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AMSD Position on Charter Schools

The Department of Education should be directed to identify which, if any, exemptions from state law or rule allow charter schools to increase student achievement or increase efficiencies. The Governor and Legislature should extend any identified exemptions to all school districts. In addition, the State should fully reimburse school districts for the cost of providing transportation and special education services to charter school students.

AMSD BELIEVES

- Students and families are best served when charter schools are held to the same high standards applied to school districts.
- The State should fully reimburse school districts for the costs related to providing transportation and special education services to charter school students.

BACKGROUND

The first charter school opened in Minnesota in 1992. A key motivation behind establishing charter schools was the opportunity for charters to serve as labs of innovation to try new instructional strategies and models that, if successful, could be replicated by school districts throughout the state. According to the charter school law (124E.01), the purpose of charter schools is to:

- increasing learning opportunities for all pupils;
- 2) encouraging the use of different and innovative teaching methods;
- measuring learning outcomes and creating different and innovative forms of measuring outcomes;
- establishing new forms of accountability for schools; or
- creating new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Charter school are exempt from many state statutes and rules applicable to school districts to allow them to pursue these goals. However, the state does not collect best practices data from charter schools or examine whether freedom from certain state statutes and rules has allowed charter schools to accomplish their achievement goals.

Under current law, charter schools bill a special education student's resident school district for eligible unreimbursed special education costs. Prior to FY 2015, charter schools were able to bill back 100 percent of eligible unreimbursed costs. Beginning in FY 2015, charter schools may bill back no more than 90 percent of eligible unreimbursed costs, unless at least 90 percent of the charter schools' students qualify for special education costs in which case the full 100 percent may be billed back to the resident school district. This has a tremendous financial impact on school districts. In FY 2016, AMSD districts spent almost \$36 million of their general education revenue on special education costs for resident students attending charter schools. According to the Minnesota Department of Education's FY 2016 special education cross-subsidy report, AMSD member school districts are redirecting an average of \$964 per weighted pupil of general education revenue to cover unreimbursed special education costs. In comparison, the average per pupil cross-subsidy for charter schools is just \$88.

Similarly, school districts are required to provide transportation services for any resident student attending a charter school if the charter school chooses to not provide transportation services. School districts must use general education revenue to cover any unreimbursed transportation costs.



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AMSD Position on Compensatory Revenue

The compensatory revenue formula should be enhanced by increasing the base funding for students from low-income families. It is important that the formula continue to provide additional resources for schools with high concentrations of low-income students to provide the programming and learning opportunities necessary to close the achievement gap.

AMSD BELIEVES

- All school districts are striving to meet the needs of students whose educational progress is below grade level as assessed by federal, state or local content or performance standards. The current compensatory revenue formula should be revised to better reflect the increased resources needed to properly serve students from low-income families.
- To ensure equitable outcomes schools with high concentrations of students who qualify for free or reduced price lunch need even greater resources to provide the extra services these students need to achieve and meet State graduation requirements.
- The level of poverty is understated in most schools because many parents and students are reluctant to indicate their eligibility for the free or reduced lunch program.

percent of the federal poverty level.¹ 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.²

Compensatory revenue is provided to school sites using a formula based on the number and concentration of students eligible for free or reduced price lunch at the site.

Compensatory revenue provides the services students need to achieve at high levels. Such services include remedial instruction, additional teachers and aides, individualized instruction, longer school days, summer programs, ongoing staff development, programs to reduce truancy, and programs to encourage parental involvement. The education funding study commissioned by P.S. Minnesota shows that Minnesota must significantly increase funding for at-risk students to ensure these students have the resources necessary to meet performance expectations.³

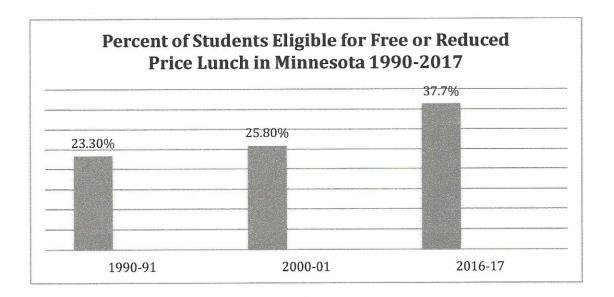
BACKGROUND

Student eligibility for the free and reduced price lunch program is based on family income. For FY 2017-2018, 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

For the 2016-17 school year, 37.7% of Minnesota students qualified for the free or reduced price lunch program.4

AMSD Position on Compensatory Revenue

The graph below shows that the percent of students eligible for free or reduced price lunch has grown dramatically over the past two decades. ⁵ It is critical that these students receive the support they need if we are to succeed in closing the achievement gap.



