

Charter Schools

A charter school is a public school that operates under a contract between the charter school board and the authorizer

A charter school is a public school established under a contract between a charter school board of directors and an authorizer. Authorizers must be approved by the Commissioner of Education and may be a Minnesota college or university, nonprofit corporation, or single-purpose charitable organization. Interested teachers, parents, or community members may apply to an authorizer to establish a charter school; the group must include a licensed teacher. The application must include a financial plan, governance, management structure, and the school's purpose. The operators must form a board of directors, incorporate, and operate the school as a nonprofit corporation. If the authorizer approves the application, the authorizer and board of directors enter into a charter school contract. A school district may convert an existing school to a charter school, but a charter school may not be converted to a district school.

A charter school must comply with some of the state requirements for school districts

A charter school must comply with some state requirements as though it were a district, including requirements related to: academic standards and assessments; minimum number of instructional days; student fees; teacher evaluation and peer review; student transportation; student discipline; and financial audits and audit procedures. A charter school must be nonsectarian, must not limit admission based on achievement, aptitude, or athletic ability, and with certain exceptions, must admit students by lottery. A charter school is exempt from other school district requirements not explicitly applicable to charter schools.

A charter school must employ licensed teachers. Charter school teachers are included in the public employee teacher retirement plan and may choose to form a union and bargain with the charter school board; most teachers do not organize and instead enter into individual employment contracts with the charter school.

An authorizer monitors a charter school's performance

The charter school contract between the board of directors and the authorizer must specify the program purpose, student outcomes, admissions requirements, operating plan, compliance with state and federal laws, ongoing oversight of operational, financial, and academic performance, school evaluation criteria, the term of the contract, applicable special education agreements, and a plan for an orderly school closing. The contract may have a term of up to five years.

An authorizer must monitor and annually evaluate a charter school's financial, operational, and student performance. With commissioner approval, the authorizer may allow a charter school to expand to additional sites or add grades. The commissioner must review an authorizer's performance at least every five years and may take corrective action against an authorizer.

A board of directors operates a charter school

The initial board of directors must adopt articles and bylaws. The board is responsible for school policy, including budgeting, curriculum, personnel, and operating procedures. The board may contract with an independent entity, usually a nonprofit charter management organization (CMO) or for-profit educational management organization (EMO), for management and administrative services including curriculum, staffing, and technology. A CMO or EMO may manage multiple schools using a standard school model.

The board of directors must have at least five members, including at least one licensed teacher, one parent of an enrolled student, and one interested community member. The initial board of directors serves until elections are held for ongoing members according to the school's articles and bylaws. Meetings of the board are subject to the open meeting requirements that apply to other government entities. Conflicts of interest are prohibited, and a board member who violates the prohibition is individually liable. The board of directors may sue and be sued.

A charter school receives state revenue on a per pupil basis similar to school districts

A charter school receives state revenue in many of the same ways a school district does, which means funding is largely based on the school's enrollment. A charter school receives state general education revenue, most other school district revenues, and federal aid. A charter school's revenue differs from school district revenue in three major ways: (1) a charter school receives state special education revenue as though it were a district and may also bill back a disabled student's resident school district for 90 percent of its eligible unreimbursed special education costs; (2) a charter school does not receive the levy portion of operating referendum revenue or any local optional revenue; and (3) a charter school may not levy taxes or issue building bonds. A charter school may either receive transportation revenue to provide students transportation services or it may choose to have the school district in which it is located provide transportation services.

A charter school may not use state funds to purchase facilities

A charter school may not use state funds to buy land or buildings. A charter school may own land or buildings if obtained with nonstate sources or may organize an affiliated nonprofit building corporation to build or buy school facilities that the charter school can then lease. A charter school may not issue building bonds but instead receives charter school lease aid, operating capital revenue, and long-term facilities maintenance revenue to help pay for its facility costs.

A charter school can be closed by the authorizer or the Commissioner of Education

A charter school can be closed by its authorizer or by the Commissioner of Education. The authorizer may unilaterally terminate a charter school contract during the term for cause or decline to renew a contract at the end of the term. The commissioner may terminate a charter school contract for failing to meet performance requirements, fiscal mismanagement, law violations, or other good cause. If an authorizer and a charter school agree to terminate or not renew a contract, the school must be dissolved unless the commissioner approves a change to a different authorizer.

For more information: Contact legislative analyst Cristina Parra, cristina.parra@house.mn.

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