RSAI is registered opposed to [**HSB 242**](https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=hsb242) **Charter Schools.** Rural Schools are opposed primarily to the Founding Group Model beginning on Page 8, titled subsection 5. This option allows outside entities to create charter schools without school board approval.

In 2015, Mary Miron, Western Michigan University, and William Mathis and Kevin Welner, University of Colorado, Boulder, reviewed the National Association of Public Charter Schools report and summarized the empirical evidence related to all 21 criticisms. After a thorough analysis of the research base, they concluded: “Charter schools were originally designed to be a new form of public school. They were supposed to be small, locally run, innovative, and highly accountable. They were supposed to be open to all and were expected to provide new freedoms for teachers to creatively innovate and serve their communities. In reality, the main outcomes of charter schools have been to promote privatization and accelerate the stratification and re-segregation of schools.”

There is a blurred line between public and private once funds are paid to the private entity. The Report stated: There is broad recognition that charter school oversight is inadequate. Charter school boards are not able to obtain data and information about their own schools held by private Educating Management Organizations (EMOs). There was Ohio litigation in 2015 to force White Hat Management to share details with their own charter school board on how that private EMO spent public dollars on charter schools that were closed for poor performance. After several of the charters were closed, the school district sued. At further issue was the property purchased with public dollars. The Ohio Supreme Court sided with the private company, that when the state BOE closed the charter schools, the local school district was required to purchase the acquired property back from the private company, even though it was purchased with public funds paid to the private company.

Rural school leaders are further concerned that outside entities would create a charter school, for seemingly noble purposes, maybe a STEAM academy, or a Career and Technical or college prep program. The charter will draw students and staff away from already smaller districts that are held accountable to state accreditation standards striving to provide more for their students.

An article in Forbes titled [**Four Reasons Charter School Don’t Fit Rural Communities and One Reason They Do**](https://www.forbes.com/sites/petergreene/2018/12/17/four-reasons-charter-schools-dont-fit-rural-communities-and-one-reason-they-do/?sh=166bf495386e)**, explains our primary concern:** Citation Forbes, Dec. 2017:

* **Rural Schools Run On Tight Budgets:** “One does not remove a few hundred thousand dollars from a rural school budget without really feeling it. Most rural districts are lean operations already, without fifteen jobs like Assistant Vice-Superintendent in charge of Paper that can be easily absorbed. Transportation may be a huge chunk of the budget, and there really isn't any way to tighten that particular belt. *The minute a charter starts "redirecting" tax dollars away from a rural district, that district will feel the hurt*.”
* **When Do Rural Charters Make Good Sense:** It is the one approach to rural chartering that makes sense--***a local school under local control created to meet a local need. That's a good charter fit.” (See Option 1 in HSB 242 or simply Iowa’s current charter school law.)***

**Lastly, Charter Schools Increase Property Taxes:** HSB 242 allows school boards to request spending authority from the SBRC for the opening/closing of a charter school. Spending authority is funded by Property Taxes. Also, the potential to double count students, mentioned in the SF 259 fiscal note, would increase property taxes.

Charter school experience confirms that fiscal note statement; they close or never open due to low enrollment: As reported in [Forbes Sept. 2018](https://www.forbes.com/sites/petergreene/2018/09/28/the-promises-charter-schools-dont-make/?sh=697bbc1a67ad): The Center for Media and Democracy found that (nationally)[about 2,500 charter schools closed between 2000 and 2013](https://www.prwatch.org/node/12936). Some of them closed at the end of the school year, some never opened in the first place, and some closed abruptly in the middle of the year. Charters can close for a variety reasons; this week's closings appear to be due to financial problems because of low enrollment.

Students originally estimated to attend the charter generated funds from the public district. When they attended the public schools and not the charter, the school board requests spending authority, funded by property taxes.

RSAI urges you not to move this bill forward, especially Division 5 and subsequent sections regarding the Founding Group model. **RSAI Contact:** Margaret Buckton, RSAI Professional Advocate, [margaret@iowaschoolfinance.com](mailto:margaret@iowaschoolfinance.com), (515) 201-3755