Endnotes

- ¹ Child Nutrition Programs: Income Eligibility Guidelines (July 1, 2017-June 30, 2018): https://www.fns.usda.gov/school-meals/income-eligibility-guidelines
- $^{\rm 2}$ Child Nutrition Programs: Income Eligibility Guidelines.
- ³"Our Public Schools Should Not Be an Afterthought: A Framework for a New Minnesota Education Funding Formula," <u>P.S. Minnesota Collaborative</u>.
- http://www.amsd.org/wp-content/uploads/2012/03/P.S.-Minnesota-Study-2006-1.pdf
- ⁴ "Special Populations," <u>Data Reports and Analytics</u>, 2016-17 Minnesota Department of Education
- ⁵ "Children Receiving Free/Reduced Price Lunch (Percent) 1991 & 2001," <u>Kids Count Data Center-Data by State</u>, 2011, Annie E. Casey Foundation, 18 Jan. 2012
- http://datacenter.kidscount.org/data/bystate/Rankings.aspx?state=MN&loct=5&by=a&order=a&ind=1772&dtm=10849&tf=2



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AMSD Position on Early Childhood Education

The Association of Metropolitan School Districts supports expanding access to school-based prekindergarten programs. Funding for prekindergarten programs must be sufficient to ensure essential program components including licensed teachers, support staff, transportation and sufficient classroom space.

AMSD BELIEVES

- Preschool education is a critical educational strategy to ensure all children are ready for kindergarten.
- School-based early learning programs provide the highest likelihood of success in preparing children to enter kindergarten with the skills, behavior and knowledge needed to progress and flourish.
- School districts must have the flexibility to design the programs that best meet the needs of their students and families.
- Funding should continue to be available to support the school readiness program to allow school districts to meet the needs of at-risk three year olds.

BACKGROUND

Minnesota was ahead of the curve in 1992 when it first established the School Readiness Program. In fact, Minnesota's School Readiness Program has been a nation-leading example of how highquality, school-based early learning programs can close the achievement gap and ensure that all students are prepared for kindergarten. The 1992 legislation required school districts to use the funds to serve at-risk three and four year olds and prepare them for success in kindergarten. Children in school-based programs are involved in a variety of learning experiences that prepare them to enter kindergarten with the skills, behavior and knowledge needed to be successful. The School Readiness Program serves approximately 29,000 children, who are three-five year olds (approximately 19,000 are four year olds).

The Legislature and Governor have approved significant investments in early learning in recent years including investments in the Early Childhood Family Education Program, School Readiness and Early Learning Scholarships. During the 2015 legislative session alone, funding for early learning programs was increased by almost \$90 million - \$30.750 million for School Readiness, \$10 million for Head Start and \$48.250 million for Early Learning Scholarships.

During the 2016 legislative session, a statewide Voluntary Pre-Kindergarten (VPK) grant program was enacted. The program is for children who are four years

AMSD Position on Early Childhood Education

old on September 1 of the school year in which they enroll. The program is formula-driven with eligible pupils generating up to 0.6 per pupil under the school funding formula. Funding is available in four categories - Minneapolis and St. Paul School Districts; metro suburban districts; non-metro districts; and charter schools - and is prioritized based on the number of kindergarten students eligible for free and reduced-priced lunch and the proximity of three and four-star rated Parent Aware programs. The Minnesota Department of Education received 184 complete applications including applications from 27 AMSD districts of which 15 were approved.

A new early learning program, School Readiness Plus, was created during the 2017 legislative session. The program targets four year olds demonstrating one or more risk factors. School Readiness Plus is one-time funding for FY 2018 and FY 2019 only. In addition, the Voluntary Pre-Kindergarten cap was changed from a limit on the total state aid entitlement to a limit on the number of participants. For FY 2018, there is a combined cap of 6,160 participants – 3,160 for the Voluntary Pre-Kindergarten Program and 3,000 for the School Readiness Plus Program. In FY 2019, the cap is increased to 7,160. For FY 2020 and later, the School Readiness Plus Program sunsets and the Voluntary Pre-Kindergarten cap is returned to the FY 2017 level of 3,160.



