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# A Crossroads for Minnesota's Public Schools

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Parents United for Public Schools  
*Committed to Quality public schools for ALL children*

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# Education is the Largest Part of the State Budget

A Constitutional mandate

Section 1. *"UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, **it is the duty of the legislature to establish a general and uniform system of public schools.** The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state."*

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# The Lion's Share of District Funding

Per pupil formula (Set by State Legislature)  
x AMCPU (Adjusted Marginal Cost  
Pupil Unit)  
= District Operating Funds

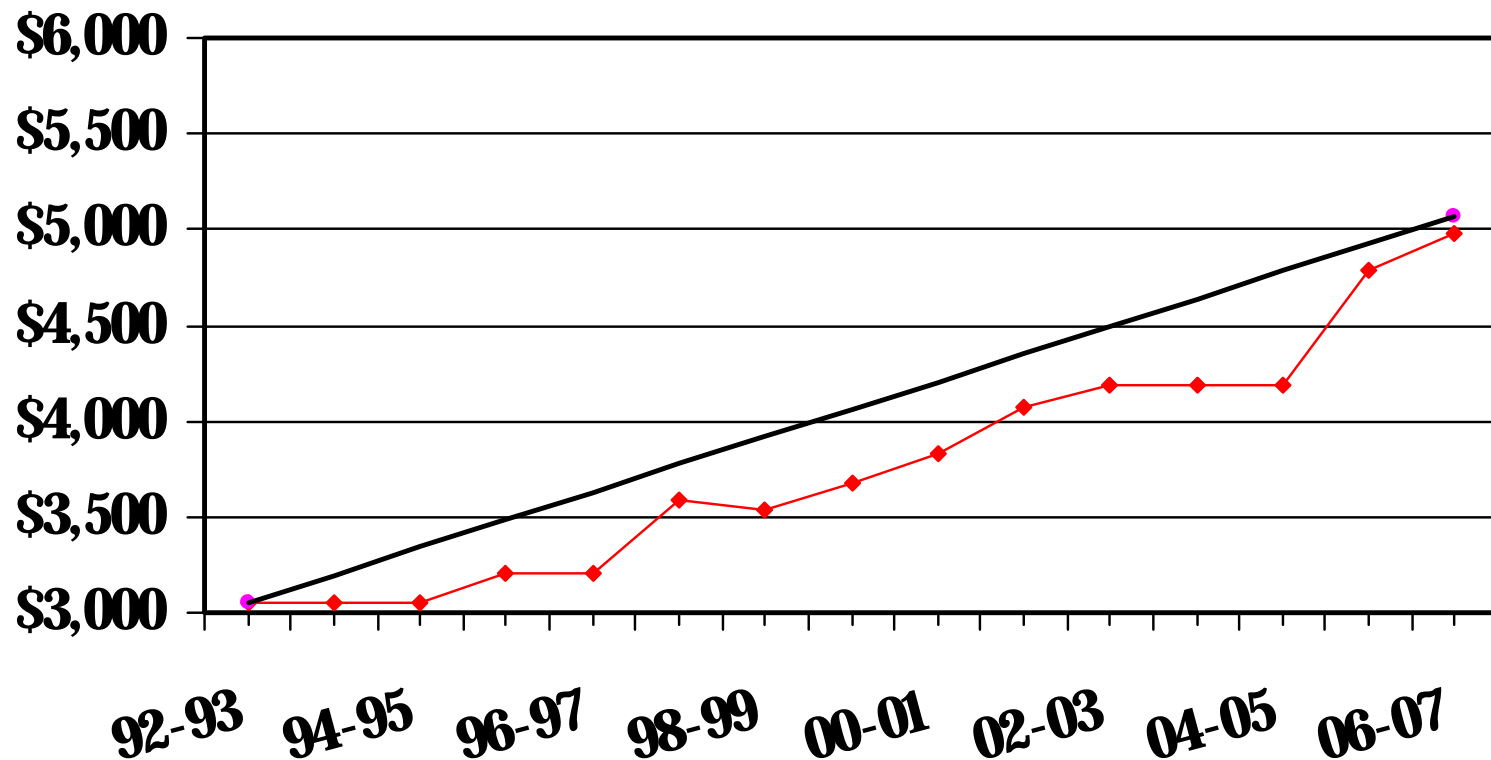
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# Per Pupil Formula Analysis

