

# FULFILLING THE POTENTIAL OF CHARTER SCHOOLS

A MINNCAN POLICY BRIEF

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# Introduction

Minnesota pioneered the charter school movement. In 1991, our state passed the nation's first charter school law, giving educators, parents and school districts the chance to open independent public charter schools. Under their contracts, or "charters," these schools enjoy more freedom than traditional public schools over how they operate in exchange for higher standards of accountability. The law also gives entities such as nonprofits, school boards and institutions of higher learning the power to authorize charter schools and hold them accountable for student learning.<sup>1</sup>

Lawmakers enacted the charter school law to give Minnesota families high-quality school choices, improve student learning and empower educators to innovate techniques to close the achievement gap. But 21 years and 148 charter schools later, Minnesota's charter schools movement is still a ways from fully accomplishing those objectives.

This policy memo explains why that is, providing an overview of Minnesota's charter school landscape and highlighting the policy roadblocks standing in the way of what could be a truly powerful charter school movement.

## Minnesota charter schools today

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The quality of Minnesota charter schools runs the gamut, with some schools achieving extraordinary results for students of color and lesser means, and others lagging woefully behind. At Hiawatha Academies, for example, more than 90 percent of students are low-income students of color, and they consistently outperform neighborhood schools, the Minneapolis school district and even the state.<sup>2</sup> In 2012, 85 percent of their Latino fifth graders scored proficient or advanced on the state's math assessment, compared to 38 percent of Latinos and 70 percent of whites statewide. Best Academy is also closing Minnesota's achievement gaps. Like Hiawatha Academies, more than 90 percent of their students come from low-income families of color. Yet 77 percent of their black students scored proficiently in math, outpacing Minnesota's white students by four percentage points.<sup>3</sup> By using their flexibility to insist on

<sup>1</sup> Lisa Larson, "Minnesota's Charter School Law," Minnesota House of Representatives House Research Department, accessed December 1, 2012, <http://www.house.leg.state.mn.us/hrd/pubs/ss/sschtsch.pdf>

<sup>2</sup> "2011-2012 Hiawatha Academies Academic Results," Hiawatha Academies, <http://www.hiawathaacademies.org/results/2011-2012/> See also "Data for Parents and Educators," Minnesota Department of Education, accessed December 1, 2012, <http://education.state.mn.us/MDEAnalytics/Reports.jsp>

<sup>3</sup> "Data for Parents and Educators," Minnesota Department of Education

high expectations, longer school days, talented staff and relentless accountability, Hiawatha Academies and Best Academy are making a real difference for the kids too often written off as unteachable.

Unfortunately, most Minnesota charter schools serving low-income students aren't matching the incredible results from Hiawatha Academies and Best Academy. According to the National Assessment of Educational Progress, only 13 percent of our state's fourth grade charter school students read on grade level, compared to 36 percent of non-charter school students. And only 21 percent of charter school fourth-graders are proficient in math, compared to 54 percent of non-charter school students.<sup>4</sup>

There are few signs that Minnesota's low-performing charter schools will improve without intervention. The Thomas B. Fordham Institute studied charter school performance in ten states and found that Minnesota has the highest rate of persistently low-performing charter schools in which student achievement falls in the bottom quartile of public schools statewide. In fact, 94 percent of charter schools identified as low-performing in 2004 were still low-performing five years later.<sup>5</sup> This stagnation violates the very principle charter schools were founded on: more flexibility in exchange for better results.

Policymakers, educators and even reformers have largely ignored these accountability issues. While it's true that the National Alliance for Public Charter Schools ranks Minnesota's charter school law as second best in the nation, it's absolutely false to think there isn't substantial room for improvement. NAPCS gave our law a score of 154 out of 208 possible points, which is tantamount to receiving a "C" grade of 74 percent.<sup>6</sup>

<sup>4</sup> "Public Charter Schools Dashboard," National Alliance for Public Charter Schools, accessed November 27, 2012, <http://dashboard.publiccharters.org/dashboard/home>

<sup>5</sup> David A. Stuit, *Are Bad Schools Immortal?*, Thomas Fordham Institute (District of Columbia, 2010), accessed November 27, 2012, [http://www.edexcellencemedia.net/publications/2010/20101214\\_AreBadSchoolsImmortal/Fordham\\_Immortal.pdf](http://www.edexcellencemedia.net/publications/2010/20101214_AreBadSchoolsImmortal/Fordham_Immortal.pdf)

<sup>6</sup> "Public Charter Schools Dashboard," National Alliance for Public Charter Schools

## The three key deficiencies in Minnesota's charter school law

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Minnesota's current charter school law falls short in three critical ways:

- Too little accountability for student performance
- Unfair allocation of funding and facilities
- Inflexible teacher hiring rules

## ***Too little accountability for student performance***

By and large, Minnesota’s persistently low-performing charter schools aren’t being held accountable for success. While authorizers and the commissioner of education are allowed to close charter schools for low student achievement, poor fiscal management, violating the law or other “good cause,” they aren’t required to take action. As a result, charter schools are often able to escape penalty, even when their students are falling behind.