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AMSD Position on English Learner Funding

The Association of Metropolitan School Districts supports increased funding for the English learner program to ensure that English learners have the opportunities and resources necessary to achieve State and Federal standards.

AMSD BELIEVES

- The state English learner funding formula should reflect the resources needed to prepare students to achieve state and federal standards and create the World's Best Workforce.
- Additional funding for staff training and student supports is needed to meet the goals and accountability requirements established in the state's Every Student Succeeds Act state plan.

BACKGROUND

Minnesota law defines an English learner as a student who:

- comes from a home where the language usually spoken is other than English, or usually speaks a language other than English;
- enters school in the United States after grade 6;
- has at least two years less schooling than the English learner's peers;
- functions at least two years below expected grade level in reading and mathematics; and
- may be preliterate in the English learner's native language. (MN Stat. § 124D.59).

According to the Minnesota Department of Education (MDE), Minnesota's English learner population has increased more than 300 percent in the last 20 years. The MDE's latest special population report showed that 72,335 students were eligible for English learner services in the 2016-17 school year. Almost 70 percent of these students attended school in an AMSD member school district with several districts having more

than 20 percent of their students eligible for English learner services. For example, almost 26% of Richfield, almost 26% of Columbia Heights and almost 23% of St. Cloud Area students are English learners.

Data from the U.S. Census Bureau (2011-15) shows that a language other than English is spoken in almost 21% of homes. Nearly 90 different languages are spoken in Minneapolis Public Schools and more than 125 languages and dialects are spoken in St. Paul Public Schools.²

In August 2010, Minnesota joined the World-Class Instructional Design (WIDA) consortium. The state implemented WIDA's English-proficiency standards and assessment, ACCESS, for EL students during the 2011-12 academic year.

Research shows that high quality instruction within effective structures supported by comprehensive professional development is critical in educating English language learners.³ During the 2014 legislative session, lawmakers adopted English Learner policy reforms in areas related to the World's Best Workforce, reading proficiency and teacher licensing and development. In addition, eligibility for English learner services was extended from five to six years. Eligibility had been reduced from seven to five years in 2003 when the State faced a major budget shortfall.

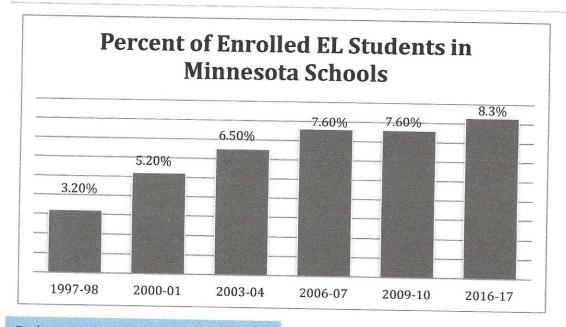
During the 2015 legislative session, eligibility for English learner services was extended from 6 to 7 years beginning in FY 2017. While the change in eligibility was a positive move, the program continues to be significantly under-funded. In FY

AMSD Position on English Learner Funding

2016, AMSD school districts spent almost \$116 million on services for English learners but received just under \$35 million in English learner funding. In other words, AMSD member school districts had to redirect over \$81 million of general education revenue to cover important services to English learners.

Minnesota's Every Student Succeeds Act (ESSA) plan to the U.S. Department of Education establishes goals and accountability measures to ensure EL students are moving toward English proficiency. School districts must submit a comprehensive needs assessment based on EL data, including progress towards proficiency and meeting the recommend growth target. The state plan includes a goal of having 85 percent of English learners making progress toward English language proficiency by the year 2025.

The chart below demonstrates the significant growth in the number of English learners (ELs) in Minnesota. The number of students eligible for English learner services grew from 3.2% in 1997-98 to 8.3% in 2016-17 according to the Minnesota Department of Education.



Endnotes

¹ "Special Populations 2016-17" <u>Data Reports and Analytics</u>, Minnesota Department of Education, Available at: http://w20.education.state.mn.us/MDEAnalytics/Data.jsp

² See Minneapolis: http://multilingual.mpls.k12.mn.us/demographics and St. Paul: https://www.spps.org/aboutus ³Margarita Calderón, Robert Slavin and Marta Sánchez, "Effective Instruction for English Learners," The Future of Children 21.1 (2011): 107, 118-119.



