

Minnesota

Background

Minnesota offers two pre-K initiatives: Early Learning Scholarships (ELS) and the School Readiness Program (SRP).

Early Learning Scholarships (ELS)

Minnesota offers Early Learning Scholarships for at-risk three- and four-year-olds to attend high-quality preschool programs. Scholarships are awarded to families as a voucher (Pathway I) or directly to approved provider sites (Pathway II).¹ Scholarships may be used only at providers that participate in the state's Parent Aware quality rating system and have received a three- or four-star rating by the start of 2016.² Eligible providers include school district prekindergarten and preschool programs, Head Start, child care centers, licensed family child care providers, and MDE-approved charter schools.³

School Readiness Program (SRP)

Minnesota offers full- and part-day pre-K for three- and four-year-olds who qualify for free or reduced-price lunch, are English learners or homeless, or have been deemed otherwise at risk by the school district.⁴ The Minnesota Department of Education (MDE) administers the School Readiness Program (SRP) to participating districts through a funding formula. Only school districts are eligible to directly receive funding, but districts may contract with charter schools or other community-based organizations to operate the program.⁵ Districts must establish a sliding tuition scale for parents, although they may waive these fees for very low-income families. Districts may also allow not-at-risk families to participate on a tuition basis.

Charter schools in Minnesota

Minnesota enacted the nation's first charter law in 1991. Minnesota permits start-up and conversion charter schools. Local school boards, intermediate school boards, cooperatives, qualified charitable nonprofits, private colleges, public postsecondary institutions, and charitable, nonsectarian, single-purpose authorizers may serve as charter authorizers in Minnesota.⁶



TOTAL SCORE

27/50

Minnesota's climate for charter schools to offer pre-K is **not hospitable***

- + There are no state statutory or regulatory barriers to charter schools accessing state funding for pre-K.
- Compared to K-12 funding levels, low pre-K program funding makes offering pre-K less attractive to charters.
- The size of the pre-K program limits charter access to funding.
- The funding, application, or approval process creates a barrier to charter access.
- + Automatic enrollment from charter pre-K to kindergarten is not prohibited in legislation or practice.

** Minnesota's score is based on the Early Learning Scholarships (ELS) program, rather than the School Readiness Program (SRP), because ELS is the clearer path for charter schools to access state funding for pre-K (see below).*



Process for Accessing Pre-K Funds

Early Learning Scholarships: To be eligible for Pathway I and II Early Learning Scholarships, a charter school must participate in the state's quality rating system, Parent Aware. Charter schools can only receive Pathway I funding if they enroll students from a family that receives a Pathway I scholarship. The funding amount that a charter school receives through Pathway I depends on the star rating of the program: Programs with higher star ratings receive more funding.

Pathway II Early Learning Scholarships are available to school districts, Head Start programs, child care centers, and charter schools in certain state-designated districts.⁷ Charter schools that offer an MDE-recognized pre-K or preschool program may be eligible to receive ELS once they obtain a four-star Parent Aware rating. Certain providers, including charter schools with MDE-approved early learning programs, can receive four-star ratings through an accelerated, streamlined process.⁸ Entities that have been approved by MDE to offer Pathway II scholarships receive a set amount of Pathway II funding for a twelve-month period.

SRP funds: Charter schools can only receive SRP funds through subcontracts with a local district. In order to receive SRP funds, a district or a group of districts must submit a biennial school readiness plan to the Minnesota Department of Education commissioner. Applicants must estimate the number of eligible participants the program will serve.⁹ Minnesota distributes School Readiness funds to participating districts through a formula based on the poverty rate and the number of four-year-olds who live in the district.¹⁰ Individual districts determine whether or not to subcontract with charter schools or other providers and how they will select such providers.

Barriers

This discussion of barriers includes both ELS and SRP because charters can access funding through both programs.

Are there any statutory or regulatory barriers to charter schools accessing state funding for pre-K?

 **No.** Minnesota's charter legislation explicitly allows charter schools to offer pre-K and access state funding to do so.¹¹ Twenty charter schools in Minnesota offer pre-K. None of these schools currently receive ELS or SRP funding directly. It is possible that some charter schools offer pre-K as

subcontractors for districts that receive SRP funds, but the state does not track data on how SRP funds are used.

Is the funding level of the state pre-K program a barrier to charter access?

 **ELS: Yes.** The ELS per-pupil amount is a barrier to charters offering pre-K in Minnesota. Low program funding, compared to K-12 funding levels, makes pre-K less attractive to charters. Charter schools that serve ELS students receive 44 percent of the per-pupil amount that charters receive to serve K-12 students.

 **SRP: Unclear.** SRP funding is distributed to districts on a population basis rather than on a per-pupil basis, and the state does not track the number of preschool students served. Therefore, it is unclear how much funding SRP-funded pre-K programs receive per pupil.

Is the size of the state pre-K program a barrier to charter access?

 **ELS: Yes.** The size of the program is a barrier to charters accessing state ELS funds. The program only serves 2 percent of all three-, four-, and five-year-olds in the state.¹²

 **SRP: Unclear.** The state does not track the number of preschoolers that are served with SRP funds.

Is the application, approval, and/or funding process a barrier to charter access?

 **ELS: Yes.** The approval process is a barrier to charter schools accessing ELS funding. Early Learning Scholarships are available only in some parts of the state, preventing charter schools in other parts of the state from accessing these scholarships. Even in communities where scholarships are available, no charter schools have completed the process to become Pathway II providers.

