

Association of Metropolitan School Districts



Education Issues Guide for the 2018 Election

August 2018

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A Message from the AMSD Board Chair

Education matters. While those running for office often tout their support for public education, it is critically important to find out where candidates stand on specific policy issues that impact teaching and learning.

This guide details the issues facing K-12 public education in Minnesota and will help you understand some of the challenges facing school districts. This guide:

- Outlines recent legislative action
- Provides information and tools to evaluate candidates' positions on education issues
- Provides sample questions to pose to candidates to hold our elected officials accountable



The challenges and opportunities we face in education are both daunting and exciting. Collectively, we are responsible for a high-quality public education system that provides opportunities for success to all of our students. Public schooling is an obligation of the state deemed so important that it is codified in the Education Clause of the Minnesota State Constitution!

Yet, the needs of our students are changing. Think about the challenges facing our schools:

- Increasingly diverse student populations
- Language barriers
- Growing economic insecurity
- Increasing special education needs

Our public education system must continually adapt to educate a workforce in an economy that requires workers who are nimble, lifelong learners and adept communicators. Our future, our kids, our economy and our democracy are all strengthened by a strong public education system.

We encourage you to share this guide with candidates and community members in your district — we hope it will help you understand the expectations that have been placed on our public schools and the critical role policymakers play to ensure every child reaches their full potential.

“If you think education is expensive, try ignorance.” - Derek Bok

AMSD Board Chair Stephanie Levine is a school board member from West St. Paul-Mendota Heights-Eagan Area Schools.

About AMSD

In existence since 1974, AMSD currently represents 47 greater metropolitan area school districts, enrolling more than half of all public school students in Minnesota.

The mission of AMSD is to advocate for metropolitan school districts and advance legislation that supports student achievement.

AMSD helps greater metropolitan area school districts articulate challenges and needs to state policymakers. AMSD's members include urban, suburban and regional center school districts. Because of its broad-based membership, AMSD is in a unique position to identify the needs of metropolitan area school districts and seek meaningful policy changes to help districts meet those needs.

AMSD Elections Resources

AMSD urges citizens concerned about public education to become familiar with the local issues and challenges in their school district. AMSD is also available to political candidates to assist with answering questions related to education policy and funding issues.

Please contact Scott Croonquist, AMSD executive director, at 651-999-7325 or scroonquist@amsd.org with questions.

Facts About Public Education in Minnesota

2017-18

- K-12 Enrollment: 884,852
- 2017 Graduation Rate: 83 percent
- Percent of Students Eligible for Free or Reduced-Price Lunch: 37.2 percent
- Students Receiving Special Education Services: 15.7 percent
- Percent of Students Identified as English learners: 8.3 percent
- Homeless: 1percent

Expectations for Public Schools

Federal and state policymakers have established ambitious goals and expectations for our public schools including ensuring that each and every student is college and career ready upon graduation from high school. This is a goal we must strive to reach to ensure Minnesota has the highly-educated workforce we need to compete in the global economy. State policymakers must provide adequate, equitable and sustainable resources so our schools can meet the ambitious goals and expectations they have established including:

- All students are prepared for Kindergarten.
- All students achieve reading proficiency by the end of third grade.
- Achievement gaps are closed among racial and ethnic groups of students, students living in poverty, and students receiving special education services.
- All students graduate from high school.
- All students graduate prepared for college or career.

Achieving these goals requires a sustained commitment by state policymakers including addressing critical issues such as:

- Increasing the basic formula by at least the rate of inflation each year.
- Providing the funding necessary to deliver important and mandated special education and English learner programming.
- Increasing referendum equalization to address property tax and funding disparities.
- Creating incentives and alternatives to attract and retain teachers of color and teachers in shortage areas.

Recent Education Action

Why is it important to become informed about political candidates in your community? Those who are elected will make critical policy and funding decisions that impact your schools and your community. The following investments and strategic reforms were approved during the 2017 and 2018 sessions:

2018

- **Pension Stabilization**

The bill provides state funding for the increased employer contribution through the school aid formula. Under the legislation, the Teachers Retirement Association (TRA) Fund's liabilities will immediately be reduced by \$2 billion, the funded ratio will increase to 75 percent (from 70 percent), and the plan will be on a trajectory to be 92 percent funded in 30 years.