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AMSD Position on Mandate Reduction and Local Control

The Association of Metropolitan School Districts supports repealing unnecessarily restrictive mandates that increase administrative expenses and limit the ability of locally elected school boards to address the unique needs of their students and community. AMSD also supports broadening the levy and decision-making authority of locally elected school boards, including allowing school boards to renew an existing operating referendum by a majority vote of the board.

AMSD BELIEVES

- Federal and state mandates should have a clearly articulated purpose, which is revisited regularly to check for relevance and alignment with other policy goals.
- Policy makers should provide the funding necessary to comply with mandates.

BACKGROUND

Local control and citizen input are key components of our nation's democratic system. Decentralized governance improves responsiveness to local concerns, stimulates innovation and participation, and increases the accountability of locally elected officials. Mandates have been regularly imposed on school districts without the corresponding allocation of resources to carry them out. The Individuals with Disabilities Education Act (IDEA), the Elementary and Secondary Education Act (ESEA) and the World's Best Workforce (WBWF) have had the biggest impact on school districts but the list of mandates is long.

Each school district faces unique needs

which depend on a variety of factors including demographics, geography and district size. Locally-elected school boards are in the best position to work with their staff, students, parents and communities to address local needs and challenges. One size fits all mandates stifle innovation and creativity and consume staff time and resources. To enhance local control and reduce mandates, the Governor and Legislature should:

- Refrain from enacting any new unfunded mandates:
- Align the World's Best Workforce law to the State ESSA plan to create one accountability plan:
- Align the continuing contract law to the teacher tenure law to allow school boards and administrators more flexibility in retaining their most effective staff;
- Allow locally-elected school boards to adopt the school calendar that best meets the needs of their students and community;
- Retain the ability of locally-elected school boards to schedule capital referendum elections on a date that meets local construction timelines and allows school districts to take advantage of lower interest rates and more favorable bidding climates that can save taxpayer dollars;
- Repeal the requirement that school districts



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AMSD Position on Mandate Reduction and Local Control

publish minutes and budget information in the newspaper and instead allow districts to publish this information on their web site with a notice in the newspaper citing where the information can be found;

- · Repeal the requirement that school districts create a local assessment committee;
- Repeal the requirement that school districts establish site teams to develop and implement strategies on improving instruction and curriculum; and
- Repeal the requirement that public school districts administer an annual civics test.



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AMSD Position on Special Education

The Association of Metropolitan School Districts supports increased state funding for special education to ensure that all students have the resources and opportunities necessary to achieve state and federal standards.

AMSD BELIEVES

- Special education services provided by Minnesota's public schools are critical to the education and quality of life of students with special needs.
- The reductions in children's mental health services provided by the State and Counties have created a system where public schools are the frontline of children's mental health services.
- A growing number of students are coming to school with increasingly complex special education disabilities and extraordinary mental health needs.
- State special education funding and policy must ensure a safe learning environment for both students and staff.
- Minnesota schools have been leaders in providing extracurricular opportunities to special education students outside of special education funding.

BACKGROUND

The federal government first mandated special education in 1975 when Congress required states to provide a free and appropriate education in the least restrictive environment to all children with disabilities from the ages of 3 to 21. While the 1975 law authorized federal funding of "up to 40 percent of the national average per pupil expenditure for each special education student," the federal government has never

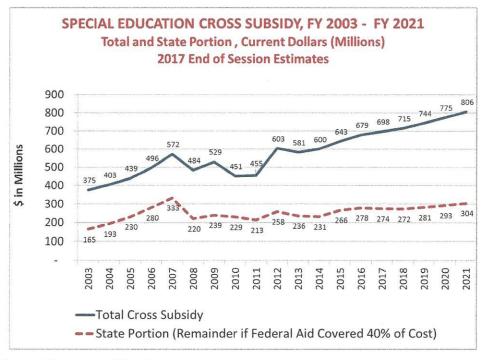
come close to providing that level of funding. The Special Education
Expenditure Project (SEEP) estimates that it costs 1.9 times more to educate the average special education student than the average student without special needs.¹
According to SEEP, the federal government has never funded more than 17 percent of the national average of per-pupil expenditures. Minnesota started providing special education services in the 1950s, twenty years before the federal government mandate.

