

A Guide to the Charter Sector of Minnesota Public Education

Over Its First 25 Years, Innovating
with Schools and Schooling

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Introduction

by Ted Kolderie

John Kostouros has written this very useful description of the charter sector of Minnesota public education—an institutional innovation which, since enacted in Minnesota in 1991, has spread to almost every state in America.

Such a view of the sector is needed because most people—and most in the media—still think and talk of ‘charter schools’. There are good reasons to think about the individual schools. But it is important also to see the schools collectively; to see them as forming a new sector of K-12. And to see the Legislature’s decision introduce chartering as a state strategy for system change.

As background for John’s description of the sector I want to set a bit of the policy context for this unexpected development in K-12 education.

The story begins in the mid-’80s, in Rudy Perpich’s time as governor, as Minnesota began to implement its rather different response to *A Nation at Risk*—the national call to action. Most of the country was moving toward “standards” as the driver for improvement. Our state developed an interest in the potential of choice. And in bringing equity to the availability of choice.

Let me take the latter first.

Making choice more equitable in Minnesota public education

Public education had always been a choice system—for those with money. A family could enroll its children in whatever district they chose—by setting up residence in that district. Superintendents liked to say, “We have to take everybody”. But in truth they had to take only those whose parents could afford to live in the district. The inequalities in private resources, combined with the requirement at that

time to attend schools of the district in which you lived, made public education a deeply inequitable system.

In the 1980s Minnesota began using public resources to offset those inequalities in private resources.

The Legislature had actually enacted a tuition-tax deduction during Wendell Anderson's time as governor in 1975; challenged, it was upheld by the United States Supreme Court—probably because the deduction was available for tuition paid to another public district as well as to private school. Ten years later Perpich got through a proposal to let students in one way or another “not doing well” enroll in schools contracted to a district. And his “open enrollment” proposal in 1985 drew surprising support; came into law in 1987-88. Students could now enroll in the schools of another district; their money following.

Quickly the surveys of public opinion—as, by Gallup for The Kappan magazine—began testing reaction to choice. These found—perhaps not surprisingly—the strongest support for this public-school choice among people who needed better education most: people who themselves had not gone beyond (or had not finished) high school; people in the cities; people of low income; people of color. This made it clear where the high ground was on the “choice” question. It also means that when these families send their children to school together, the school that results is not “segregated”: Segregation was majority people telling people of color where they could not send their children to school. Single-race schools in Minnesota's charter sector today reflect parents' choice. We should not want Minnesotans today telling parents in communities of color they cannot send their children to school where they wish.

With curriculum offerings similar from district to district, the need then was to create more different and better schools for students to choose among. That led Minnesota into an effort at innovation—which is where chartering came in.

Introducing the opportunity for new/different schools to appear

You'll find a summary history and current description of the chartering program in what follows in this booklet. (You can read the full story of the legislative origins of chartering in *Zero Chance of Passage*, published in 2012 by its Senate sponsor, Ember Reichgott Junge.)

I want to highlight three key ideas built into this new sector of Minnesota's public education...important because they show the break with traditional arrangements.

- The law was intended specifically to produce new schools. These could be created by the district, but could also be created by entities other than the local district.
- The Legislature left it entirely to those creating the new schools to decide what kind of schools these would be. The principles of public education would apply, and schools would be required to meet state standards and use the state assessments. But organizers could organize in new and different ways, and could take whatever approach they thought best for teaching and learning. The Legislature was creating a kind of R&D sector for Minnesota public education.
- The new charter sector was designed on the contract model—in contrast to the bureau model in the district sector. Schools were authorized for a term of years; renewal subject to student and school performance; again, in contrast to the district sector. The chartered schools were to be overseen by, but not to be run by, their authorizer; an entity approved by the state. Its focus would be on objectives and on performance.

So—gradually, as the charter sector grew, public education became a two-sector—in some sense, with the post-secondary option and with inter-district enrollment, a multi-sector—system. Public education in Minneapolis and Saint Paul, for example, now consists of 'district public schools' and 'charter public schools'. The former is a centralized organization; the latter is de-centralized. The absence of a board, superintendent and central office makes the charter sector difficult to see and to understand, which probably accounts for the media's limited coverage of it.

Having to rely solely on the districts for the needed change and improvement presented all the problems of any sole-source arrangement. So for state policy leadership the decision to move education out of the public-utility arrangement was perfectly reasonable. Many systems, perhaps most, have two sectors. Urban transportation has roads and transit. Fire protection has full-time departments and volunteer departments. Finance has banks and credit unions. Energy has investor-owned utilities and REAs. On and on. Multiple-sector systems work. The choice they provide for users can create tension among the

Minnesota's district sector, good as it is in many respects, has had difficulty picking up innovations that disrupt the traditional arrangements.

operators. But it is important that no single operator to be able to take its customers for granted.

The maps in this booklet show what the charter sector looks like today; show where schools have appeared in the central cities, in the Twin Cities suburbs and in Minnesota outside the metropolitan area. Kostouros summarizes the facts about its students. He identifies and describes some of the sector's conspicuous innovations.

That discussion about innovation in the charter sector leads to one final policy question...which has to do with the success of the state's hope that the charter sector will serve to generate fundamental change in the K-12 system as a whole.

The challenge to districts in our two-sector system

When Minnesota first introduced chartering there was talk about "a ripple effect"—the notion that a new and successful model appearing in a chartered school would spread quickly across the system...like a stone dropped in a pond spreading ripples across the water.

That failed to consider that the pond might be frozen, as in Minnesota's winter a pond is likely to be. If the pond is frozen, no ripple. *Whether there is a ripple depends not on the stone but on the pond.* So with education, too: the 'ripple effect' of an innovation in the charter sector depends on the district sector being responsive to it. If the district is 'frozen', no ripple, no spreading of the innovation.

And Minnesota's district sector, good as it is in many respects, has had difficulty picking up innovations that disrupt the traditional arrangements or the practices of traditional school. Districts need help with doing-different; help they have not been getting from the state or from the leadership organizations in their system.

