

April 07, 2021

The following content was shared with the House Education Finance Committee today via email post testimony earlier in the day. The email was accompanied by three attachments:

- Categories of Diverse Disabilities (PACER)
- Federal Settings (PACER)
- Regular School Year Rates (FY20)

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Representative Davnie and Committee Members,

I hope this message finds you well.

This evening I write to you regarding HF 1065.

As I shared in today's testimony, [INDIGO Education](#) serves 84 charter school sites in 61 charter districts throughout the state of Minnesota. We have been in operation for over 20 years. Our team has vast institutional knowledge about charter schools and their history, as well as technical knowledge relevant to special education programming and finance. We provide these services in alignment with our values of service, leadership, and integrity.

Attached to this email you will find a list of charter schools within INDIGO Education's client network (highlighted).

Please know that my team and I want to be of service to your committee and the educational community at large.

In today's testimony, you heard from INDIGO Education as well as Josh Downham from Minneapolis Public Schools. Similar to MPS, INDIGO Education supports an equitable funding model that is predictable, meets the needs of students with disabilities, and is fiscally responsible both for charter schools and resident districts.

We agree with Mr. Downham that the current special education funding system is not adequate for long term stability of Minnesota public schools; I enhance this statement to reiterate the disappointing federal contribution for special education programming.

That being said, I want to caution the group about moving forward with HF1065 as it is written (Line 166.20).

As public schools, charter schools enroll all students, regardless of ability and disability. More often than not, students enroll in charter schools with needs previously identified in an evaluation and accompanying Individualized Education Programs (IEPs). Naturally, the charter school's obligation is to continue to serve the IEP as it is written.

Most certainly, charter schools initially identify students with disabilities and develop IEPs as well.

As charter school programming is driven by evaluated student needs, the charter school is often in the position to create new or expand upon current programming based on student enrollment. In order to adhere to state and federal law, charters may need to create a program one day that was not needed the day prior due to student enrollment.

For example, a student with a vision impairment may enroll in the school. In reaction, the charter pivots to build a program in response to the child's vision needs, as this form of programming was not required in the school prior to the child's enrollment.

Another example is when a student with needs that are met in a separate federal setting 4 program enrolls in the charter school. Again, the charter school is required to build programming around the individual student's needs.

Informing that child and their family that the charter can not support their needs due to the nature of their disability would be a discriminatory practice and fly in the face of public school programming. Charter schools are not interested in violating state and federal law.

Note that charter schools cannot join intermediate or cooperative districts as charters schools are not able to enter into [joint powers agreements](#). As such, charter schools are not able to reduce costs through engagement in the aforementioned settings. Potentially, this could be a feasible solution that reduces special education expenditures.

When charter schools and resident districts do work together to meet the needs of students, all stakeholders gain positive outcomes: the resident district is confident of adequate programming and spending, the charter school is able to lean on its partners to provide FAPE to the student, and the student engages and benefits from appropriate, well-established programming.

As we examine ways to create an equitable funding formula, we must support charter school and resident district partnerships, as well as being mindful of the preservation of the livelihood of both of public school choice options.

It seems fair to address tuition billing of *all* educational agencies, rather than focusing on charter schools as the sole source of the funding shortage.

Please consider that all Minnesota public schools (resident districts, intermediate districts, cooperatives and charter schools) tuition bill when a non-resident student enrolls in the district as per Minnesota Statutes 2020, section [127A.47](#).

Mr. Downham discussed modification of the [tuition billing](#) structure for a small number of charter schools that significantly exceed the state-wide average. While there are charter schools that exceed the average rate, on the whole extremely high cost rates of service are not the norm.

INDIGO Education is aware that a portion of our client schools are exceeding the average and we are working with districts to address costs.

Factors that can impact tuition billing rates include the following:

- Students enrolling with high cost services documented in the IEP by the previous special education team
- Students requiring low incidence programming (i.e. vision impairment, deaf/hard of hearing, orientation & mobility, interpreter)
- Students requiring intensive, high level programming (mental health, trauma-based, behavioral)
- Economies of scale

All Minnesota public schools have seen a [loss of enrollment](#) since the onset of the pandemic. In fact, 49.5% of these students are also not choosing public school options at all; opting for a homeschool model. Others have chosen to delay enrollment or enroll in private school.

Our Minnesota charter school community provides a public school choice option for students with disabilities that homeschools and private schools cannot.

Rarely mentioned is the cost savings to resident districts as result of charter school choice. Below are a few factors to consider:

- Students engaging in good fit school programs
- Reduction of high cost litigation for IEP disagreements
- School funding remains in the public sector v. private school vouchers
- Resident districts continue to receive levy and referendum funding for students enrolled elsewhere; charter schools are not eligible for this funding

Should legislation determine that a rate cap is imperative to flatten the curve, an increase in initial special education aid with a less aggressive reduction in tuition billing over a longer period of time, combined with charter school and resident district collaboration would best serve Minnesota students with disabilities.

Further discussion is needed with both the Minnesota Department of Education, and stakeholders in the public school system (resident districts, charter schools) to establish a long term, equitable, predictable formula.

My team and I would be happy to engage in helpful and productive discussions on this topic.

Please reach out if more information is needed.

Better together,

Erin Lavery Wanat