Year	Formula Allowance	General Increase	Actual "New Dollars"	Actual % Change
1993-94	\$3,050	--	----	0.00%
1994-95	\$3,150	\$100	-----	0.00%
1995-96	\$3,205	\$55	\$55	1.75%
1996-97	\$3,505	\$300	----	0.00%
1997-98	\$3,581	\$76	\$76	2.17%
1998-99	\$3,530	(\$51)	(\$49)	-1.37%
1999-00	\$3,740	\$210	\$150	4.25%
2000-01	\$3,964	\$224	\$95	2.54%
2001-02	\$4,068	\$104	\$104	2.62%
2002-03	\$4,601	\$533	\$118	2.90%
2003-04	\$4,601	----	-----	0.00%
2004-05	\$4,601	----	-----	0.00%
2005-06	\$4,785	\$184	\$184	4.00%
2006-07	\$4,976	\$191	\$191	4.00%
2007-08	\$5,075	\$99	\$99	2.00%
2008-09	\$5,124	\$49	\$49	1.00%
	<b>Total</b>	<b>\$2074</b>	<b>\$1072</b>	<b>1.61% annually</b>

# History of the per pupil formula

**After the 2005 Legislative session**



# Cost Analysis

<b><i>Measure</i></b>	<b><i>Inflation-Adjusted Change, 1996-2005</i></b>
<b>Fuel Oil</b>	<b>97.6%</b>
<b>Gasoline</b>	<b>44.6%</b>
<b>Educational Books and Supplies</b>	<b>32.0%</b>
<b>Energy (general)</b>	<b>31.2%</b>
<b>Medical Care</b>	<b>11.1%</b>

Source: Minnesota Department of Education; U.S. Department of Labor, Bureau of Labor Statistics

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# Tax Reform in the 90's

## State policies reforming property tax

- Lowered taxes on commercial property
- Agricultural and recreational land removed from the equation for school taxes

## The 2001 General Education Buy Down

- The state picked up school costs once paid by local property taxes
  - Passed half of the legislation—the liability was accepted, without a stated revenue stream to support it.
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# Requirements for public schools grew while revenue did not

- Testing
  - Standards
  - Special education mandates
  - Transportation
  - English Language Learning
  - Health and safety mandates
  - Physical Education
  - HIV/AIDS Sex Education
  - Drug/Alcohol Abuse Education
  - Bus Safety
  - Title 1 programs
  - 100% Rule
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# Schools and Revenue in the 90's



Schools

Increases in growth  
Increases in expectations  
Increases in cost



Revenue

Income tax reductions

Property tax reductions

Business tax rate reductions

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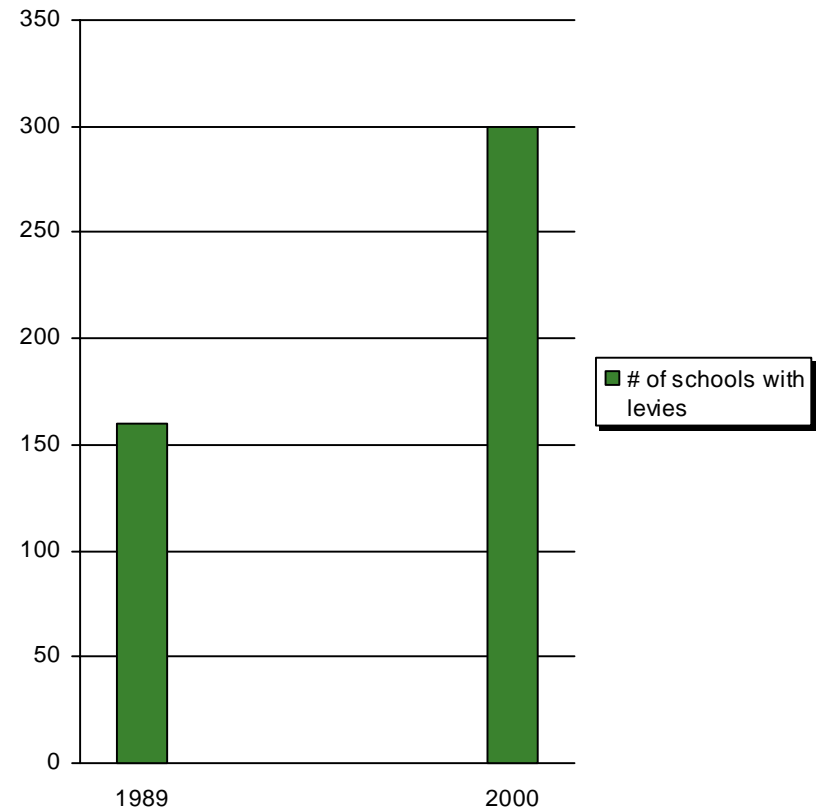
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# How did schools survive?