A case in point is the initiative taken in 1998 by three leading superintendents: Don Helmstetter in Spring Lake Park, that year president of the Minnesota Association of School Administrators (MASA); Jim Walker, at North Branch and a former 'superintendent of the year', and Tom Nelson, then at Buffalo and earlier Minnesota commissioner of education.

Essentially they said: With the post-secondary option, inter-district open enrollment and chartering you have created a whole new situation for us in the districts. We accept these changes. But in fairness you should now give us the flexibility to compete in this new world of

choice and choices. They went on to list the changes they believed would help the districts increase their attractiveness to students.

Individual superintendents do not usually speak to the Legislature on matters of general state policy. So the three took their proposal to their associations: Helmstetter to the MASA summer meeting; Nelson to the Minnesota School Boards Association. Both associations listened, and did nothing.

In the 20 years since, little has been done to get districts that capacity to change. They operate—as a thoughtful member of the Saint Paul board puts it—“in an open system”. Parents have choices. Districts need to make their schools attractive and to deal with the situation in which—unable to control their costs—their financial viability depends on endlessly increasing state appropriations and local excess levies. But leadership struggles against the internal resistance to doing-different; against what one superintendent calls “the pressure for sameness”.

For all its difficulties, chartering in Minnesota has succeeded in generating new forms of school, new approaches to learning, new concepts of management and new professional roles for teachers. It is important to the districts themselves, to the state and to the public that these be picked up.

The Legislature has not helped the districts much. Periodically it has offered “enabling” legislation; has said districts may change, may introduce school-based management or may innovate with program. The impulse is worthy, but nothing has dealt with the disinclination inside districts to engage in significant change.

Such enabling legislation is not resisted by the school boards, which are happy for such permissions to appear in law so long as boards are not required to use them. In 1973 the Legislature had set up essentially a state foundation to make grants for innovation. The projects were good and were successful. But 10 years later, having found the projects did not continue after the state financing ended, and did not spread even within the same district, the Legislature shut the program down. In 2009 the Legislature for the third time authorized ‘self-governed schools’; with little result. In 2012 it authorized a ‘pilot project’ under which districts may partner to do innovation and may apply to the commissioner for financing from the modest appropriation provided. This was improved in 2017. This has some limited use.

It seems obvious the state needs to push back against the disinclination to change.

It seems obvious the state needs to push back against the disinclination to change; needs to introduce some effective incentives for change. This might mean state policy leadership—governor and legislature—finding a way to get real opportunity, real authority, to those in the schools who would like to change but who are now constrained. How to reset the incentives for boards of education, is perhaps the most important question now facing those in charge of Minnesota’s public education enterprise.

Minnesota Chartering Today

by John Kostouros

Who Can Create and Run a Chartered School?

Chartering strategies vary widely across the states, most notably in defining who is allowed to start a new school. Minnesota requires that a proposal for a new school come from a licensed teacher or group that includes one or more licensed teachers. A school must have a board of directors that includes at least one licensed teacher and operate under the laws that govern non-profit organizations.

The school must be sponsored, or authorized, by a state-approved organization.

Who Can Authorize, Approve, a Chartered School?

Minnesota's original charter law limited sponsorship (today, "authorizing") to the local school district board, with concurring approval by the state Board of Education.

In subsequent legislative sessions authorizing was expanded to include additional entities, as the original Senate sponsor had intended. Today, an authorizer can also be an intermediate school district board, a nonprofit organization, or an institution of higher education.

A number of states have created a "single-purpose" authorizer under the state department of education. Minnesota is unique in allowing any nonprofit certified by the state department of education to operate as an authorizer of chartered schools.

At the start the law set simply categories of organizations eligible to be an authorizer; left it to organizations in those categories to self-declare that they would like to play that role. Authorizing

was weak, and in the early years a number of chartered schools were closed for lack of enrollment or when financial mismanagement became apparent.

In 2009 the legislature clarified the role of authorizers. Organizations in the eligible categories would from then on apply to be approved as authorizers by the Minnesota Department of Education (MDE), the state board of education having by that time been dissolved. The law provided guidance as to the authorizer approval process and the responsibilities of authorizers.

According to the Minnesota Department of Education “a charter school authorizer is a public oversight organization approved by the state to authorize one or more charter schools. An authorizer’s fundamental role is to hold a school accountable for the terms of its performance contract—the charter.”

The department defines the authorizer’s role as:

- Reviewing and approving proposals for new chartered schools
- Providing oversight of its chartered schools in the areas of academic, operational and financial performance
- Evaluating the academic, operational and financial performance of charter schools in its portfolio
- Reviewing proposed changes to charter schools in its portfolio, such as site and grade expansions, site changes, the addition of early learning programs
- Determining whether to renew a school’s charter

State Approved Authorizers (2017)

- | | |
|---|--------------------------------------|
| • Audubon Center of the North Woods | • Novation Education Opportunities |
| • Bethel University | • Pillsbury United Communities |
| • Chisago Lakes School District | • St. Catherine University |
| • Friends of Education | • Student Achievement Minnesota |
| • Innovative Quality Schools (IQS) | • University of St. Thomas |
| • Minnesota Guild of Public Charter Schools | • Volunteers of America - Minnesota |
| • Northfield Public School District | • Winona Area Public School District |

“The primary purpose of Minnesota charter schools is to improve all pupil learning and all student achievement (Minnesota Statutes, section 124E.01, Subdivision 1). Through effective oversight, authorizers hold charter schools accountable for realizing this purpose. Authorizer responsibilities include approving, monitoring, evaluating, renewing and, if necessary, closing charter schools when contract terms are not met.”

While many charter supporters praised the 2009 changes as necessary to ensure that authorizers would be able to provide adequate support and oversight to their schools, some worried that the new regulations and expanded role of the state Department of Education would discourage organizations from undertaking authorizing.

And, in fact, over the next few years many authorizers did withdraw from the field: From a high of nearly 50 the number fell to 14 by 2017. The number of new schools opening in Minnesota each year has remained stable, averaging about 10 new schools approved per year.