- **School Safety Grants**

\$25 million in school safety grants were included in the bonding bill.

2017

- An increase in the basic formula of 2 percent per year.
- \$50 million for the creation of a new School Readiness Plus Program for the 2018-19 biennium. This one-time funding can be used for voluntary prekindergarten or school readiness programming.
- An increase of \$20.65 million in the 2018-19 biennium for Pathway I Early Learning Scholarships. Pathway II scholarships are frozen at the FY 2017 level.
- \$4.9 million for mental health grants to intermediate school districts and cooperatives.
- Investments to address the teacher shortage and increase the number of teachers of color.
- Reform of the teacher licensing governance system and the creation of a tiered licensure framework.
- School districts and the exclusive representative of the teachers are required to negotiate an unrequested leave of absence plan removing the statutory requirement that seniority be the determining factor.

While these were significant accomplishments, important work remains. The basic funding formula continues to lag behind inflation and the special education and English learner programs continue to be severely under-funded. In addition, our school districts continue to depend on revenue from operating and technology referenda for resources needed to provide students basic programs and opportunities needed to succeed.

6 Key Education Facts

A standing joke at the Capitol is that there are only about five people in the state who truly understand all of the components and nuances of the education funding system. Unfortunately, that old joke is closer to the truth than it should be. Here are several education facts that shed some light on the funding challenges facing Minnesota school districts:

1. **The Basic Education Formula continues to lag behind inflation.**
2. **The State falls far short of paying for its mandated special education programming.**
3. **The State is not providing sufficient resources to educate our English learners.**
4. **Geographic operating cost differentials are not accounted for in current funding formulas.**
5. **The school property tax system is inequitable.**
6. **More students than ever before have significant needs and challenges requiring schools to provide more services.**

The complicated nature of the funding system can lead to an inaccurate picture of the state of funding for school districts in Minnesota. Some examples include:

- **Pupil and program growth.**

The Minnesota Legislature passes education spending bills once every two years. But how that amount is spent year-over-year can vary greatly — and can lead to a grossly distorted view of education funding.

Most education programs are funded on a per-pupil basis. In other words, when the number of students served in our schools increases, the amount the state spends on education increases. That's why an overall increase in state spending does not necessarily translate into additional revenue for every school district. Likewise, when students in a given district are in need of services, such as special education or English learner, those districts receive additional funding for those students.

- **Categorical funding.**

While general funding is often distributed to school districts with few strings attached, categorical funding comes with explicit direction on how they must be spent. Increases in funding for specific programs, such as preK, can be very beneficial and provide opportunities for students, but generally cannot be used for other general education purposes.

- **Unfunded mandates.**

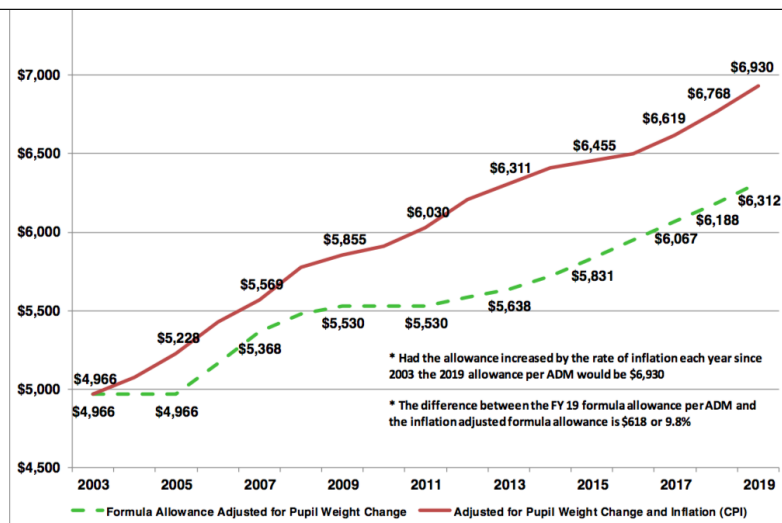
Sometimes, the legislature passes laws imposing new requirements on school districts — but then does not provide funding to pay for those mandates. Examples include the principal and teacher evaluations requirements, and the Health Insurance Transparency Act. While these are important issues, school districts have had to use existing general education revenue to pay additional costs to implement the new programs and mandates.

