MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee:  Academic and Student Affairs
Date of Meeting:  July 22, 2009

Agenda Item:  Charter School Report

☐ Proposed Policy Change  ☐ Approvals Required by Policy  ☐ Other Approvals  ☐ Monitoring

☐ Information

Cite policy requirement, or explain why item is on the Board agenda:

Board Policy 3.28 Charter School Sponsorship requires completion of an annual report about all charter schools sponsored by colleges and universities within the Minnesota State Colleges and Universities system.

Scheduled Presenter(s):

None (The report was mailed in advance and is included on the agenda as an information item.)

Outline of Key Points/Policy Issues:

In Minnesota, discussions over the past year were informed by reports by the Office of the Legislative Auditor (OLA) and the Institute on Race and Poverty at the University of Minnesota, and by the work of a joint House-Senate charter school working group prior to and during the 2009 legislative session. In response to statutory changes enacted in 2009, current sponsors will have to apply to the Commissioner of Education to continue serving as sponsors by 6.30.2011.

Background Information:

Currently, charter schools are in operation in forty states, the District of Columbia, and several other countries. There are currently more than 4,000 charter schools in the U.S. with a total enrollment of more than one million students. According to the Minnesota Association of Charter Schools, 28,304 Minnesota students were enrolled in 143 charter schools in 2007-2008. Within the Minnesota State Colleges and Universities, three colleges currently sponsor five charter schools.
BACKGROUND

The Charter School report was prepared to meet the requirements of Board Policy 3.28 Charter School Sponsorship using information submitted by each institution within the Minnesota State Colleges and Universities system that is a sponsor of one or more charter schools. This report describes charter school activities and performance during 2007-2008. Specifically, it provides information about the five charter schools sponsored by three colleges within the Minnesota State Colleges and Universities System – Alexandria Technical College, Century College, and Rochester Community and Technical College – during the 2007-2008 school year.
Introduction
This report was prepared to meet the requirements of Board Policy 3.28 Charter School Sponsorship using information submitted by each institution within the Minnesota State Colleges and Universities system that is a sponsor of one or more charter schools. It describes charter school activities and performance during the 2007-2008 school year.

Background
Charter schools are public schools established under Minnesota Statute 124D.10 as either a cooperative or a non-profit corporation. The first charter school in Minnesota, and in the nation, was approved in 1991 and became operational in 1992. Each charter school must have an elected board of directors, which is responsible for the school’s education program, management, and administration, and a sponsor, which can be a school district, a public or private postsecondary institution, or a nonprofit organization. Operating and reporting requirements for charter schools are articulated in MS 124D.10 and in rules and regulations promulgated by the Minnesota Department of Education. Sponsorship contracts set forth responsibilities of and requirements for charter school boards and sponsors. Minnesota Statute also sets forth the means by which a sponsor may terminate or not renew its sponsorship contract.

National Trends and Issues
Currently, charter schools are in operation in forty states, the District of Columbia, and several other countries. There are currently more than 4,000 charter schools in the U.S. with a total enrollment of more than one million students. According to the Minnesota Association of Charter Schools, there were 143 charter schools operating in Minnesota in 2007-2008 with a total enrollment of 28,034. The majority are sponsored by non-profit organizations and colleges and universities.

In Minnesota, discussions over the past year were informed by reports on charter schools by the Office of the Legislative Auditor (OLA) and the Institute on Race and Poverty at the University of Minnesota, and by the work of a joint House-Senate charter school working group prior to and during the 2009 legislative session. Specifically:

- The OLA report highlighted the greater percentage of charter schools than “regular” public schools that failed to make AYP, while also noting that differences in performance diminished significantly when accounting for certain school and student characteristics. The report found the system of charter school oversight to be complicated and, in too many cases, marred by duplication or gaps. OLA recommended legislative clarification of the roles of the Minnesota Department of Education and of sponsors, as well as changes in the make-up of charter school boards and some related aspects of charter school oversight.
The report by the Institute on Race and Poverty, “Failed Promises: Assessing Charter Schools in the Twin Cities,” evaluated three dimensions of charter schools: academic achievement, racial and economic segregation, and their competitive impact on traditional public schools. The study’s authors concluded that charter school competition promotes a “race to the bottom” and that they are deepening, rather than lessening, problems for underserved populations. The study also expressed strong concerns about the role of charter schools in “re-segregating” public education in Minnesota.