MDE has created an evaluation process that authorizers must pass every five years in order to be recertified. The process, which has detailed reporting requirements, has been controversial, with critics complaining that the department has overstepped its authority in ways that are discouraging organizations from becoming or continuing as an authorizer

Some states have designated a single authorizer for the entire state, such as a board or a state department; some limit the role to district school boards. Minnesota’s approach has resulted in an array of authorizers, which many supporters believe is in tune with the original vision for chartering, which was to encourage innovation without limiting what forms that innovation might take.

Authorizers are allowed to charge each school a fee set by statute for their work overseeing the school. Initially most authorizers just had one school. In recent years the number of authorizers with multiple schools has grown, in some cases by taking over the role from an authorizer that has left the field.

Minnesota has few of the for-profit charter management organizations (CMO’s) that have been controversial in many states.

Innovative Quality Schools (IQS), a single purpose authorizer, has 24 schools. IQS employs no staff and has no physical office; contracts with what it defines as “a Professional Cadre of Experts (active and retired teachers and administrators) to review applications to be authorized, provide oversight of authorized schools and provide assistance to schools in their specific areas of expertise.” Each school is assigned a team with expertise built around the school model.

Charter pioneer Ted Kolderie sometimes urges people to think of IQS as a “networked district” of chartered schools; comparing the size and cost of this decentralized model to the centralization of the Minneapolis Public School District, which employs about 500 people to support and oversee its 76 schools.

The Minnesota Guild for Public Charter Schools is the first chartered school authorizer in the country begun by leaders of a teacher union (the Minneapolis Federation of Teachers.) In 2016 the Guild served as authorizer for 11 schools, with six more approved for opening.

The Guild says its vision is to encourage the development of teacher leadership where “teachers are professionally organized and work to create innovative, research-based schools that rely on teacher expertise to identify and use effective teaching strategies, promote engaged student learning, create professional autonomy, and ensure effective, shared responsibility for outcomes.”

Minnesota has few of the for-profit charter management organizations (CMO’s) that have been controversial in many states, although it does have several schools that are managed on contract by for-profit organizations.

How Are the Schools Financed?

From the beginning chartered schools have been financed from the same general education appropriation as district based schools. Most of a school's funds come based on enrollment.

While charters receive the same per-pupil general education funding as district schools, they do not receive most of the funds raised through local property taxes. That funding disparity has grown significantly since the 2008 recession. With state funding stagnant, many districts have come to rely more heavily on the local property tax levy to fund operations.

The Minnesota Association of Charter Schools (MACS) estimates that chartered schools receive seven per cent less funding statewide than district based schools, and as much as 30 per cent less in the state's largest city, Minneapolis.¹

According to one study, in 2014 Minneapolis charter school students were funded at \$4,419 per student less than district students; Saint Paul based chartered school students at \$3,548 less. The study found that statewide chartered school students were funded at \$954 less per student.²

Not surprisingly, teachers and administrators in chartered schools tend to earn less than their district counterparts, a disparity that is becoming more problematic in the current tight job market.

"I worry that that we are becoming the minor leagues of education," said MACS Executive Director Eugene Piccolo, "where young people come to start their careers but don't stay because of the lower pay."

Initially chartered schools received no extra money for facilities rental. (They are not allowed to use their state funds to purchase buildings.) This approach proved detrimental, so in the mid-1990s Lease Aid funding was created to help schools cover the cost of renting facilities.

Finding a facility adequate to house a school is a major challenge for anyone wishing to create a new school in Minnesota. Many school districts consider chartered schools competitors and are not willing to lease space in a district building even if the space is not currently needed by the district.

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To address the problem, some schools have helped form an independent Affiliated Building Corporation (ABC), a non-profit that can sell bonds or partner with another organization authorized to sell bonds to raise funds for a building purchase. MACS estimates that about 30 ABCs exist in Minnesota. Most partner with their municipal or county government.

Another obstacle for many years was the lack of funding to support the startup.

Federal support in the form of state based grants that came under the Obama Administration aided in the start-up of a number of new schools.

This Fall the Minnesota Department of Education (MDE) was awarded a five-year, \$45.8 million Charter Schools Program (CSP) grant from the US Department of Education (USDE) to help high-quality schools expand and grow, while also improving instruction for all students.

In a press release, Governor Mark Dayton noted the “essential role” that the state’s chartered schools play ensuring that every student in Minnesota has a “strong start and a great education.” MDE Commissioner Cassellius said “This new funding will help us continue our work to improve and expand access to high-quality charter schools across the state, and offer more support to the charter school leaders and educators who are key to student and schools success.”

Enrollment

For about 15 years it looked as though chartering in Minnesota would be an interesting but limited innovation. While new teaching and management strategies were developed at many schools, by 2005 only about 17,500 students were in chartered schools, most in the state's two urban cities, Minneapolis and Saint Paul.

As the decade wore on, however, things began to change. Dissatisfaction grew with many district operated schools. Also, additional revenue became available to chartered schools from state, federal and foundation sources.

Enrollment in two of Minnesota's largest school districts (Minneapolis and St. Paul) has declined as many families chose other options: nearby suburban districts, home schooling, private schools and chartered schools.

By 2016, of the 51,000 school age children eligible to attend public schools in Minneapolis, only about 35,200 chose to attend district schools. Of the 47,500 eligible in St. Paul, only 36,500 chose to attend St. Paul School District schools.³ Meanwhile, new chartered schools continued to open in the two cities.

