FINAL REPORT
Chartered School Policy Review Group

August 17, 2009
Citizens League
INTRODUCTION

For the last 30 years, the Citizens League has continuously recognized that Minnesota’s K-12 education system “is in deep trouble” and that “the system itself must be rebuilt” (Report #367: Rebuilding Education to Make It Work. 1982). The Citizens League’s earlier education-related policy initiatives emphasized: 1) the need for policy-makers to give parents choices in selecting schools for their children to attend; 2) empowering teachers to shape education to better meet students’ needs at the individual school level; 3) encouraging innovation and competition; 4) the importance of continuing efforts at desegregation; and 5) improving quality of education to ensure that Minnesota students are performing at a level of excellence and are prepared for post secondary education and beyond.

In furtherance of these goals, the Citizens League was instrumental in the development and passage of enabling legislation for chartered schools in Minnesota; schools “granted a ‘charter’ by either a school district or the state to be different in the way it delivers education, and within broad guidelines, to be autonomous” (Report #424: Chartered Schools = Choices for Educators + Quality for All Students. 1988). Since that time, approximately 143 chartered schools have been started to serve students in Minnesota.

CURRENT POLICY ENVIRONMENT

Today’s K-12 education environment in Minnesota is tense with the pressure of increasing dropout rates, a growing “achievement gap, onerous federal mandates, and shrinking budgets. Within this context, chartered schools are struggling with the same challenges as traditional public schools, and certain instances of chartered school misconduct, including financial abuses and failed oversight, have led to increased scrutiny of their compliance and effectiveness. In June 2008, the Office of the Legislative Auditor (OLA) released a report detailing many of the challenges facing chartered school administrators, questioning whether current oversight of chartered schools is sufficient, and making several recommendations to improve the quality of oversight and financial management.¹

In light of the recommendations from the OLA report, the 2009 legislative session produced important developments in chartered school laws. Key among these new provisions is legislation that allows an existing school district to develop a “site-governed school”; an opportunity for teachers, parents, and community members to create new schools that remain part of the district and are accountable to union contracts requirements. While this provision does not necessarily impact chartered schools, the impetus for its passage came from educators and administrators that wanted a way to spur innovation and compete directly with chartered schools. This fact seems to reflect a level of growing disenchantment with the vision of chartered schools that existed in the late 1980s and early 1990s, but it also highlights the notion that choice and innovation remain important principles in our efforts to achieve system reform and improve the quality of public education in Minnesota.

¹The OLA report is available at http://www.auditor.leg.state.mn.us/ped/2008/charterschools.htm.
The 2009 legislative session also produced a nine-member Innovative School Advisory Council, to be appointed by the Commissioner of Education. The council's purpose over the next two years is to advise and make recommendations to the commissioner on matters of innovation, and to recommend to the governor and legislature by December 2009 an organizational model for a state-level innovation entity.

RECOMMENDATIONS

Chartered Schools are a promising mechanism for change in the Minnesota K-12 education system, but the last 20 years has taught us that they are not the only way to increase quality and improve learning outcomes. Today, K-12 education must respond to worldwide competition and standards. It is not enough to establish goals and standards for educating Minnesotans; we must educate participants in the 21st century world economy. The Citizens League should continue to play a key role in shaping education policy by:

1. Convening a full study committee to comprehensively re-imagine what learning should look like in Minnesota. This effort should include an in-depth study of chartered schools, but should not focus on chartered schools exclusively. Public district schools and alternative education structures including private schools and homeschooling need to be acknowledged as part of the learning picture.

2. Highlighting to the public and to policy makers chartered-school and district school initiatives that show success. The Citizens League should seek out successful examples of learning innovation, document best practices, and further examine the policies and practices that favor uniformity at the expense of innovation.

3. Analyzing underlying governance structures—for example, the legacy of school districts—and questioning whether historical rationales justify present governance structures.

4. Thinking and learning about ways that we can better measure success and quality in education.

5. Acknowledging the constitutional and other legal constraints that, due to present and upcoming pension obligations for retired teachers and administrators, are curtailing opportunities for innovation.

6. Recognizing that novel legal and organizational mechanisms for creating learning environments (chartered schools being one) represent the “supply side” approach to education; meanwhile, on the “demand side,” societal trends in Minnesota seem to be moving faster than our responses to children’s educational and training needs. For example, test scores, preparation for post-secondary schooling and training, and dropout rates, remain an intensifying challenge. We also need to look beyond Minnesota to economic challenges from Europe and emerging nations as well as world-wide competition for educated talent.
7. Addressing the urgent need to improve student learning, including but not limited to the achievement gap. Minnesota must obtain significantly higher levels of student learning in order to maintain and further its economic, social, and civic well-being.

8. Focusing on the primary issue facing the education system in Minnesota; preparing young people for adult life, civic participation, and successful entry into the economy as workers and consumers.

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