The legislative work group on charter schools solicited, and listened to, many hours of testimony by the authors of these two reports and, more broadly, from both charter school supporters and detractors. Their work culminated in significant statutory changes effective on July 1, 2009. These include a fundamental shift in oversight from approval of charter schools by the Minnesota Department of Education (MDE) to MDE approval of sponsors (now to be called authorizers), which will now have the responsibility for approving charter schools. Other changes include mandatory training for charter school board members, stronger requirements regarding conflicts of interest, and more specificity about facilities leasing, buying, and/or building. Many changes that were contemplated during the session were not included in the final K-12 omnibus bill but will likely be revisited during future legislative sessions.

Charter Sponsors in the Minnesota State Colleges and Universities

During the 2007-2008 academic year, three colleges within the Minnesota State Colleges and Universities System – Alexandria Technical College, Century College, and Rochester Community and Technical College – continued their sponsorship of a total of five charter schools. No new sponsorships were initiated, nor were any ended, during that time. Several system institutions were contacted during that time by potential new charter school developers but to date no new sponsorships have been undertaken. The costs of sponsorship and the need for an appropriate “fit” between the mission of a given school and its sponsor continue to be significant factors in considering a new sponsorship role.

It is increasingly apparent that a close and mutually beneficial working relationship between a college or university and the school it sponsors is critical. Presently, our sponsors evaluate, consult, and monitor fiscal performance; monitor progress toward academic and other goals; participate in strategic planning; and serve as ex officio members of each school’s board of directors. In light of the significant financial and academic pressures faced by charter schools, it is critical that the school and its sponsor share information openly and work together effectively to help ensure that the school meets its goals. In response to statutory changes enacted in 2009, current sponsors will have to apply to the Commissioner of Education to continue serving as sponsors by 6.30.2011.

Finally, although this technically relates to data that will be included in the 2009 Charter School Annual Report, it seems appropriate to note that the Star Tribune recently identified Twin Cities International Elementary (TIES) charter school, sponsored by Century College, as one of two Minnesota charter schools that “do the best in math and reading, respectively, with high numbers of students living in poverty.” This is at least the second time in the past year that TIES has been recognized in the print media for the strong student performance and parent/community support.
Institutional Report Summaries, 2007-2008

Sponsor: Alexandria Technical College
School: Lakes Area Charter School
Location: Osakis, MN
Status of Sponsorship: Continuing
Sponsor Comments: “LACS has a credit recovery program that provides the opportunity for students who are behind to graduate on time. The program has been a key factor in moving students towards graduation…The school board will continue to work on finding a new facility. [that] will provide the space to serve grades 7 and 8 which has not been possible due to limits in existing leased facilities. It is in the strategic plan to accept these lower grades in 2010, using 2009 to develop and approve curriculum.”

School Mission and Programs: It is the mission of the Lakes Area Charter School to provide quality education for the youth of the community in support of personal growth and academic excellence. The three components of the curriculum include state mandated academics, individual instruction, and technology with emphasis on individual student needs. Academic and transitional (to work or postsecondary education) needs are both given a high priority.

Enrollment: Lakes Area Charter School has students “open enrolled” from seven surrounding districts. Total enrollment in 2007-2008 of 77 reflects a modest decrease compared to the previous year, but also a continuing “leveling” among grades (12 in grade 9, 14 in grade 10, 26 in grade 11, and 23 in grade 12). Transportation challenges continue to limit enrollment of students not yet old enough to drive. In an effort to address this challenge, the school provides transportation to students from the south and west of the school by a public bus system called Rainbow Rider, as well as providing state transportation aid to all qualified students and parents. Overall, 33% of LACS students qualify for special needs instruction.

Staff: LACS employs seven teachers, a counselor, and a director, all of whom are appropriately licensed.

Board of Directors: The elected board consists of two teachers, two parents, and the director; Alexandria Technical College liaison Judi Anderson is an ex officio member of the board. The board has adopted a policy to rotate board elections in order to ensure experience on the board.