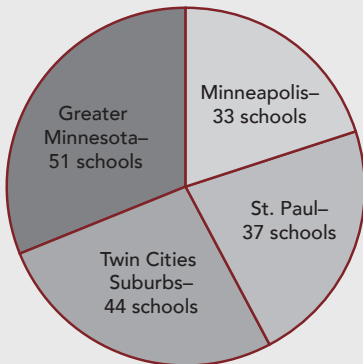
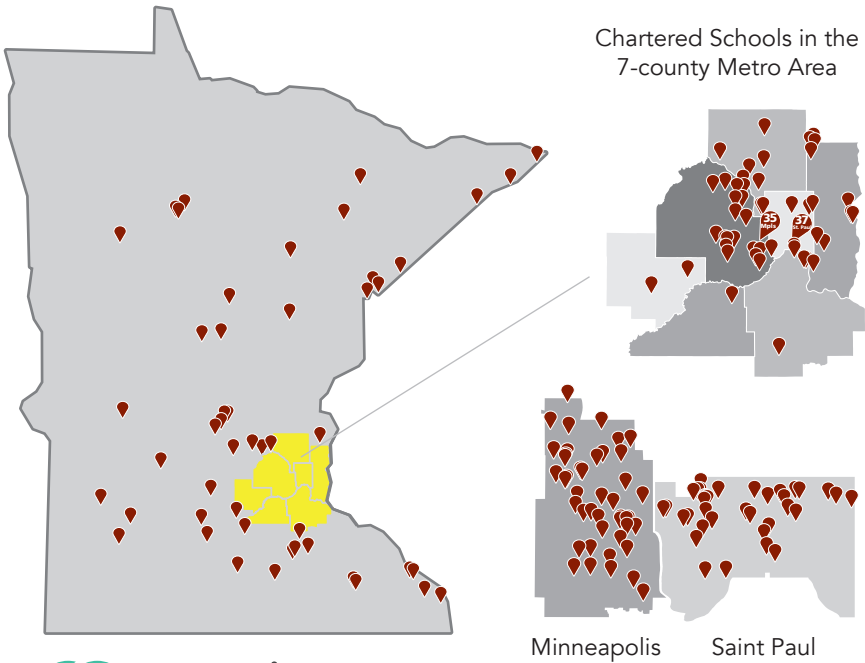
During this time, in response to teachers wanting to try new approaches and parents wanting more varied options for their children, many chartered schools began offering more distinctive educational programs: Chinese, Korean, German, Ojibwe, Dakota and Spanish immersion elementary schools, along with schools that taught Hebrew, Arabic and Russian; high schools run by teachers that used a project-based learning model; a school that offered a more rigorous "college prep" curriculum for all students; schools focused on environmental programming; a high school for recording arts; another focused on teaching entrepreneurship, schools using a literacy model from age three to grade three; high schools that had two years of post-secondary or career certifications as a graduation requirement; schools led and managed by professional teachers; and more.

By 2017 more than 54,000 students were attending 165 chartered schools in Minnesota, about six per cent of the state's public school enrollment. An additional 20 schools have been approved for opening in 2017 and 2018.⁴

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CHARTERED SCHOOLS IN MINNESTOA

School Year 2015-2016



School Year 2016-2017

**54,000 students attended
165 Charter Schools**

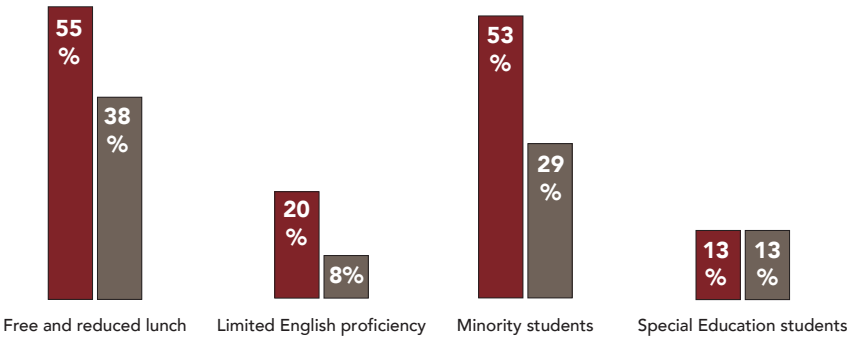
Minneapolis: 33 schools
Saint Paul: 37 schools
Twin Cities Suburbs: 44 schools
Greater Minnesota: 51 schools

Several schools, having grown to their capacity, have made plans to expand to a larger facility or to add an additional campus. A number of schools have waiting lists, some as large as 2,000. (Again, oversubscribed schools must use a lottery to determine who gets to enroll.)

In 2017 33 chartered schools (about 12,490 students) were operating in Minneapolis and 37 (about 14,650 students) in Saint Paul. An additional 44 schools operated in the Twin Cities suburbs and another 51 in Greater Minnesota.

Compared to district public schools, chartered public schools enroll:

- A larger percentage of students receiving free and reduced lunch (55% vs. 38%)
- A larger percentage of Limited English Proficiency students (20% vs. 8%)
- A larger percentage of minority students (53% vs. 29%)
- About the same percentage of Special Education students (13%)⁵



Unlike district schools, which tend to be organized in a few familiar configurations (Grades K-6, K-8, 6-8, 9-12, 10-12) the state's 165 chartered schools come in more than two dozen configurations.



While most district schools tend to offer a single comprehensive curriculum, Minnesota's chartered schools tend to have a specific focus. Some of the more popular examples are dual language/multi-cultural; a national curriculum model such as Core Knowledge or International Baccalaureate; service learning; science, technology, engineering and math (STEM); a focus on the needs of a target population (deaf, autistic, at-risk); or career and technical education.

Minnesota's Innovative Charter Sector

In recent years a debate has emerged around whether chartering has delivered on its promise to spawn new ways of teaching, learning and organizing schooling. Critics point out that many chartered schools look very similar to traditional district schools: aged-based grades; principal leaders, traditional curriculum, etc.

Minnesota's chartering law calls for charter schools to create:

- New learning opportunities for students
- Different and innovative teaching methods different and innovative forms of measuring outcomes
- New forms of school accountability
- Professional development opportunities for educators, including the opportunity to be responsible for the learning program of the school.

Charter defenders point out that Minnesota's charter sector has been the home of a number of innovations in public schooling, many of which have been replicated in the district sector, around the United States and in other countries.

Minnesota's Innovative Charter Law

The Kennedy School of Government at Harvard University in 2000 recognized Minnesota's 1991 charter law with an Innovation in Government Award. This brought Minnesota \$100,000 to use to help replicate it in other states.

