



Association of Metropolitan School Districts

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Position on Charter Schools

The Legislature should direct the Legislative Auditor to evaluate the performance and accountability of charter schools. The study should also examine the impact charter schools have on school segregation and identify which, if any, exemptions from state law or rule allow charter schools to increase student achievement or increase efficiencies. In addition, state policymakers should ensure that school districts are fully reimbursed for the cost of providing transportation and special education services to charter school students.

AMSD BELIEVES

- Students and families are best served when charter schools are held to the same high standards applied to school districts.
- School districts should not be required to subsidize the transportation and special education costs of charter schools.

The first charter school opened in Minnesota in 1992. A key motivation behind establishing charter schools was the opportunity for charters to serve as labs of innovation to try new instructional strategies and models that, if successful, could be replicated by school districts throughout the state. According to the charter school law (124E.01), the purpose of charter schools is to:

1. Increase learning opportunities for all students;
2. Encourage the use of different and innovative teaching methods;
3. Measure learning outcomes and create different and innovative forms of measuring outcomes;
4. Establish new forms of accountability for schools; or
5. Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Charter schools are exempt from many state

statutes and rules applicable to school districts to allow them to pursue these goals. However, the state does not collect best practices data from charter schools or examine whether freedom from certain state statutes and rules has allowed them to accomplish their achievement goals. A [Minnesota Star Tribune report in 2024](#) showed that while Minnesota spends more than \$1 billion on charter schools annually, just “a handful have high average math and reading proficiency, [while] most tend to be lower than the averages of traditional public schools.”

Under current law charter schools bill a special education student’s resident school district for eligible unreimbursed special education costs. This has a significant impact on school districts as charter schools spend more per pupil than traditional schools to educate students with special needs. School districts have no ability to ensure that the services provided by charter schools are delivered effectively and efficiently, exacerbating the underfunding of district special education programs. Prior to FY15, charter schools were able to bill back 100 percent of eligible unreimbursed costs. Beginning in FY15, charter schools were allowed to bill back no more than 90 percent of eligible unreimbursed costs, unless at least 90 percent of the charter schools’ students qualify for special education costs in which case the full 100 percent could be billed back to the resident school district. The 2019 Legislature further restricted the amount charter schools can bill the resident school district to 85 percent in FY20 and 80 percent in FY21 and later.

AMSD Position on Charter Schools

As the chart below shows, the special education cross-subsidy has a tremendous financial impact on AMSD member school districts. Column (G) shows the average cross-subsidy ranges from \$552 per pupil in large non-metro districts to more than \$1,240 per pupil in Minneapolis and Saint Paul. In comparison, the average per pupil cross-subsidy for charter schools is just \$255.¹

In 2023-24, AMSD districts spent more than \$76.4 million of their general education revenue on special education costs for

resident students attending charter schools.

School districts are also required to provide transportation services for any resident student attending a charter school if the charter school chooses to not provide transportation services. School districts must use general education revenue to cover any unreimbursed transportation costs.

The Minnesota Department of Education estimates that public school districts will spend more than \$4.87 million in FY25 transporting students to charter schools.

SPECIAL EDUCATION CROSS-SUBSIDY BY DISTRICT TYPE

Special Education Cross-Subsidies FY24

District	(A) Adjusted PU	(B) Special Education Expenditure	(C) Categorical Revenue	(D) Gross Cross- Subsidy (B-C)	(E) Adjusted General Education Revenue for Special Education	(F) Adjusted Net Cross- Subsidy (D-E)	(G) Per Adjusted Weighted Pupil Unit WADM
Totals in \$	930,278	2,701,224,989	2,014,679,217	686,545,773	124,041,427	562,504,346	\$604.66
By Stratum							
Minneapolis and St. Paul School Districts	65,699	259,942,820	161,497,018	98,445,802	16,929,281	81,516,520	1,240.76
Other Metro, Inner Ring Suburbs	95,015	309,352,324	215,124,387	94,227,937	18,202,107	76,025,831	800.15
Other Metro, Outer Ring Suburbs	294,153	860,084,173	633,731,177	226,352,995	41,805,344	184,547,652	627.39
Non-Metro > = 2K Pupils	206,977	597,827,661	454,957,217	142,870,444	28,542,258	114,328,186	552.37
Non-Metro 1K-2K Pupils	99,438	239,121,548	185,435,942	53,685,606	8,803,035	44,882,571	451.36
Non-Metro < 1K Pupils	94,555	202,849,834	153,918,751	48,931,084	6,702,750	42,228,334	446.60
District Totals	855,837	2,469,178,361	1,804,664,493	664,513,868	120,984,774	543,529,094	635.08
Charter Schools	74,440	232,046,629	210,014,724	22,031,905	3,056,653	18,975,252	254.91

Source: Minnesota Department of Education, September 2025

END NOTES

¹ [Minnesota Department of Education: Special Education Cross-Subsidies.](#)