In March of 2013, the Minnesota Office of the Legislative Auditor (OLA) released a comprehensive evaluation report on special education. Among the key findings was that many school districts are diverting state general education aid and referendum revenue to pay for mandated special education costs and that the special education student population in MN has grown by 11% since 2000.²

The 2013 Legislature made some progress in addressing these findings by approving \$40 million for special education cross subsidy aid and requiring the serving school district to pay 10 percent of the costs for the non-resident special education students they serve. Despite these recent actions, the graph on the next page clearly shows that the special education cross-subsidy continues to present enormous budget challenges for school districts.

AMSD Position on Special Education

Figure 1



Source: Minnesota Department of Education

The special education cross-subsidy is the result of federal and state mandates, inadequate state and federal funding and the high level of services needed by and delivered to Minnesota's special education students.³ The Minnesota Department of Education's FY 2016 cross-subsidy report shows that special education costs exceeded state and federal special education aid by almost \$425 million for AMSD member districts. Statewide, the cross-subsidy was \$679 million in FY 2016 and is projected to grow to \$698 million by FY 2017 and \$806 million by FY 2021.⁴ Figure 1, shows the projected special education cross-subsidy from 2003-2021. There is a common misperception that the cross-subsidy is strictly due to the failure of the federal government to meet its funding obligation. However, as the graph in Figure 1 shows, the special education cross subsidy would have been \$278 million in FY 2016 even if the federal government had met its goal of covering 40% of special education costs.

Endnotes

- ¹ Special Education Expenditure Project, "What Are We Spending on Special Education Services in the United States, 1999-2000?" June 2004, Report funded by the United States Department of Education.
- ² Minnesota Office of the Legislative Auditor, Evaluation Report: Special Education, available at: http://www.auditor.leg.state.mn.us/ped/pedrep/sped.pdf
- ³The special education cross-subsidy refers to the amount of general education revenue that a school district uses to pay for its special education program. In other words, the cross-subsidization estimate describes how much additional revenue a district needs to fund special education at the mandated level and still maintain funding for regular education programs. AMSD uses the adjusted net cross subsidy in its calculations.
- ⁴ Minnesota Department of Education, "Special Education Cross-Subsidies Fiscal Year 2016: Report to the Legislature." Available: http://www.amsd.org/wp-content/uploads/2011/11/2017-MDE-Special-Education-Cross-Subsidies-FY-2016.pdf



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AMSD Position on Vouchers

The Association of Metropolitan School Districts opposes the diversion of public funds to nonpublic schools through the use of vouchers or tax deductions or tax credits for private school tuition. Furthermore, the State should require that any school receiving public aid or enrolling students from families receiving public educational subsidies be accessible to all students and comply with all state laws and rules that are applicable to public schools.

AMSD BELIEVES

- Minnesota, through open enrollment, the post-secondary enrollment options program, charter schools, on-line learning and educational tax credits and deductions, is a national leader in providing school choice options.
- Minnesota provides significant direct subsidies to private schools to assist with the costs associated with transportation, textbooks, special education, counseling and nursing services. In addition, tax credits and deductions are available to families of private school students.
- State taxpayers have a right to expect that any institution that receives public dollars will be held accountable for how those funds are expended and will follow all applicable state laws and regulations.
- Citizens expect that taxpayer dollars will be used at schools that are accessible to all children, including children with special needs.

BACKGROUND

The United States Supreme Court ruling upholding the Cleveland voucher program moved the debate on providing public aid to private schools to the state level. Vouchers, according to the U.S. Supreme Court, do not violate the U.S. Constitution's prohibition against a government establishment of religion. As a result of that ruling, each state was left to deal with the issue on a state constitutional

basis. In addition, it is important that the various public policy implications of a voucher system be considered.

The Minnesota Constitution prohibits the State from directing public money to sectarian schools. Article XIII, Section 2 states, "In no case shall public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds or tenets of any particular Christian or other religious sect are promulgated or taught." That language notwithstanding, the Minnesota Supreme Court has upheld the constitutionality of directing public funds to students attending private, religious colleges.