The Washington-based Center for Education Reform (CER) has consistently given Minnesota high grades for its charter law, citing among other aspects the state's strategy of allowing multiple authorizers to create schools.

CER says it bases its rankings on whether a state's charter school law:

- Establishes the ability for citizens to create schools that are independent, in oversight and operations, from the traditional school bureaucracies
- Gives schools wide latitude to operate and innovate without onerous administration rules and regulations dictating what they can do and how they do it at every turn
- Provides parents with an expansive amount of options from which to choose the schools that best meet the needs of their students

Todd Ziebarth, Vice president of State Advocacy and Support for the National Alliance for Public Charter Schools says that in addition to being known as the birthplace of school chartering “Minnesota has been good about changing its law as its experience has developed with chartering. Many states haven’t.”

Minnesota has been good about changing its law as its experience has developed with chartering. Many states haven’t.

In order to enable the creation of new and different models, there is no official design for a school; the design is up to the school and the authorizer.

The law officially recognized the need to provide schools autonomy from the current public education system by making it clear that chartered schools are separate from the district sector; not, as in Wisconsin, “instrumentalities of the district”.

In addition, the law provides flexibility from some of the laws and rules governing district schools in order to remove barriers to innovation.

The law was a departure from the traditional model in giving teachers the opportunity to start and run their own schools. One of the core initial ideas—going back to the original concept advanced by Albert Shanker, president of the American Federation of Teachers, was of the chartered school as the teachers’ school.

Innovations in Governance

The Minnesota law provides a unique option to charter boards in that teachers may be employed directly by the board or by contract with a cooperative organized under the state's cooperative laws.

While district schools have been contracting for select staff or services for many years, no district has used the contract option for all of its staff. The EdVisions Cooperative has provided that option to Minnesota's chartered schools. It is an important option also for teachers. In this cooperative teachers are the owners. EdVisions in turn contracts with more than 20 schools to provide teaching staff and in some cases for the operational functions of the school. The original example was New Country School in Henderson, which is operated as a workers cooperative.

Innovations in Schooling Models and Instruction

Minnesota's chartered schools are, by law, expected to be laboratories of innovation, creating different learning opportunities for students, teaching methodologies, formats for measuring outcomes, formats of accountability, and professional opportunities for teachers. Schools are required to declare the innovative purposes they intend to address in its application for a charter and to report on the implementation of those innovations in the school's annual report, which is public.

In 2016 the Minnesota Association of Charter Schools created its Innovation Awards Program to recognize and highlight innovative practices in the areas singled out by the law. Award recipients receive a cash award, recognition at an Innovation Conference, a banner and a video highlighting the innovation being recognized. In two rounds nine schools have been recognized.⁷

Minnesota's chartered schools have been pioneers in the personalization of student learning using Project Based Learning (PBL). Although PBL itself is not new, the organization of entire high schools around a personalized model using PBL was used in the charter sector by EdVisions Cooperative first at Minnesota New Country School in the mid 1990's, later at Avalon School in Saint Paul and then at other charter schools in the Minnesota. Through a grant from the Bill & Melinda Gates Foundation the model was spread throughout the nation and to other countries. EdVisions Off-campus is one of the first schools to use this model in an on-line school.

Minnesota's chartered schools are, by law, expected to be laboratories of innovation.



Minnesota's 165 chartered schools vary widely in design. A few of the more innovative include:

When **Harvest Prep** was started, its founders Eric and Ella Mahmoud decided to use the Direct Instruction model (DI) because they felt that research had shown that DI was more effective than traditional models of teaching students who had very poor literacy and numeracy skills. Harvest Prep has out-performed most Minneapolis district schools from the beginning. **BEST Academy**, also led by the Mahmouds, follows the same model and is also a top performing school.

Two elementary, two middle schools and one high school operate under the umbrella of **Hiawatha Academies** located in Minneapolis. The elementary schools, like Harvest Prep and Best Academy, use a Direct Instruction model, but also use the Multi-tiered system of Student Support (MTSS) or RtI. Hiawatha uses a unique core model of significant staff-student interaction, teachers from Teach for America, and a longer school day and year. Hiawatha out-performs both the district and the state in terms of basic literacy and has a higher high school graduation rate. Its student demographics are comparable to the Minneapolis district.

The Ordway Theatre in St. Paul agreed to authorize the **Saint Paul Conservatory for Performing Artists** as a way to provide high school age students the opportunity to learn from practicing theater professionals. In 2017 the theater handed off it's authorizing role to the University of St. Thomas, but remains involved as a partner in the school. Many of the school's graduates have gone on to attend leading arts schools around the country.

The **High School for the Recording Arts** in Saint Paul was started by one of Prince's associates as a way to motivate youth who were not being successful in the district sector. The school, which has won national acclaim, is working to construct housing for a number of its homeless students, and to expand the new building into which it moved in 2015.

Friendship Academy, authorized by the Minneapolis school district, is an elementary school with an arts focus. It is one of the leading schools in Minneapolis in reading and math performance, with student demographics that mirror the district. The school has been a MACS Innovation Award winner.

A number of chartered schools teach world languages in the elementary school. In addition, a number of immersion schools have been created, including: Spanish, Chinese and Korean.

Yinghua Academy in north Minneapolis, which has more than 800 elementary grade students and plans to expand, has received national recognition and is a MACS Innovation Award winner. In 2017 the school added an on-line program that enables graduates to continue their language studies if they attend a high school that doesn't offer Chinese language.

The **International Spanish Language Academy (ISLA)** in Minnetonka, an elementary International Baccalaureate School, has been recognized by the United States Secretary of Education as a "National School of Excellence."

The **Great River School** is Minnesota's only Montessori high school. It is also an accredited International Baccalaureate (IB) school.



Level Up Academy became Minnesota's first school to be designed using electronic gaming as a major part of its curriculum.