- Growth
    - 100,000 new students in the 90's
  - Cuts
  - Spent fund balances down
  - Passed Local Levies
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# School districts' response

- 1990 47% of school districts in the state of Minnesota had levies in place
- 2000 that number rose to 88%



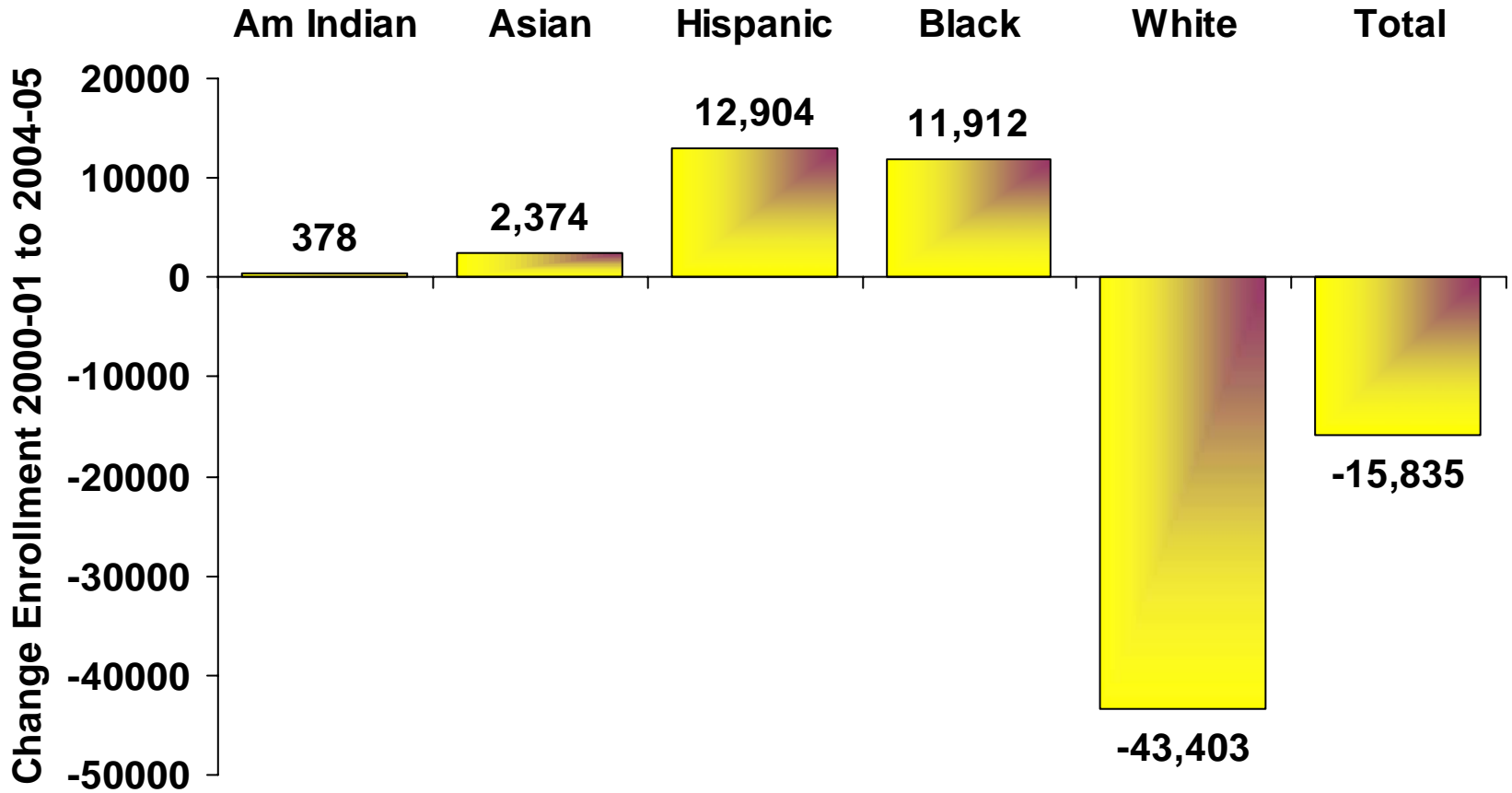
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In Minnesota, who are the  
students of the 21<sup>st</sup>  
Century?

