The last two years have brought extraordinary challenges for our public schools — and for Minnesotans from every walk of life. School board members, administrators, educators, and staff are committed to helping our students and families not just recover from the pandemic and trauma of the last two years but also to grow and thrive. Strong support from state policymakers will be critical. Those elected in the 2022 election will make funding and policy decisions that will shape the future of our public schools and state.

While Minnesota has a reputation as a state that values local control, the reality is that the Legislature is primarily responsible for funding our public schools and they also establish a broad range of requirements that impact teaching and learning ranging from academic standards to the school calendar to student discipline, and much more. Consequently, it is critically important to find out where candidates for governor and the legislature stand on education specific funding and policy issues.

This guide summarizes significant issues facing public education in Minnesota and will help you understand some key issues being experienced by our member school districts. This guide:

• Outlines recent legislative action.

• Provides information and tools to evaluate candidates’ positions on education issues.

• Offers sample questions to pose to candidates to find out where they stand on important issues and policies.

The challenges and opportunities we face in public education are both daunting and powerful. Collectively, we are responsible for creating a high-quality public education system that provides an excellent and equitable education for all of our students. Public education is an obligation of the state deemed so important that it is embedded in the Minnesota State Constitution.

Our public education system must continually adapt to educate a workforce in an economy that requires workers who are flexible 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 to help them understand the expectations that have been placed on our public schools and the critical role policymakers play to ensure each and every child reaches their full potential.

AMSD Board Chair Crystal Brakke is a school board member from Richfield Public Schools and Intermediate District 287.

AMSD ELECTION 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 612-430-7811 or scroonquist@amsd.org with questions.
Federal and state policymakers have established ambitious goals and expectations for our public schools including preparing each and every student to be college and/or 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 established in state law 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.

### 2021-22 FACTS ABOUT MINNESOTA EDUCATION

- **K-12 Enrollment:** 870,506
- **2021 Graduation Rate:** 83.3 percent
- **Percent of Students Eligible for Free or Reduced-Price Lunch:** 31.6 percent
- **Students Receiving Special Education Services:** 16.9 percent
- **Percent of English learners:** 8.9 percent
- **Homeless:** .8 percent
The federal government provided significant funding during the pandemic that helped address a variety of challenges — including technology, transportation costs, personal protective equipment, school-age care, school nutrition programs, COVID testing and more. It is important to remember, however, that the federal funding was one-time and does not continue into the future. The following investments and policy changes were approved during the 2021 and 2022 sessions:

2021
The Omnibus Education Finance Bill approved in the 2021 session included an increase in the per pupil basic funding formula of 2.45 percent for FY2022 and a 2 percent increase in FY2023. This was the largest formula increase in a decade and at the time, it appeared the increase would come close to matching the rate of inflation. Unfortunately, we now know that inflation has greatly exceeded the increase provided.

The Legislature also extended funding for 4,000 Voluntary Pre-K seats for two additional years and modest increases to the special education and English learner programs. However, these programs continue to be vastly underfunded.

The bill also included funding for a variety of grant programs to increase the number of teachers of color and Indigenous teachers in our schools including $5 million per year in ongoing funding for the Grow Your Own Program.

2022
The 2022 session was incredibly disappointing and frustrating. The session adjourned without an agreement on an E-12 supplemental budget bill, despite a historic budget surplus — and leaving school districts across the state in a position of trimming programs and reducing staff to balance their increasingly challenged budgets.

A couple of bills of note were adopted in the 2022 session. Gov. Walz signed into law the Student Data Privacy Act, which enhances student data privacy while still allowing schools, students and families to use important technology.

In addition, legislation appropriating $92.7M to fund mental health programs and initiatives, including $2 million in FY2023 for school-linked behavioral health grants, was approved.
The complex nature of Minnesota’s education funding system makes it difficult to analyze and evaluate funding trends and sufficiency. Different pictures can be painted depending on the funding stream being measured and the starting and ending point of the analysis. Two major state policy changes adopted in 2001 and 2002 — repealing the general education levy and removing projected inflation from the state budget forecast — make a compelling case for using 2003 as the baseline year for measuring Minnesota’s commitment to funding education. The 2001 Legislature repealed the fully equalized general education levy as a primary source of funding for education and committed to funding education with state income and sales tax revenue. How has the state done since then?

The chart above shows the percent change in state aid per pupil for school districts — excluding aid to charter schools — since 2003. This is inclusive of all state aid — general operations, special education, transportation, deferred maintenance, etc. — as well as aid for new programs approved since 2003 such as full-day Kindergarten and voluntary pre-Kindergarten. The chart shows the increase unadjusted for inflation, and adjusted for inflation using the Consumer Price Index (CPI) and the Implicit Price Deflator (IPD) for State and Local Governments. The IPD is the index that more accurately measures the inflationary costs impacting school districts. As the
chart shows, while total state aid per pupil has increased by more than 50 percent since 2003, it has decreased by almost 15 percent when adjusted for inflation as measured by the IPD.

The decline in state support for the general education formula, the most important funding stream for school districts, is even more pronounced. The formula accounts for 55 to 60 percent of a school district’s revenue. As the formula chart below shows, the formula would be $925 per pupil higher today if it had kept pace with inflation since 2003 – and that is using the Consumer Price Index which understates the inflationary pressures school districts face.

Not only has the general education formula failed to keep up with inflation, school districts are having to redirect an increasing share of their general education revenue to cover growing shortfalls in the special education and English learner programs. Statewide, the special education funding shortfall has grown to more than $800 million and the shortfall in the English learner program has risen to $170 million.