Technical Academies of Minnesota, which is focused on creating new models of high school around technical/vocational learning, has campuses operating in Willmar and Owatonna, with schools in Rochester and Jackson scheduled to open in the future. Technical Academies students graduate with career certifications, ready to be employed in local industries.

Venture Academy, Upper Mississippi Academy, and STEP Academy are designed with student outcomes that include high school graduation with at least one-year of postsecondary education completed.

The **Jane Goodall School** located on the edge of a state park uses its project-based learning model to facilitate students' study of biology and the environment.

Venture Academy is focused on creating entrepreneurs; students are provided opportunities consistent with that mission.

The Minnesota charter sector was the first to launch schools entirely using the digital platform.



Innovations in School Evaluation and Accountability

In the charter sector, school evaluation and accountability must be designed around the purpose of the school. While there are a few common elements to accountability such as basic skills performance and competence in the use of the English language, most accountability indicators are unique to the school model.

Examples include:

- a. Use of the HOPE Evaluation Tool. This tool was developed by the EdVisions Cooperative for the purpose of measuring student “hopefulness” as they gained more success at the school. The premise was that if students had hope for their future they were more likely to succeed in school. The school felt that it needed a way to measure and develop strategies for improving students’ “hopefulness”.
- b. Several schools were among the first in Minnesota to use the “growth” model and “value-added growth” model of measuring student progress and school effectiveness on standardized tests as a key aspect of their accountability. Now the growth model is used widely throughout the charter and district sector.
- c. Most authorizers require the use of multiple indicators for accountability. Examples include, the HOPE assessment, curriculum-based measures, follow-up surveys to determine student success following completion of school, current student surveys, parent surveys, staff surveys, etc.

Innovations in Management

Teachers are the leaders and managers in a number of schools and in some cases also carry out some of the operations functions, such as state reporting and transportation.

In Milroy, the chartered school and the school district work together to provide a pre-K–12 district, with the district operating pre-K and grade 6 and the chartered school operating grades K-5, all in the same building under the leadership of the same principal. Grades 7-12 are transported to a neighboring district.

While most charter boards have decided to employ individuals to manage the school, some have elected to contract that responsibility to either a for-profit entity or a non-profit entity who then manages the school.

Innovations in Operations

Different approaches to obtaining facilities appropriate for learning, the task charter supporters say has proven to be the most challenging, are being used. They include leasing a district or municipal facility, renting space in a commercial building and obtaining a building through use of an independent building corporation. Chartered schools operate in shopping centers, in business parks, in downtown buildings that also host other organizations, and in park facilities.

Innovation in Authorizing

Unlike many states, Minnesota allows many types of organizations to serve as authorizers. It is the only state that allows schools to be authorized by an independent nonprofit “single-purpose authorizer”, whose sole mission is to authorize chartered schools.

Innovative Quality Schools (IQS) may be the only charter authorizer in the country simultaneously broadening its competence and reducing its costs by contracting as needed with active and retired administrators, professors and teachers to fulfill its authorizing duties.

Some authorizers specialize in the type of school they will support, requiring certain concepts be included in the school program such as community service, study of the environment, researching an innovation, or use of a specific curriculum model.

Summary

Minnesota's experience with school chartering began in 1991 at small scale, allowing publicly funded schools to be created independent of the local school district. In exchange for freedom from some of the rules and restrictions that controlled district schools, chartered schools would be bound by a performance contract with a sponsor that allowed for the school to be shut down if it failed to attract students or to live up to its contractual promises.

Chartering was an institutional innovation, expanding the choices available to parents and allowing teachers to try new ways of teaching and to have new professional roles. The state's goal in creating the charter option was stated clearly in the original law: Chartered schools were to be places to test new ideas.

Twenty-five years later charter schools have grown into a significant sector of Minnesota public education, with more than 54,000 students in 165 schools located throughout the state—in spite of having to operate with less public funding than district schools, in many cases, substantially less.

True to the original idea that chartered schools were not required to be a specific type of school, the schools operating in Minnesota vary widely in curriculum focus, age configuration, governance arrangement, staff composition and more.

Many schools have closed over the 25 years, most because of lack of enrollment or low achievement. Financial scandals involving misuse of public funds led to the closing of a number of schools. In spite of those closings, the number of schools and the size of the charter school enrollment continues to grow. Twenty new schools are approved to open in 2017 and 2018. Chartered schools now enroll 6 percent of the states public school students and more than 20% of the public school students in the state's two largest cities.

The schools operating in Minnesota vary widely in curriculum focus, age configuration, governance arrangement, staff composition and more.

Chartering has proven so popular with parents that many schools have a long waiting list for admittance.

Efforts to compare the academic performance of charter school students to their counterparts in district schools have proven to be inconclusive, not surprising since chartering is not one type of school, but only the right to start a school. Academic focus varies; teaching strategies vary; school management models vary. What are charter schools like? It depends on which ones you mean.

Has the original promise of chartering been met? Until now, little effort has been made to document what Minnesota's charter experiment has produced. One thing is clear: chartered schools have demonstrated their staying power, as well as their ability to attract students when the academic focus and school model they offer lines up with parental desires for an educational setting that matches their child's interests and needs.

While opposition remains widespread in the district sector, there have been a few examples of district/charter collaborative efforts. These include:

- Successful efforts to increase the number of high school students earning college credit
- Cooperative staff development projects
- Cooperative programs to increase skills and knowledge of school leaders

In 1991 Minnesota created the charter option in an effort to create different, ideally more effective ways of providing a public education and to offer more choices to families. In its first twenty-five years that option has spawned a vibrant and growing second sector of public education in Minnesota and in much of the rest of the country.

End Notes

¹ *Charter School Funding: Inequity Expands*. University of Arkansas Department of Education and Health Professions. 2014

² *Minnesota K-12 Education Funding Analysis*: CliftonLarsonAllen. 2015

³ Estimates based on data from the Minnesota Department of Education do not factor in any suburban-based students who may attend MSP or SPSPD schools.