Other states hold their charter schools to exceptionally high standards, particularly when it comes to student achievement. For example, Ohio automatically shuts down charter schools where student performance remains low for three out of four consecutive years.<sup>7</sup>

<sup>7</sup> Stuit, *Are Bad Schools Immortal?*

## ***Unfair allocation of funding and facilities***

If we are going to hold charter schools accountable in good faith, Minnesota must also remove barriers to their success such as inequitable funding, unfair access to facilities and inflexible hiring rules.

Funding disparities make it very difficult for new charter schools to incubate and great charter schools to replicate. Like any other organization, every penny counts during a charter school’s startup years. Charter School Partners, a Minnesota-based charter school advocacy organization, estimates that launching a new charter school requires \$500,000 to \$600,000 of funding over its first three years.<sup>8</sup> To make ends meet, new charter schools are forced to turn to the commercial market for loans. Unlike other public schools, however, charter schools aren’t entitled to the same low-interest rates, so their operational costs are even higher, making it difficult for great charter schools to grow.<sup>9</sup>

Inequitable access to district facilities and property also makes it hard for our best charter schools to expand. Minnesota’s charter schools don’t have the right of first refusal, which means districts aren’t required to offer them the first opportunity to lease vacant or underused facilities and properties at or below fair market value. Not having this critical access to facilities makes it even tougher for charter schools to launch and replicate success.

Inequitable funding makes both incubation and replication much more difficult. A recent study found that a Minnesota charter school student received 87 cents for every dollar that a non-charter school student receives. And this funding gap was even wider in St. Paul and Minneapolis, where charter schools are concentrated. The average St. Paul charter school received 13 percent less funding than other district

<sup>8</sup> Beth Hawkins, “Charter-school group seeks legislative changes to ease replication, ensure accountability,” *Minnesota Post*, February 13, 2012, accessed December 3, 2012, <http://www.minnpost.com/learning-curve/2012/02/charter-school-group-seeks-legislative-changes-ease-replication-ensure-account>

<sup>9</sup> Beth Hawkins, “State holdback of funds will kick charter schools especially hard,” *Minnesota Post*, July 19, 2011, accessed December 3, 2012, <http://www.minnpost.com/learning-curve/2011/07/state-holdback-funds-will-kick-charter-schools-especially-hard>

schools. Meanwhile, the average Minneapolis charter school received 21 percent less per-pupil funding.<sup>10</sup> These funding gaps make it harder for Minnesota’s highest performing charter schools to lease school properties, maintain facilities and provide resources for students.

Charter schools shouldn’t have to worry about equitable funding or adequate facilities for their students. Instead, they should be entirely focused on what matters most: ensuring an excellent education for our children.

***Inflexible teacher hiring rules***

The success of charter schools in Minnesota will depend in large part on their ability to attract and retain great teaching talent. Though the legislature recently passed a law granting a permanent home to alternative certification programs such as Teach For America, there is still much more we can do to help charter schools recruit top-notch teachers. Currently, teachers who earn licenses in other states must go back to school to re-earn certification in Minnesota. Likewise, teachers who complete an alternative certification program in another state are unable to seamlessly gain licensure here. That’s a disservice to our children, since many of these teachers have experience closing achievement gaps in low-income communities. We know that teacher quality is the number one in-school factor for raising student achievement, and charter school hiring practices should reflect that fact.<sup>11</sup>

# Raising the grade

Minnesota charter schools have a proud history, but we can’t let that overshadow the work that still needs to be done. Unfair access to resources and inadequate accountability are keeping Minnesota charter schools from being the achievement gap-closing pioneers the law intended them to be. It’s time we fix those issues and reclaim our place as a trailblazer of the charter school movement and the students they serve.

**10** Larry Maloney, “Minnesota Individual State Report” (from “Charter School Funding: Inequity Persists”), accessed December 3, 2012, <http://cms.bsue.edu/Academics/CollegesandDepartments/Teachers/Schools/Charter/-/media/DepartmentalContent/Teachers/PDFs/minnesota.ashx>

**11** “The Irreplaceables.” The New Teacher Project, accessed December 3, 2012, <http://tntp.org/publications/view/the-irreplaceables-understanding-the-real-retention-crisis>



# About MinnCAN

Launched in 2011, MinnCAN: The Minnesota Campaign for Achievement Now is an education reform advocacy nonprofit. MinnCAN is a movement of nearly 9,000 Minnesotans—and growing—dedicated to creating the political will to enact smart public policies to ensure that every Minnesota child has access to a great public school.

[www.minncan.org](http://www.minncan.org)

