountability proposals which the MN Association of Charter Schools has brought forth to the legislature but have yet to be enacted into law including:

- 1] The establishment of transparency and accountability standards for contracts between a charter school board and a Charter Management Organization (CMO) and/or an Education Management Organization (EMO).
- 2] A requirement that charter schools document in the school’s annual public report how the school disseminated information about the school’s offerings to diverse populations and targeted groups defined in the charter school law.
- 3] Allowing eligible charter schools to directly own facilities instead of the current practice of affiliated building companies, and providing bonding for facilities, an incentive for schools to have leverage in negotiating leases and to reduce lease costs.
- 4] The codification of school accountability measures for schools serving significant populations of “graduation incentives eligible students”.
- 5] A requirement that enrollment lotteries be held in a public forum – i.e. parent meeting, board meeting, or a lottery event.
- 6] Require that the “informal hearing’ for contract non-renewal or termination be recorded, made available to all parties and the public, and be kept on record.
- 7] Establish a school closure process that includes the appointment of a trustee to oversee a school closure, establish a closure fund dedicated for that purpose that is overseen by MACS, MACSA and MDE.
- 8] Clearly define the role and responsibilities of an authorizer and require training on the charter law and oversight of charters for authorizer employees and consultants.
- 9] Prohibit school administrators of one charter school from serving on the board of another charter school, and prohibit charter school board members from serving on more than one charter school board.
- 10] Clarify the actions the Commissioner can take when an authorizer is not performing it duties, and establish that a school can, after a certain period of time, seek a new authorizer when the Commissioner takes action against an authorizer.

We hope that the Minnesota Legislature will enact these proposals which come from the lived experience of the law. We want to ensure that Minnesota remains the model of transparency and accountability for the nation.