⁴ Source: Minnesota Department of Education

⁵ Source: Minnesota Association of Charter Schools

⁶ Center for Education Reform National Charter School Law Ranking and Scorecard (<https://www.edreform.com/2017/03/national-charter-school-law-rankings-scorecard/>)

⁷ Innovation Award Program, Minnesota Association of Charter Schools (www.mncharterschools.org)

About the Authors

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John is a Senior Fellow at Education Evolving, a nonprofit, nonpartisan organization focused on improving American public education. He has been involved in the ongoing discussion about how to improve America's public school system as a teacher, journalist, communications consultant to business leaders, school district superintendents and teacher union leaders, and as a community volunteer for more than 40 years. He lives in Minneapolis.

Ted Kolderie

Ted is recognized nationally for his work on K-12 education policy and innovation. He was instrumental in the passage of the nation's first charter school law in Minnesota in 1991, and worked on the design and improvement of charter legislation in over seventeen states. He has written about the charter idea and its progress in a variety of publications, and is the author of *The Split Screen Strategy: How to Turn Education Into a Self-Improving System* (Beaver's Pond Press, 2015). Ted was previously executive director of the Twin Cities Citizens League, a reporter and editorial writer for the Minneapolis Star and Tribune.

Robert Wedl

Bob served as Minnesota's Commissioner of Education in the late 1990's. He was a leader in the development of Minnesota's choice policy, including open enrollment, post-secondary enrollment options, "second chance" programs and the nation's first charter school law. He later served as the Executive Director of Planning and Policy for the Minneapolis Public Schools, where he provided direction to the district's nine chartered schools and 33 contract alternative schools. Bob is an adjunct faculty member in the education administration departments at the University of Minnesota and the University of Saint Thomas.

Futher Information on Charter Schools

- For a history of the origins of chartering in Minnesota and nationally, see:
Zero Chance of Passage: The Pioneering Charter Schools Story
www.amazon.com
- Minnesota Statutes, Chapter 124E
www.revisor.mn.gov/statutes/?id=124E
- Minnesota Association of Charter Schools (MACS)
www.mncharterschools.org
- Minnesota Department of Education (MDE)
<http://education.state.mn.us/MDE/dse/chart>
- Education Evolving
www.educationevolving.org
- Great MN Schools
www.greatmnschools.org
- National Association of Charter School Authorizers (NACSA)
www.qualitycharters.org
- National Alliance for Public Charter Schools (NAPCS)
www.nationalcharterschools.org
- National Charter Schools Institute
www.nationalcharterschools.org

2016-17 MACS Innovation Award Winners

The **Natural Science Academy (NSA)**, a K-5 charter school in St. Paul Park, was recognized for their innovative curriculum, which focuses on giving students an early start to science literacy.

Northwest Passage High School (NWPHS), located in Coon Rapids, won for their innovative teaching methods that get their students outdoors, into nature, and into the community.

Yinghua Academy, a K-8 charter school in Northeast Minneapolis, was recognized for their innovative measurement of outcomes through their annual Academic Performances program, which was developed in 2007 by their Academic Director, Dr. Luyi Lien. During these classroom-based events, which take place in the spring of each year, students show and share what they have learned through performances that integrate Chinese, math, science, and social studies topics.

The Minnesota Online High School (MNOHS), a 9-12 teacher-powered charter school, won for the innovative way in which they intensively collaborate to understand individual student needs. Teachers invest extensive time in creating a low student-to-teacher and student-to-counselor ratio and integrating data into their student's weekly profile.

2016 Winners

The Community School of Excellence (CSE), a K-8 charter school in St. Paul, was recognized for their Asian Penguin Club. The Club, now comprised of over 40 students in grades 6-8, installs Linux operating systems on computers for other students at CSE, and program recycled computers that they donate to families in their community. The students also teach the families how to use the computers in their native language, to help close the “digital divide”. To date, the Club has given away over 80 computers.

The Community of Peace Academy (CPA) High School, located in East St. Paul, was recognized for their “College Culture” program. CPA is a local leader in concurrent enrollment and college readiness, with robust College in the Schools (CIS) and Postsecondary Enrollment Options (PSEO) programs. They also have partnerships with College Possible and the TRiO Educational Talent Search. During the 2014-15 academic year, 83 CPA students earned 460 University of Minnesota credits through CIS, which saved them over \$213,000 in college tuition.

Avalon School, a 6-12 **teacher-powered** charter school in West St. Paul, was recognized for their implementation of project-based learning (PBL), which has replaced conventional classroom models and forms of assessment. PBL gives Avalon students the opportunity to demonstrate subject mastery through projects that they work on in small group advisories.

Yinghua Academy, a K-8 Chinese immersion charter school in Northeast Minneapolis, was recognized for their partnership with the Minnesota Online High School (MNOHS). Yinghua partnered with MNOHS to create free online Chinese courses for public school students who may not have access to high-level courses at their high schools. Through this partnership, MNOHS and Yinghua have developed year-long learning courses for Advanced Chinese 1, 2, and 3, which prepares students for the AP Exam and allows them to continue their Chinese language education after they leave Yinghua.

Minnesota New Country School (MNCS), a K-12 charter school in Henderson, was recognized for their **teacher-powered** model. All decisions traditionally in the realm of administrators (hiring, budget, school calendar, etc) are made entirely by the teachers. In addition, distributing administrative roles among the teachers frees up additional funding for additional staff to interact directly with students.

A PRIMER ON MINNESOTA CHARTER SCHOOLS

OVERVIEW

Minnesota charter schools are tuition-free, independent public schools that are open to and welcome all students, no matter ability or need, and are governed and operated jointly by licensed teachers, parents and community members.

Minnesota was the birthplace of the charter movement with the enactment of the nation's first charter school law in 1991. **As of January 2017, there are 165 charter schools** in operation in the state. While 70% of charters are located in the greater Twin Cities metropolitan area, there are charters in communities across the state from Grand Marais to Echo and from Bemidji to La Crescent. **In 2015-16 there were over 50,800 students** enrolled in Minnesota's chartered public schools (*about 6% of the state's K-12 public enrollment*).