 **SRP: Yes.** The funding process is barrier to charter schools accessing School Readiness funding. School Readiness Program funds are distributed only to districts, and charter schools can only access these funds by subcontracting with a district.

Is automatic enrollment from pre-K to kindergarten prohibited in legislation or practice?

 **No.** Minnesota legislation explicitly allows charter schools to grant enrollment preference to children who attend the school's free preschool or pre-K program.¹³



Recommendations

To address these barriers to charter access, the state should:

- Encourage more charter schools located in areas where Early Learning Scholarships are available to become Pathway II providers.
- Increase Early Learning Scholarships funding to cover the cost of delivering a high-quality program, which would enable charter schools to offer the program and increase access to a broader range of providers.
- Require districts that receive SRP funding to include charter schools when developing their SRP plans and to share SRP funds with these schools on an equitable basis.

	Early Learning Scholarships (ELS)	School Readiness Program (SRP)	Charter schools in Minnesota
Year created	Launched in 2014	Launched in 1991 ¹⁴	Charter law enacted in 1991 ¹⁵
Children in state	215,813 three-, four-, and five- year-olds in Minnesota ¹⁶		1,069,231 school-age children in Minnesota ¹⁷
Children served	5,000 children served ¹⁸ 2 percent of three-, four-, and five-year olds	23,000 children served ¹⁹ 11 percent of three-, four-, and five-year olds	43,937 students served 4.1 percent of school-age population 157 charter schools ²⁰
Charters offering pre-K	Twenty charter schools in Minnesota offer pre-K. ²¹		One hundred charter schools in Minnesota offer elementary school programs. ²²
Funding	Providers receive \$5,000 per pupil through Early Learning Scholarships. ²³	Districts receive SRP funding through a funding formula; in 2014, districts received between \$873 and \$789,264 to offer SRP. ²⁴	Charter schools receive \$11,429 per pupil to serve K–12 students. ²⁵



Endnotes

- 1 “Early Learning Scholarship Programs,” Minnesota Department of Education, 2014, <http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html>.
- 2 “2013 Minnesota Statutes,” The Office of the Revisor of Statutes, 2013, <https://www.revisor.mn.gov/statutes/?year=2013&id=124D.142>.
- 3 “Early Learning Scholarship Programs,” Minnesota Department of Education, 2014, <http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html>.
- 4 “2014 Minnesota Statutes,” The Office of the Revisor of Statutes,” 2014, <https://www.revisor.mn.gov/statutes/?id=124D.15>.
- 5 Ibid.
- 6 National Alliance for Public Charter Schools (NAPCS), “Measuring Up: Minnesota,” <http://www.publiccharters.org/get-the-facts/law-database/states/MN/>.
- 7 “Early Learning Scholarship Programs,” Minnesota Department of Education, 2014, <http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html>.
- 8 “Indicators and Scoring: Accelerated Pathway to Rating,” Parent Aware, February 2015, <http://parentawareratings.org/files/Indicators%20Accelerated.pdf>.
- 9 “State of Minnesota School Readiness Program Plan for FY 2014 and FY 2015,” Minnesota Department of Education, January 2015, <http://tinyurl.com/ozdqghc>.
- 10 “2014 Minnesota Statutes,” The Office of the Revisor of Statutes, 2014, <https://www.revisor.mn.gov/statutes/?id=124D.15>.
- 11 M.S.A. § 124D.10 Subd. 8(f).
- 12 The percentage of students served is out of three-, four-, and five-year-olds because Minnesota does not track the number of students enrolled in early-childhood programs with unique student identifiers. As a result, we have to refer to outside research for the unduplicated number of early childhood students in the state, which uses 3–5 year olds rather than 3–4 year olds.
- 13 M.S.A. § 124D.10 Subd. 9(c).
- 14 W. Steven Barnett et al., “The State of Preschool 2013: State Preschool Yearbook” (New Brunswick, NJ: National Institute for Early Education Research, 2013), <http://nieer.org/sites/nieer/files/yearbook2013.pdf>.
- 15 NAPCS, “Measuring Up: Minnesota.”
- 16 State population data calculated using ACS 2012 five-year estimates; U.S. Census Bureau, “American Community Survey,” www.census.gov/acs.
- 17 Ibid., all children in households, three to seventeen years old.
- 18 “Early Learning Scholarship Programs,” Minnesota Department of Education, 2014, <http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html>.
- 19 “Statewide Readiness Report Card,” Wilder Research, <http://www.wilder.org/Wilder-Research/Publications/Studies/School%20Readiness%20Report%20Card/School%20Readiness%20Report%20Card%20-%20All%20Fact%20Sheets.pdf>.
- 20 Interview with MDE representative, February 19, 2015. Another nineteen charter schools are approved to open in fall 2015.
- 21 Minnesota Association of Charter Schools, <http://www.mncharterschools.org/directories/index.php?intAttributeID=104#results>.
- 22 Ibid.
- 23 “Early Learning Scholarship Programs, FAQ,” Minnesota Department of Education, 2015, <http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html>.
- 24 Interview with MDE representative, February 19, 2015. Minnesota Statutes 2014 124D.16 Subd 2.
- 25 <http://www.uaedreform.org/wp-content/uploads/2014/charter-funding-inequity-expands-mn.pdf>.