Numerous studies, including those by the U.S. Department of Education and the Center on Education Policy have found that there is no measurable difference in performance between students using school vouchers and their peers in public schools. In 2017, research from Louisiana and Indiana showed that "public school students that received vouchers to attend private schools subsequently scored lower on reading and math tests compared to similar students that remained in public schools. The magnitudes of the negative impacts were large." The data showed the following, "In Louisiana, a public school student who was average in math (at the 50th percentile) and began attending a private school using a voucher declined to the 34th percentile after one year. If that student was in third, fourth, or fifth grade, the decline was steeper, to the 26th percentile. Reading declined, too: a student at the 50th percentile in reading declined to about the 46th percentile. In Indiana, a student who had

AMSD Position on Vouchers

entered a private school with a math score at the 50th percentile declined to the 44th percentile after one year." 2"A case to use taxpayer funds to send children of low-income parents to private schools is based on an expectation that the outcome will be positive. The recent findings point in the other direction." 2

Similarly, research does not support tax credits, or neovouchers. Recent research on Florida's neovoucher program found that students receiving neovouchers had a nonsignificant (-0.7 percentile points) loss in math and nonsignificant (+0.1 percentile points) gain in standardized test scores.³ In addition, neovouchers can allow taxpayers to game the tax system, "In the six states that give a full tax credit for voucher donations, those taxpayers can get back the full value of their voucher plus a deduction for the donation." While neovouchers are unlikely to improve educational outcomes for students moving to private schools, the negative impact on those students remaining in public schools is even clearer. Thirty neovouchers across twenty states are draining over \$1 billion in public revenues from state coffers every year. Every dollar of revenue diverted toward private schools is revenue that cannot be invested in the public education system." 4

State policymakers should focus on adequately funding our public schools rather than subsidizing nonpublic schools. Minnesota's constitution makes it the duty of the Legislature to establish a general and uniform system of public schools. By many measures, the State is not meeting that constitutional obligation. For example:

- The general education basic formula for FY 2017 is \$596 per pupil (9.4 percent) less than it was in FY 2003 in inflation adjusted (FY 2017) dollars.
- The Minnesota Department of Education's FY 2016 cross-subsidy report shows that special education costs exceeded state and federal special education aid by \$679 million (State portion: \$278 million) in FY 2016. The cross-subsidy is projected to grow to \$698 million (State portion: \$274 million) by FY 2017 and \$806 million (State portion: \$304 million) by FY 2021.
- In FY 2016, Minnesota public school districts spent almost \$148 million on services for English learners but received just over \$52 million in English learner funding. This required school districts to redirect over \$95 million in general education revenue to provide important services to English learners.

The American public is overwhelmingly opposed to private school vouchers. The 2017 Phi Delta Kappa (PDK)/Gallup Poll of the Public's Attitudes toward the Public Schools shows that only 39% of Americans favor allowing students and parents to choose a private school to attend at public expense (vouchers). Minnesotans are likewise strongly opposed to private school vouchers. A public opinion survey conducted by the Morris Leatherman Company in August of 2016 showed that over 60% of Minnesotans oppose vouchers/tax credits for private/religious schools.

Endnotes

¹ See the following studies: Metcalf (1998), Witte (1996), Greene, Howell & Peterson (1999) Greene, Peterson & Du (1996), US Dept. of Education Evaluations of the DC Opportunity Scholarship Program (2007, 2008, 2009), Center on Education Policy, "Keeping Informed About School Vouchers (2011) and Center for Tax and Budget Accountability, "Applying of Indiana School Chaics School Plans in Programs," April 2015.

"Analysis of Indiana School Choice Scholarship Program," April 2015.

http://www.ctbaonline.org/sites/default/files/reports/ctbaonline.org/node/add/repository-report/1429130411/R 2015.04.16. CTBA IN%20School%20Voucher%20Report FINAL.pdf

- ² Dynarski, Mark. (2016). "On Negative Effects of Vouchers." *Brookings Press.* Available at: https://www.brookings.edu/research/on-negative-effects-of-vouchers/
- ³ Welner, Kevin G. (2017). "The Conversation: Tax Credits, School Choice and 'Neovouchers': What You Need to Know." *National Education Policy Center*. Available at: http://nepc.colorado.edu/blog/tax-credits
- ⁴Institute on Taxation and Economic Policy. (2016). "State Tax Subsidies for Private K-12 Education." Available at: https://itep.org/state-tax-subsidies-for-private-k-12-education/
- ⁵ Phi Delta Kappan/Gallup, "Using Public Money to Support Private Schools," Available at: http://pdkpoll.org/results/using-public-money-to-support-private-schools