MINNESOTA CHARTER SCHOOL FACTS

BASICS

- Charter schools are **public schools**.
- Charter schools are **tuition free**.
- Charter schools **may not require entrance exams or requirements**.
- Charter schools **may not limit the admission of pupils on the basis** of intellectual ability, measures of achievement or aptitude, or athletic ability.
- Charter schools **must accept all students up to capacity**. If there are more students than slots, the school must conduct a lottery.

OPERATIONS

- Charter schools are formed and operate as Minnesota non-profit corporations.
- Charter school boards are composed of parents, licensed teachers and community members.
- Charter school boards are elected by parents and school staff, and boards are subject to Minnesota's Open Meeting Law.
- Charter schools boards enter into a legally binding charter contract with an authorizer.
- Charter schools have an authorizer (college or university, a nonprofit organization, or a traditional school district) that is the authorizing authority and oversight body of the school.
- Charter school teachers must hold a valid Minnesota teaching license.
- Charter schools have the same financial audits, audit procedures, and audit requirements as traditional public school districts.

- Charter schools are subject to the Human Rights Law, Pupil Fair Dismissal Act, Public School Fee Law, Data Practices Law, General Employment Law, federal, state and local health and safety laws, state testing requirements, etc.
- Charter schools must follow the same federal and state requirements to provide special education services as other public school districts.
- Charter schools receive less per pupil funding than traditional public schools. Charters may not levy property taxes, and receive no funding from local property taxes.

PROGRAMS

- Charter schools have specific program focuses such as language immersion, project-based learning, environmental education, arts education, expeditionary learning, online learning, etc.
- Charter schools are normally smaller in size than traditional public schools and usually have smaller class sizes.
- Charter schools are more diverse in enrollment than state averages.

AUTHORIZERS

- 18 Authorizers - Colleges/Universities, Non-profits, School Districts, and Single Purpose Authorizers.

CHARTER SCHOOL LEGAL REFERENCES

- Minnesota Statutes 124E (*formerly 124D.10-124D.11*)



A PRIMER ON MINNESOTA CHARTER SCHOOLS

MINNESOTA CHARTER SCHOOL STATISTICS

DEMOGRAPHIC INFORMATION (2015-2016)

- **50,800+ students enrolled** in charter schools (about 6% of the statewide total)
- Compared to state averages, charter schools enroll...
 - **A larger percentage** of students receiving **Free and Reduced Lunch** (55% vs. Statewide average 38%)
 - **A larger percentage** of **Limited English Proficiency** students (20% vs. Statewide average 8%)
 - **A larger percentage** of **Minority Students** (53% vs. Statewide average 29%)
 - **About the same percentage** of **Special Education Students** (13%)
- Since 2004-2005, the number of students enrolled in charter schools has **grown from 17,500 to over 50,800**.

SCHOOLS (OPERATIONAL AND PRE-OPERATIONAL)

- **165** charter schools in operation
- **14** approved for 2017 opening and beyond (as of December, 2016)

GRADE CONFIGURATION OF SCHOOLS (2015-2016)

- | | |
|--------------|---------------|
| • K-8 (32) | • PreK-8 (8) |
| • 9-12 (24) | • 7-12 (7) |
| • K-6 (14) | • K-5 (9) |
| • K-12 (16) | • 5-8 (5) |
| • 6-12 (14) | • PreK-12 (5) |
| • PreK-6 (8) | • K-4 (5) |

Additionally, there are **18** schools with other grade variations (examples: 3-12, K-3, 6-8, K-9 etc.)

24 schools with approved Pre-K Programs

GEOGRAPHIC DISTRIBUTION (2016-2017)

- **33** schools in **Minneapolis**
- **37** schools in **St. Paul**
- **44** school in the **7-county metro area** (excluding St. Paul and Minneapolis)
- **51** schools located in **Greater Minnesota** (excluding the Twin Cities metro area)

PROGRAM FOCUS

- **Dual Language and Multi-Cultural** (Hmong, Mandarin, Spanish, German, Ojibwe...)
- **Core Knowledge**
- **International Baccalaureate** (IB)
- **Target Populations** (Deaf, Autism, At-Risk)
- **Service Learning**
- **Environmental Education**
- **Montessori**
- **Project Based**
- **Art Focused** (Performing and Visual)
- **Science, Technology, Engineering and Math** (STEM)
- **Technical/Career Education**
- **Classical Education**
- **Service Based Learning**

STAFF COUNT FOR RETIREMENT (2014-2015)

- TRA (Teacher Retirement Association) count: 5,200+ employees in charter schools
- PERA (Public Employees Retirement Association) count: over 2,500+ employees in charter schools

FACILITIES (2014-2015)

- Total Leased Space: over **5.9 million square feet**
- Average Square Footage Leased: **37,000 sq. ft.**
- Average Price Per Square Foot Leased: **\$12.46**

TRANSPORTATION (2015-2016)

- 121 schools provided their own transportation services
- 43 schools used district transportation

Minnesota Association of Charter Schools

Website: mncharterschools.org
Facebook: facebook.com/mncharterschools
Blog: mncharterschools.wordpress.com

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About the Center for Policy Design

The Center for Policy Design (CPD) is a Minnesota based non-profit, non-partisan policy design organization that focuses on designing, and redesigning, important large systems to achieve the goals society has set for them.

The usual policy approach blames system performance on the failings of the people and organizations comprising the system. Such strategies often prove ineffective; they fail to recognize that organizations perform as dictated by the incentives that the larger system places on them. Too often the cause of chronic poor performance is that these incentives reward the undesired performance and punish the desired performance.

The Center's policy recommendations, therefore, do not aim at changing an organization's performance directly but rather seek to alter the structure of the larger system itself to replace incentives rewarding poor performance with strong incentives rewarding desired performance.

This type of system design and redesign leads organizations and people in the system to improve their performance in their own interest far better than any direct policy approach could do or coerce.

The Center develops state and federal policy recommendations, including enabling legislation. It also actively assists those who want to advance the Center's policy recommendations.