The following information attempts to provide some context to the school funding climate in Minnesota per the points above. The data highlights the funding trends and helps explain some of the cost drivers challenging school districts' budgets. It also helps explain why school districts have been making budget adjustments in recent years that include layoffs, increased class sizes and higher activity fees.

1. The Basic Education Formula Continues to Lag Behind Inflation

Basic education revenue is the primary source of general operating funds for school districts. Between 2003 and 2019, the basic formula has lost ground to inflation. The basic funding formula would be \$618 per pupil higher today if it had simply kept up with inflation.

The basic funding formula would be \$618 per pupil higher today if it had simply kept up with inflation.



Source: MDE June 2018 Inflation Estimates

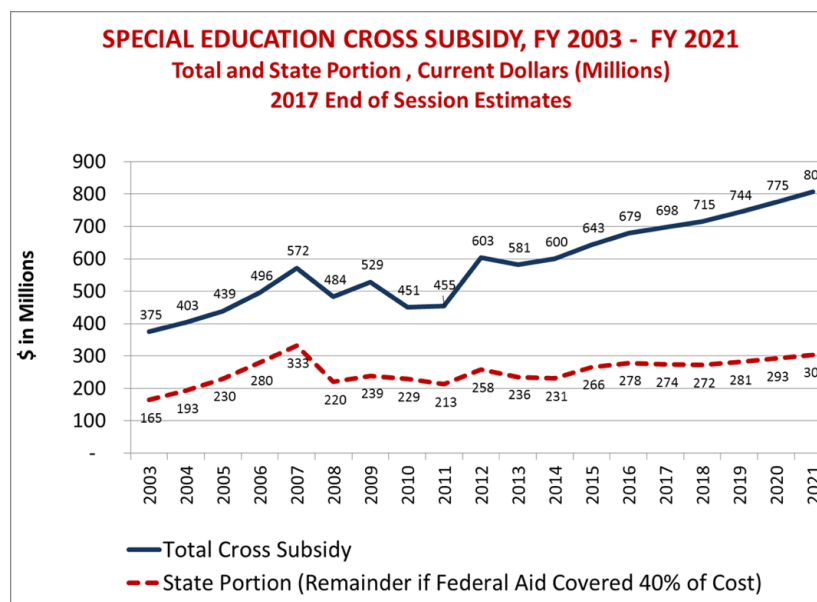
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2. The State Falls Far Short of Paying for Its Special Education Mandates

In 1975, the federal government passed landmark legislation requiring states to provide a “free and appropriate education to special education students.” This historic legislation ended years of discrimination against students with physical and cognitive disabilities. However, **the state and federal governments have never provided the funding necessary to serve our special education students.** Consequently, school districts are forced to use money meant for regular classroom instruction to make up the difference. That difference is known as the “cross-subsidy.”

According to the Minnesota Department of Education’s FY 2016 cross-subsidy report (latest data available), special education costs exceeded state and federal special education aid by almost \$425 million for AMSD member districts. The statewide cross-subsidy was \$679 million in FY 2016 and is projected to grow to \$698 million by FY 2017 and \$806 million by FY 2021.

There is a common misperception that the cross-subsidy is strictly due to the failure of the federal government to meet its obligation. As the chart below shows, the cross-subsidy is projected to be \$272 million in FY 2018 even if the federal government met its goal of covering 40 percent of the cost. *Graph: Minnesota Department of Education*



3. The State Is Not Providing Sufficient Resources to Educate Our English Learners

According to the Department of Education's special population report, there were 72,335 students who were eligible for English learner services in Minnesota in the 2017-2018 school year. Almost 70 percent of these students attended school in an AMSD member school district. Statewide, the percent of English learners has increased from 6.5 percent to 8.3 percent since 2003. The statewide number of students who were English learners grew from 3.2 percent in 1997-98 to 8.3 percent in 2017-18 according to the Minnesota Department of Education.

Data from the Minnesota State Demographic Center, finds that 11.1 percent of Minnesotans speak a language other than English at home. Minneapolis Public Schools' families and students speak more than 90 languages, while more than 125 languages and dialects are spoken in the Saint Paul Public Schools.

