Celebrating Chartering @ 30 – MINNESOTA’S STORY

In April 2007, the Legislative Audit Commission directed the Office of the Legislative Auditor (OLA) to evaluate charter schools. The Report, issued in June 2008, states, “Legislators had questions about the achievement of charter schools and whether students who attend charter schools are performing adequately on key academic measures. Legislators also had questions about the oversight and accountability of charter schools.”

The Report starts out by reviewing the components of the charter school law and then provides an overview of the demographics of charter schools in 2007. It notes that there were 143 schools enrolling about 24,000 students, roughly 3% of Minnesota’s K-12 students. It also notes that compared to statewide averages, charter schools enroll significantly higher percentages of “minority” students (52% compared to 22%), free or reduced-price lunch students (53% to 30%), and limited English proficiency students (21% to 7%). The Report states that the percentage of special education students was comparable to traditional districts, charters 12% and districts 14%.

To answer the questions relative to school achievement and students performing adequately on key academic measures, the OLA examined how charter schools demonstrated Annual Yearly Progress (AYP) on the MCA-II exams and compared them to other schools with similar demographics.

The Findings on Academic Performance

“In 2007, students in Minnesota charter schools generally did not perform as well on standardized academic measures as students in Minnesota district schools; however, after accounting for certain demographic factors and mobility, the differences in performance were minimal.”

The Report notes that “Almost 15% of charter schools had 100 percent mobility or greater in 2007.”

Based on interviews, the OLA noted that there was concern that the MCA-II assessments did not
reflect the achievements or growth of students. The Report stated that “Student growth or progress tests may better reflect the relative impact and success of a school.” Schools also pointed out the importance of embedding students’ cultures into the school environment as a factor in student success.

The Findings on School Finances

While the Report focuses less than the previous OLA Report on charter school finances, the Report does state the following: “Historically charters have had financial problems. Based on our analysis of MDE financial data since 2003, we found that: In general, charter schools’ financial health is comparable to the financial health of independent school districts.”

The Report also states, "While the Minnesota Department of Education provides financial management training as required by law, the training is not geared toward board members of existing charter schools.”

To answer the questions about oversight and accountability, the OLA examined the oversight by both sponsors and the Minnesota Department of Education.

The Findings on Oversight

"We found that some oversight roles are duplicative while gaps in oversight exist in other areas. Both sponsors and MDE approve charter school applications, leading to a duplication of effort and misunderstandings regarding each organization’s role. Furthermore, the department has not implemented standards that sponsors should meet. Because sponsor expectations are not clear, sponsors perform their roles in a variety of ways. This can lead to gaps in oversight when sponsors do not fulfill their responsibilities.”

The Report provides a chart with seven areas of responsibilities and practices, showing the gaps and areas of duplication. One area of duplication was the approval of applications, while a gap existed in terms of the lack of review of sponsor charter school evaluations. “... MDE, did not provide the required review and comment for almost three-fourths of the evaluations it had on file.”

The Report also looks at what follow-up had been done by MDE to the 2003 OLA Report on Charter School Financial Health and Accountability. "The Department of Education has implemented a number of the recommendations presented in the OLA’s 2003 evaluation on charter school financial accountability. However, the scope and nature of the sponsor’s role still needs to be more clearly defined.”

The Report also states, “OLA’s 2003 report also discussed the importance of lease aid for charter schools and the issue of facilities in general. At that time, OLA recommended that the Legislature address whether charter schools could own their own buildings. To date, the Legislature has not taken action on this recommendation.”

NEXT WEEK: The Recommendations in the 2008 OLA Report