Academic Progress: In 2007-2008, all students at LACS passed the Minnesota Basic Standards Test (BST) in reading in grades 11-12; all sophomores through seniors have passed the writing BST; and nine of eleven students who attempted the math BST passed. LACS also has all students take the Test of Adult Basic Education (TABE). Average scores on each subtest improved for students in every grade from fall to spring, in some cases by as much as 26%. Academic goals of displaying progress toward graduation by passing the state BSTs in reading, math, and writing continue to be academic goals for 2008-2009. The school has also encouraged students, where appropriate, to participate in PSEO and had five students taking full college loads during 2007-2008. LACS also has implemented a Knowledge Bowl competition focused on academic performance and teamwork; a Be Positive (B+) program focused on developing “soft skills”; a school store that is “run by students for students,” with profits used to support the prom; and a highway maintenance project in remembrance of two students from the school who were killed and four who were injured in an automobile accident four years ago.

Audit Summary: The audit report, prepared by Gary W. Paulson, CPA, found that the financial statement represents fairly the financial status of the schools. As is typical of small entities, the audit report noted a lack of proper segregation of duties, which LACS seeks to address by having their board review financial transactions monthly. In addition, the school’s director will approve all journal entries and district personnel will meet with the auditor as recommended.
**Sponsor:** Century College  
**School:** Twin Cities International Elementary School (TIES)  
**Location:** 277 12th Avenue North, Minneapolis, MN  
**Status of Sponsorship:** Continuing  
**Sponsor Comments:** “This has been a year of significant progress. Early in the year we conducted a study of three schools using a team of internal and external experts...What we discovered was that these schools are having an impact upon the immigrant communities they serve. Many parents were passionate about how the schools have enabled their children to both assimilate into American culture while remaining a part of their communities. One significant point of pride this year [growing] out of the sponsor audit...was a very positive article in the New York Times on our charter schools [on January 10, 2009].”  

**School Mission and Programs:** The mission of TIES is to “provide a rigorous education in a culturally sensitive environment.” As such, it “seeks to prepare students for successful and productive lives as United States citizens while allowing them to retain their unique cultural heritage.”  

**Enrollment:** Enrollment at TIES has increased steadily from 343 students in 2003 to just over 600 in 2007-2008. This growth is attributed to connections between the school and the East African community. Of these, 93% qualify for free and reduced lunch and 97% have limited English proficiency.  

**Staff:** The TIES staff in 2007-2008 included 43 teaching positions and two administrators, including two new positions focused on reading. The school continues to provide mentors to support new teachers in the school.  

**Board of Directors:** The board consists of eleven members, including five teachers, four community members (two of whom are parents), and two ex officio members (the sponsor liaison and school director).  

**Academic Progress:** TIES students made AYP in math but not in reading in 2007-2008. The school has implemented Success For All for reading interventions and has started an after school program two days per week to build reading and math skills. The school is also proud to have again achieved an overall attendance rate of more than 95% in 2007-2008 and an AYP participation rate of 100%.  

**Audit Summary:** The audit conducted in 2007-2008 found that the schools practices complied in all materials respects with the exception of two findings: several journal entry errors, highlighting the need for controls to detect errors, and errors in several applications under the Child Nutrition cluster, which the school is addressing by a careful review of eligibility standards.

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**Sponsor:** Century College  
**School:** Minnesota International Middle School (MIMS)  
**Location:** 277 12th Avenue North, Minneapolis, MN  
**Status of Sponsorship:** Continuing  
**Sponsor Comments:** See above  
**School Mission and Programs:** See description for TIES above.  
**Enrollment:** Enrollment at MIMS continues to grow, having increased from 290 students at the end of 2006-2007 to 360 students at the end of the 2007-2008 school year.  
**Staff:** In 2007-2008, MIMS employed twenty teachers, including five in grade 5, four in grade 6, five in grade 7, four in grade 8, and two in special education.
**Board of Directors:** The board consists of eleven members, including five teachers, four community members, and two ex officio members (the sponsor liaison and school director).

**Academic Progress:** MIMS was pleased to make AYP for the seventh year consecutive year with a participation rate of nearly 100%. This success was attributed in part to a strong after school program, significant attendance (41%) in summer school, and curricula targeted to strengthening student skills in math and reading. Efforts were also undertaken to pilot new curricula in social studies and math to determine which materials best fit the needs of MIMS students. The school continues to use the Accelerated Reader Program.