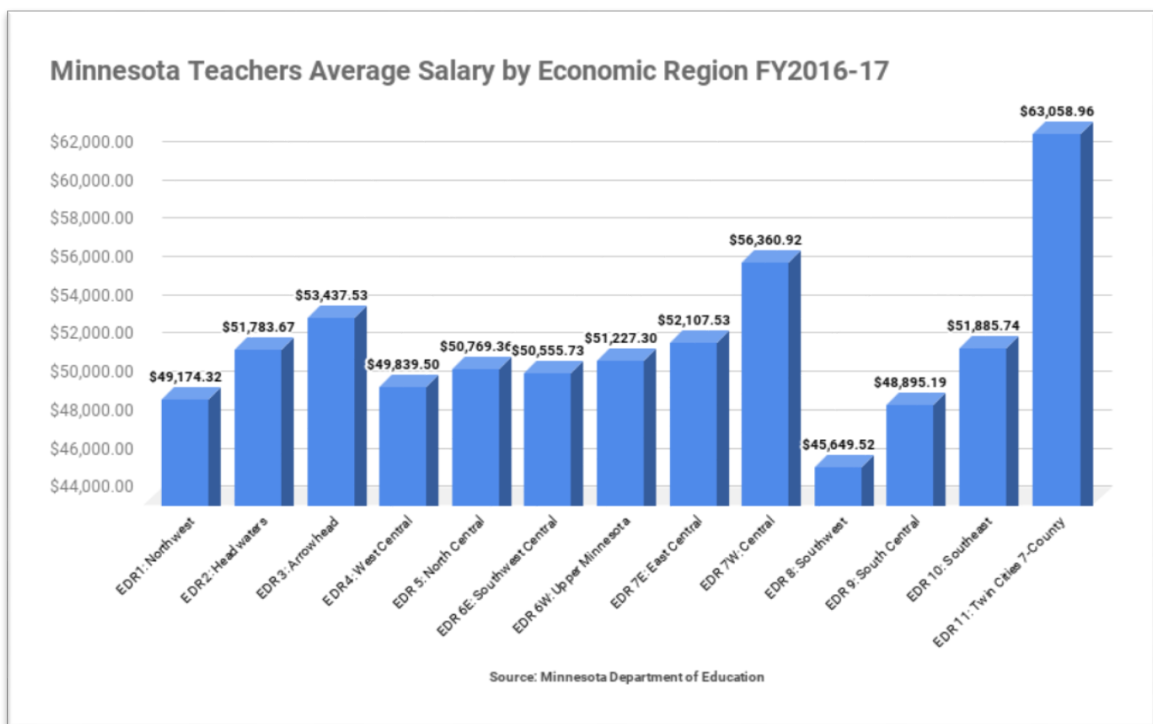
In FY 2017, AMSD school districts spent almost \$119 million on services for English learners but received just \$37 million in English learner funding. In other words, AMSD school districts redirected more than \$82 million in general education revenue to provide important services to English learners.

4. Geographic Operating Cost Differentials

Metropolitan school districts face significantly higher labor costs than their rural counterparts. Unlike many states, Minnesota's education funding formula does not recognize the geographic wage differentials.

A 2014 University of Minnesota study showed that there is a 41 percent difference in costs faced by school districts in regions that command the highest and lowest wages.

Consequently, metro school districts are heavily reliant on passing operating referenda to provide basic programs and services for their students. However, these referenda have a widely different impact on local property taxpayers depending on the property tax wealth of the school district.



5. The School Property Tax System Is Inequitable

Minnesota's education funding system is based on a state and local partnership to provide the resources and opportunities our students need throughout their preK–12 experience. This is what prepares them to graduate from high school ready for college or career.

Local property taxes provide about 21 percent of the revenue for Minnesota school districts – a level that has been fairly constant for several years. According to the Minnesota Department of Education, the State share of education revenue has risen from 62 percent in FY 2011 to a projected 67 percent in 2021.

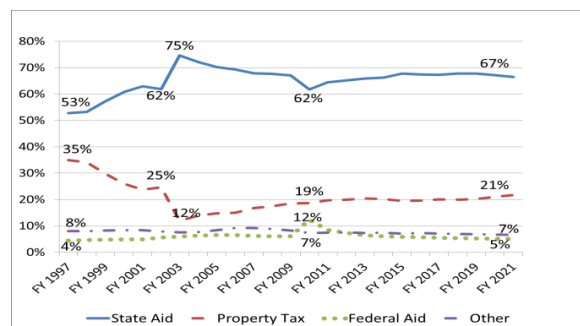
Districts rely on school levies just to maintain current programs or to reduce budget cuts. Operating referenda provide resources for basic, essential services and programs for students.