So, why do Minnesota school districts continue to face budget challenges? The answer is clear:

The general education formula has lost $925 per pupil in purchasing power since 2003 and the state has consistently failed to sufficiently fund the special education and English learner programs.
Basic education revenue is the primary source of general operating funds for school districts and the most important funding stream for school districts — it accounts for 55 to 60 percent of a school district’s revenue. Between 2003 and 2023, the basic formula has lost ground to inflation. The formula would be $1,263 per pupil higher today if it had kept pace with inflation since 2003 – and that is using the Consumer Price Index which understates the inflationary pressures school districts face.
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.”
THE STATE FALLS FAR SHORT OF PAYING FOR ITS SPECIAL EDUCATION MANDATES

According to the Minnesota Department of Education’s FY2020 cross-subsidy report data, the cost of providing special education services exceeded the funding the state and federal governments provided to school districts by $673 million. AMSD districts — which account for more than 60 percent of the total statewide cross-subsidy — saw a combined shortfall of more than $457 million in FY2020.

At the start of the 2021 legislative session, the Minnesota Department of Education projected that $70 million was needed just to prevent the cross-subsidy from growing. However, the 2021 Omnibus Education Finance Bill provided just $10.425 million in one-time funding in FY2022 for cross-subsidy reduction aid. At that point the state projected the cross-subsidy to increase again in FY2022 to $717.9 million and to $744.8 million in FY2023.

AMSD and the state’s leading education organizations called on the Governor and legislators to specifically fund the special education cross-subsidy. While legislators from both parties acknowledged the state was not meeting its obligation and expressed vocal support to address the growing special education funding shortfall, the Legislature ultimately did not pass any supplemental funding in 2022 to address this urgent need.

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 SHOWS, THE CROSS-SUBSIDY IS PROJECTED TO BE $128 MILLION IN FY2023 EVEN IF THE FEDERAL GOVERNMENT MET ITS GOAL OF COVERING 40 PERCENT OF THE COST.
Metropolitan area and regional center 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 referendums 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.
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 rose from 62 percent in FY 2011 to 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 referendums. This reliance creates inequities for school districts, students and taxpayers.

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.
THE STATE IS NOT PROVIDING SUFFICIENT RESOURCES TO EDUCATE OUR ENGLISH LEARNERS

- According to the Department of Education’s special population report, there were more than 77,000 students who were eligible for English learner services in Minnesota in the 2021-22 school year. More than 60 percent of these students attended school in an AMSD member school district. Statewide, the percentage of English learners has increased from 6.5 percent to nearly 9 percent since 2003. The statewide number of students who were English learners grew from 3.2 percent in 1997-98 to 8.9 percent in 2021-22 according to the Minnesota Department of Education.

- The Minnesota State Demographic Center in 2020 estimated 11.7 percent of Minnesotans speak a language other than English at home.

- In FY2020, AMSD school districts spent more than $135 million on services for English learners but received just $35.9 million in English learner funding. In other words, AMSD school districts redirected nearly $100 million in general education revenue to provide important services to English learners. Statewide, the FY2020 English learner cross-subsidy was more than $117 million in FY2020.

MORE STUDENTS HAVE SIGNIFICANT NEEDS AND CHALLENGES REQUIRING SCHOOLS TO PROVIDE MORE SERVICES

Economic disparity.
- Nearly 40 percent of students in Minnesota qualify for free or reduced price lunch. Student eligibility for free and reduced price lunch is based on family income. For FY2022-23, a student from a family of four is eligible for the free lunch program if the family income is at or below $36,075 (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 $51,338 (185 percent of the federal poverty level).

English proficiency.
- Students who are English learners or 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.
EDUCATION FUNDING

• What are your education funding priorities for the upcoming budget session?

• 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?

• Do you believe the education funding formula should recognize the higher cost of labor in metropolitan and regional center school districts?

• Do you support increasing operating referendum equalization to address these inequities?

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 their education funding and policy issues?

• 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 and classroom time requirements that best meet 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?
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
LEGISLATIVE RESOURCES

- Minnesota House of Representatives: http://www.house.leg.state.mn.us/
- Minnesota Senate: http://www.senate.mn/
- Republican House Caucus: https://www.house.leg.state.mn.us/Caucus/Home/GOP
- Republican Senate Caucus: https://www.senate.mn/caucus/republican
- DFL House Caucus: https://www.house.leg.state.mn.us/Caucus/Home/DFL
- DFL Senate Caucus: https://www.senate.mn/caucus/dfl

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
MEMBER DISTRICTS


ABOUT AMSD

In existence since 1974, AMSD currently represents 46 greater metropolitan area and regional center school districts and 6 intermediate/cooperative districts that collectively enroll more than half of all public school students in Minnesota. The mission of AMSD is to advocate for member school districts so they can lead the transformation of public education. AMSD helps our member districts articulate challenges and needs to state policymakers. AMSD’s members include urban, suburban and regional center school districts.

Association of Metropolitan School Districts
2 Pine Tree Drive, Suite 380
Arden Hills, MN  55112
612-430-7750

Because of its broad-based membership, AMSD is in a unique position to identify the needs of its member school districts and seek meaningful policy changes to help districts meet those needs.

2021-2022 Minnesota Public School Enrollment

<table>
<thead>
<tr>
<th>District Type</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSD Districts</td>
<td>460,462</td>
</tr>
<tr>
<td>Statewide</td>
<td>870,506</td>
</tr>
</tbody>
</table>

Source: Minnesota Department of Education data
AMSD WEB RESOURCES

- AMSD Legislative Session Information: https://www.amsd.org/2022session/
- 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
- Position on Tiered Licensure: https://www.amsd.org/doc/position-paper-tiered-licensure-for-teachers/
- Position on a proposed amendment to update the existing education language in the Minnesota Constitution: https://www.amsd.org/wp-content/uploads/2021/01/Constitutional-Amendment.pdf