From the Chair

This month’s research article provides an overview of the E-12 Education Bill approved in the recently completed special session. While the tendency is to focus on the legislation that did pass, it is also important to note a proposal that did NOT pass that would have reduced state general fund revenues by almost $50 million in the 2018-19 biennium by providing significant tax subsidies to nonpublic schools. The loss of state revenue would have grown to more than $70 million under the agreement approved by the House and Senate Tax Conference Committee, but opposed by Governor Dayton. I encourage AMSD members to continue to educate your local legislators about the shortcomings of vouchers, opportunity scholarships and other proposals to subsidize nonpublic schools as similar proposals will likely resurface in the future. Thank you for your continued advocacy for our public schools.

John Vento, school board member from Robbinsdale Area Schools, is chair of AMSD.
CTECH Values Community, Industry and Business Partnerships

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CTECH manufacturing teacher, Jacob Robinson says, “At CTECH, there is an opportunity for students to use the equipment they would use in the industry. Our area needs more people who can weld and we need more machinists. There is a high demand for these areas and it is part of the reason why the programs were designed this way at CTECH.”

Guest instructors, 1:1 mentors, internship opportunities, preparation for industry certification and professional community partnerships keep CTECH students challenged and engaged. The programs are designed to strategically position students with a competitive edge for college applications and career pathways. Students also have the opportunity to earn college credit.

“It’s a small class and it is teaching me more about future opportunities and jobs,” said CTECH student Luke Martinson. Superintendent of Rochester Public Schools Michael Muñoz agrees that CTECH is opening up opportunities for students who otherwise may not engage in their traditional high school classes. “Observing our students engage in a hands-on learning environment is really special,” said Muñoz. “Our students are gaining the skills they need to excel in the 21st Century workplace.”

Students begin coursework in the CTECH career pathways in their home high school. Learners utilize the high school registration process to access CTECH classes. There is not a test or GPA requirement for students to enroll in our classes. Each pathway includes a series of courses; in most cases the class series begin at the student’s high school and end at CTECH. Students come to CTECH with coursework already completed in the pathway. Students may start in a pathway at any time during their high school career, but they are encouraged to begin early so all desired classes can be taken over the course of four years.

At CTECH, we value community, industry and business partnerships. It’s important to bring up-to-date skills and knowledge to our students so we are providing a cutting-edge education to our students. Jess Ihrke, an involved community member said, “I believe CTECH is one strategic way that we can best enhance and align career focused education for our region.” Superintendent Muñoz added, “I am thankful for the collaboration of our community and higher education. Together, we are able to not only serve the needs of our learners, but also serve the needs of our region.”

Located on Rochester Community and Technical College’s Heintz Center Campus, CTECH is truly a place for all learners: to explore, to specialize, and to connect to their academics through their passion. We invite you to learn more about CTECH by visiting www.ctech.rochester.k12.mn.us.

This month’s member spotlight was submitted by Heather Nessler, executive director of communications, marketing and technology, Rochester Public Schools.
The 2017 Legislature adjourned shortly before the midnight deadline on May 22 and then immediately convened a special session after Governor Dayton and legislative leaders announced that they had reached agreement on a framework for the 2018-19 biennial budget. The special session was expected to conclude by 7:00 a.m. on Wednesday, May 24, but ended up stretching to Friday, May 26 before the special session was adjourned sine die following passage of the major finance bills.

The E-12 Education Bill approved during the special session contains some important investments and policy changes, including a two percent per year increase in the basic formula, for the 2018-19 biennium. Noteworthy provisions contained in the bill include:

- An increase in the basic formula of 2% per year.
- $50 million for the creation of a new School Readiness Plus Program for the 2018-19 biennium. 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.

Disappointingly, some important issues were not addressed by the 2017 Legislature including:

- **Special Education** - No new investments in special education were included in the E-12 Education Bill, which means the cross-subsidy will continue to grow.
- **Equalization** - The Omnibus Tax Bill did not include investments in operating referendum equalization or debt service equalization to address taxpayer and education funding inequities.
- **Teachers Retirement Fund** – Proposed legislation to stabilize the Teacher’s Retirement Fund was not approved.

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**AMSD Members:** Anoka-Hennepin School District, Bloomington Public Schools, Board of School Administrators (Associate Member), Brooklyn Center Community Schools, Burnsville-Eagan-Savage, 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, North St. Paul-Maplewood-Oakdale School District, Northeast Metro Intermediate School District 916, Northwest Suburban Integration 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 Schools, St. Louis Park Public Schools, St. Paul Public Schools, Stillwater Area Public Schools, TIES (Associate Member), Wayzata Public Schools, West Metro Education Program, West St. Paul-Mendota Heights-Eagan Area Schools and White Bear Lake Area Schools.
Basic Formula Continues to Lose Ground to Inflation

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While there were some positive outcomes from the 2017 session, most AMSD member school districts will face budget challenges over the next two years. A budget survey conducted in May showed that AMSD members face a cumulative budget shortfall of over $91 million for the 2017-18 school year under a 2% formula increase. The budget challenges are not surprising given that the basic formula has lost considerable ground to inflation since 2003 and the special education cross-subsidy continues to grow. The chart below shows that the formula allowance will continue to lose ground to inflation over the next two years.

General Education Formula Allowance, 2003-2019

Adjusted for Pupil Weight Change and Inflation (CPI)

* Had the allowance increased by the rate of inflation each year since 2003 the 2019 allowance per ADM would be $6,908.

* The difference between the FY 19 formula allowance per ADM and the inflation adjusted formula allowance is $596 or 9.4%

Source: MDE January 2017 Inflation Estimates

A full summary of the E-12 Education Bill, as well as E-12 provisions that were included in other bills, is available on the AMSD web page: [http://www.amsd.org/advocacy/2017-legislative-session](http://www.amsd.org/advocacy/2017-legislative-session)