**Audit Summary:** The school had a clean audit for 2007-2008.

**Sponsor:** Century College  
**School:** Ubah Medical Academy (UMA)  
**Location:** 277 12th Avenue North, Minneapolis, MN  
**Status of Sponsorship:** Continuing  
**Sponsor Comments:** See above  
**School Mission and Programs:** The mission of Ubah Medical Academy is to provide students with a rigorous education that will prepare them for college and the pursuit of medical or other meaningful careers in the community.  
**Enrollment:** Enrollment remained generally steady at 271 in 2007-2008, a slight decrease compared to the 280 enrolled in 2006-2007 but still significantly higher than the 213 enrolled in 2005-2006.  
**Staff:** UMA had a staff of 21 teachers in 2007-200, including four each in math and science and two each in language arts, social studies, health/physical education, and Arabic. The remaining teachers were in ESL (four) and special education (one).  
**Board of Directors:** The board is made up of ten elected members, including six teachers and four community members.  
**Academic Progress:** Ubah tests student performance with the state’s GRAD test and Minnesota Comprehensive Assessments (MCAs) and two ESL tests (TEAE and MNSOLOM). The school made AYP in reading, with 21% of 10th graders scoring as proficient compared to 11% in 2006-2007. UMA did not meet AYP standards in mathematics, with just 16% of students achieving scores; at a proficient level; however, this was a gain from only 2% proficient in 2006-2007. At the time that the annual report was prepared, the school had not yet received TEAE or MNSOLOM results. The limited language skills of many students continue to challenge their ability to meet required standards. Strategies being used to improve student performance include SIOP (Sheltered Instruction Observation Protocol), which helps teachers plan and instruct ESL students; an after school program focused on reading, math, writing, college prep, ESL, and computer applications; participation in Admission Possible; the Accelerated Reader program; two College in the School courses; and Century College’s PACE program, which is designed to give low-income students a head start on college by allowing them to take up to 24 hours of college credit over the course of two years. The schools’ attendance is strong, at 95.22% in 2007-2008.  
**Audit Summary:** The school had a clean audit for 2007-2008.
Sponsor: Rochester Community and Technical College  
School: Rochester Off Campus (ROC) Charter School  
Location: Rochester, MN  
Status of Sponsorship: Continuing  
Sponsor Comments: “RCTC very much enjoys the affiliation we have with ROC. It is remarkable to watch how they can succeed with students who have not been successful at other schools. ROC gives these students the confidence to attempt post-secondary education and succeed! RCTC continues to enjoy and take pride in this charter school sponsorship. ROC satisfies its unique mission very well, and RCTC is more than pleased to assist in that mission.”  
School Mission and Programs: Rochester Off Campus was established “to assist young people in developing the life, work, and academic skills necessary for transition to adulthood and the workplace.” It seeks to provide a safe and healthy learning community that nurtures educational rigor and engages students, parents, and the community in a partnership to that end.  
Enrollment: Enrollment at ROC was stable at 125 students in grades 9 through 12 in 2007-2008, enrolling students from 19 school districts. Of these students, 31 percent received special education services and 56 percent were eligible for free or reduced lunch. Sixty-eight percent of the school’s 2008 graduates were enrolled in postsecondary institutions the next year, an increase from the previous year’s graduates, sixty percent of whom attended college after graduation.  
Staff: The staff of ROC consists of 11 licensed teachers, all of whom were retained from 2006-2007 to 2007-2008.  
Board of Directors: The school has a nine member board, made up of five teachers, three community members, and one parent, plus a representative of Rochester Community and Technical College serving as an ex-officio member.  
Academic Progress: ROC focuses on three primary academic benchmarks – the Adult Basic Learning Examination (ABLE), the Minnesota Comprehensive Assessments (MCAs), and attendance. During the 2007-2008 school year, Adult Basic Learning Examination results showed significant improvement from Fall 2007 to Spring 2008. The MCA passing scores showed an improvement in reading and math from 2007 to 2008, with reading score pass rates increasing from 60% to 73% and math from 36% to 40%. Although writing pass rates declined from 74% to 64%, the school notes that since the percent of ROC students passing the MCA tests increases relative to the amount of time the student spends at ROC and because the writing test is taken in earlier grades, improved performance is anticipated in subsequent years. ROC reported average daily attendance at or above 83 percent, with an average of eight days missed per student per year compared to an average of 24 days per year per student prior to attending ROC.  
Audit Summary: The audit report prepared by Larson Allen found the financial statements of the school to be in conformity with generally accepted accounting principles, noting two findings involving internal control over annual financial reporting and suggesting a corrective plan for each finding. Overall, the school maintains an exceptionally strong financial structure and increased its fund balance on 2007-2008 despite unstable economic conditions.