School districts also rely on capital projects referenda to provide the technology their students need in today's digital world and capital bond referenda to build and maintain safe and secure facilities for students, staff and the public.

Unlike many other states, Minnesota's education funding system does not account for regional wage variations. As a result, metro school districts, which face significantly higher labor costs, are heavily dependent on voter-approved operating referenda. This reliance creates inequities for school districts, students and taxpayers.

PK-12 Education Revenue by Source: Minnesota Department of Education

Homeowners who live in comparably valued homes, and who pay similar amounts in property taxes, do not always generate a similar level of funding for their school district. Some school districts generate three and four times more than other school



districts due to variations in property tax base. Districts with more commercial/industrial property are able to spread out property taxes and reduce the tax burden on their homeowners. It is vital that the Governor and legislators address funding and property tax disparities.

6. More Students Have Significant Needs and Challenges Requiring Schools to Provide More Services

Examples of the growing significant needs facing student populations:

- **Economic disparity.** Student eligibility for the free and reduced price lunch program is based on family income. For FY 2017-18, a student from a family of four is eligible for the free lunch program if the family income is at or below \$31,980 (130 percent of the federal poverty level). A student from a family of four qualifies for the reduced price lunch program if their family income is at or below \$45,510 (185 percent of the federal poverty level).
- **English proficiency.** Students who are English learners or who do not speak English as their primary language often need translation or other resources in classrooms where English is the primary language.
- **Homelessness.** 2015-2016 was the first year the Minnesota Department of Education started tracking Homeless students for school districts.
- **Special education IEPs.** Special education students have an Individualized Education Plan (IEP) and receive individualized instruction based on unique goals and objectives.

Free and Reduced Lunch 38% Percent of Eligible Students Statewide Of these students, over 50% are from AMSD Member Districts	English Learners Identified 8% Percent of Eligible Students Statewide Of these students, almost 70% are from AMSD Member Districts	Homeless 1% Percent Students Statewide Of these students, almost 60% are from AMSD Member Districts	Special Education 15% Percent Students Statewide Of these students, almost 50% are from AMSD Member Districts
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Questions for Legislative Candidates

Education Funding

- What are your education budget priorities for the upcoming budget session?
- Do you believe the education funding formula should recognize the higher cost of labor in the metropolitan area?
- Do you support increasing operating referendum equalization to address these inequities?
- In the coming year, school districts will be forced to spend almost \$700 million of funds meant for regular classroom instruction on mandated special education programs. Will you support significantly increasing special education funding to reduce the cross-subsidy?

Local Control and Working with Local School Board(s)

- If elected/re-elected, how will you work with your local school district(s) to address critical education funding and policy issues?
- Do you support granting levy authority to locally-elected school boards to help stabilize education funding?
- Do you support allowing locally-elected school boards to renew an existing operating referendum by a majority vote of the school board after a public hearing?
- Would you be willing to vote against your caucus' position if it is in the best interest of your local school district(s)?
- Do you support reducing mandates and encouraging innovation for school districts?
- Do you support allowing locally-elected boards to establish the school calendar that best meets the needs of their students and families?

Vouchers

- Do you support vouchers, expanded tax credits or other taxpayer subsidies for non-public schools?
- Should non-public schools that receive taxpayer funding be required to comply with state mandates, held accountable for how taxpayer dollars are spent and be open to all students?

Get Involved

Where do you start?

- Meet with your superintendent(s).
- Meet with school board members.
- Review the AMSD resources included in this guide.
- Attend community candidate forums.
- When candidates call or knock on your door, ask questions.
- Write or call local candidates and ask them about their position on education issues that matter to you.
- Become involved with your local Legislative Action Coalition or Parent Teacher Organization.
- Stay active during the legislative session and contact your local leaders on issues that impact your school district.
- Most importantly ...

Vote.

Election Resources

Major Parties

Democratic-Farmer-Labor: <http://dfi.org>

Independence: <http://www.mnip.org>

Republican: <http://www.mngop.com>

Legislative Resources

Minnesota House of Representatives: <http://www.house.leg.state.mn.us/>

Minnesota Senate: <http://www.senate.leg.state.mn.us/>

DFL House Caucus: <http://dfihouse.com>

DFL House Caucus: <http://www.house.leg.state.mn.us/dfi/>

DFL Senate Caucus: <http://senatedflcaucus.com>

DFL Senate Caucus: http://www.senate.mn/departments/office_bio.php?office_id=1003

Republican House Caucus: <http://www.mnhrc.com>

Republican House Caucus: <http://www.house.leg.state.mn.us/gop>

Republican Senate Caucus: <http://www.mnsenaterepublicans.com>

Republican Senate Caucus:
http://www.senate.mn/departments/office_bio.php?office_id=1002

Candidate Information

League of Women Voters: <http://www.lwvmn.org/>

MN Secretary of State: <http://www.sos.state.mn.us/>

Candidate Filings: <http://candidates.sos.state.mn.us>

Other Resources

AMSD Web Resources

AMSD Legislative Session Information: <https://www.amsd.org/current-session/>

AMSD Research & Charts: <https://www.amsd.org/document-library/research-statistics/>

AMSD Recommended Education Reports: <https://www.amsd.org/document-library/education-reports/>

AMSD Reimagine Minnesota Plan: www.amsd.org/reimagineminnesota

AMSD Position Papers

- Position on Assessment: <https://www.amsd.org/doc/position-assessment>
- Position on Charter Schools: <https://www.amsd.org/doc/position-charters>
- Position on Compensatory Revenue: <https://www.amsd.org/doc/position-compensatory>
- Position on Early Childhood Education: <https://www.amsd.org/doc/position-earlyeducation>
- Position on Employee Health Insurance: <https://www.amsd.org/doc/position-insurance>
- Position on English Learner Funding: <https://www.amsd.org/doc/position-englishlearner>
- Position on Facilities Funding: <https://www.amsd.org/doc/position-facilitiesfunding>
- Position on Guns on School Property: <https://www.amsd.org/doc/position-guns>
- Position on Mandates and Local Control: <https://www.amsd.org/doc/position-mandates>
- Position on Special Education: <https://www.amsd.org/doc/position-specialeducation>
- Position on Vouchers: <https://www.amsd.org/doc/position-vouchers>

Video: Understanding the Minnesota Special Education Cross-Subsidy

<https://www.amsd.org/specialeducation/>



Video: Why Voters Must Renew School Levy Requests — After Already Voting “Yes.”

<https://www.amsd.org/wealreadysaidyes/>



Minnesota Department of Education

<http://education.mn.gov>

Advisory Boards, Working Groups and Task Forces:

<https://education.mn.gov/MDE/about/adv/>

Parent and Educator Data Center:

<http://education.state.mn.us/MDE/Data/index.html>



Association of Metropolitan School Districts

For more information contact:

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AMSD Members: Anoka Hennepin School District, Bloomington Public Schools, Brooklyn Center Community Schools, Burnsville-Eagan-Savage School District 191, Columbia Heights Public Schools, Eastern Carver County Schools, Eden Prairie Schools, Edina Public Schools, Elk River Area School District, Equity Alliance MN (Associate Member), Farmington Area Public Schools, Fridley Public Schools, Hopkins Public Schools, Intermediate School District 287, Intermediate School District 917 (Associate Member), Inver Grove Heights Schools, Lakeville Area Public Schools, Mahtomedi Public Schools, Metro ECSU (Associate Member), Minneapolis Public Schools, Minnetonka Public Schools, Mounds View Public Schools, Northeast Metro Intermediate School District 916, North St. Paul-Maplewood-Oakdale School District, Northwest Suburban Integration School District (Associate Member), Orono Schools, Osseo Area Schools, Prior Lake-Savage Area Schools, Richfield Public Schools, Robbinsdale Area Schools, Rochester Public Schools, Rockford Area Schools, Rosemount-Apple Valley-Eagan Public Schools, Roseville Area Schools, Shakopee Public Schools, South St. Paul Public Schools, South Washington County Schools, SouthWest Metro Intermediate District (Associate Member), Spring Lake Park Schools, St. Anthony-New Brighton Independent School District, St. Cloud Area School District 742, St. Louis Park Public Schools, St. Paul Public Schools, Stillwater Area Public Schools, TIES (Associate Member), Wayzata Public Schools, West St. Paul-Mendota Heights-Eagan School District, Westonka Public Schools, and White Bear Lake Area Schools.