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# Population Change

Tom Gillaspay



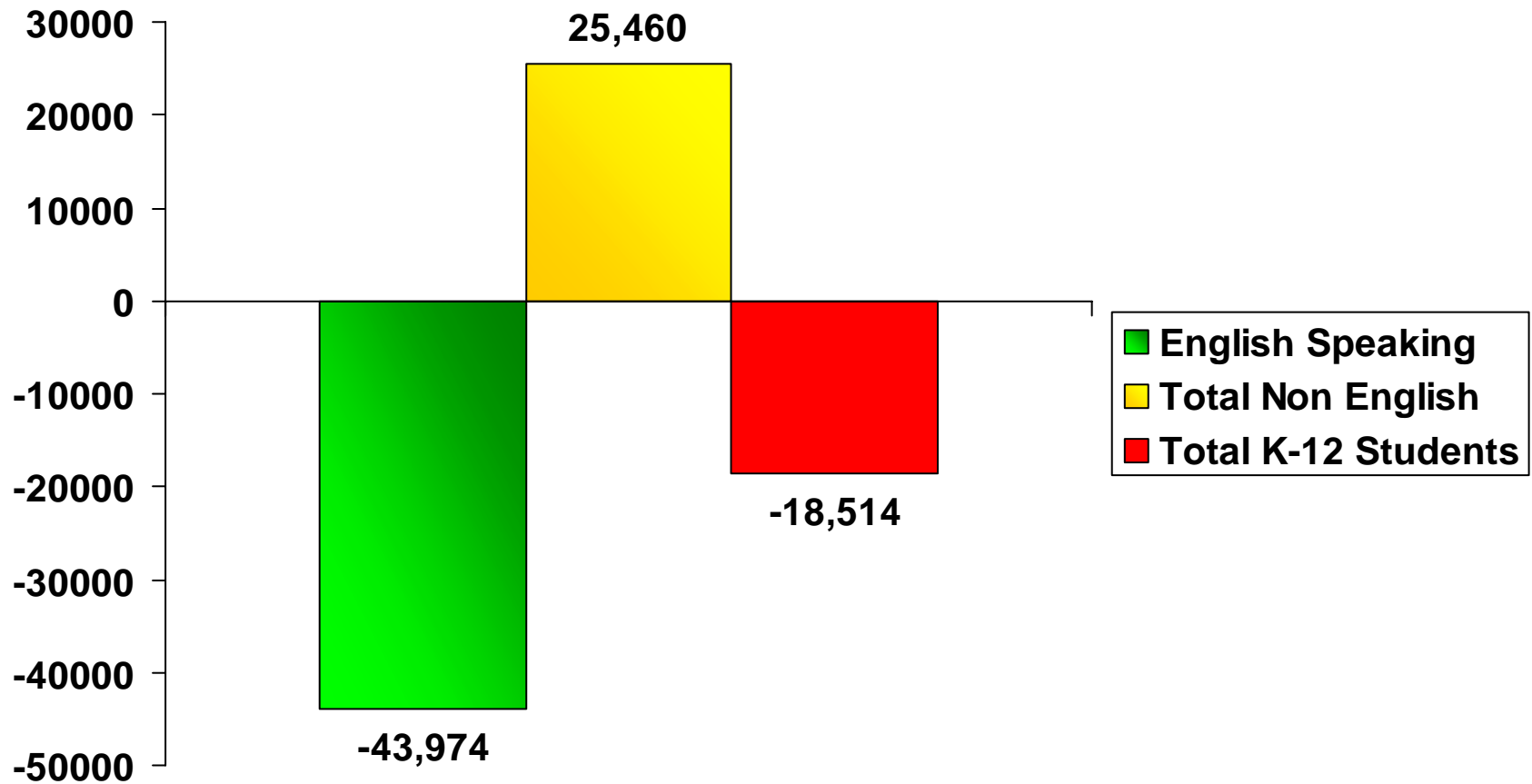
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# *Kids Count* findings **Children's Defense Fund**

- **Most recent data shows:**
    - ❑ About 1 in 10 MN children under 18 live in poverty
    - ❑ Estimated 7,000 more children living below poverty line than 5 years ago
    - ❑ 68,000 uninsured children
    - ❑ Greater participation in Food Support and Free and Reduced School Lunches
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# Change In Minnesota School Enrollments 1999-00 to 2004-05 By Language Spoken At Home

Tom Gillaspay



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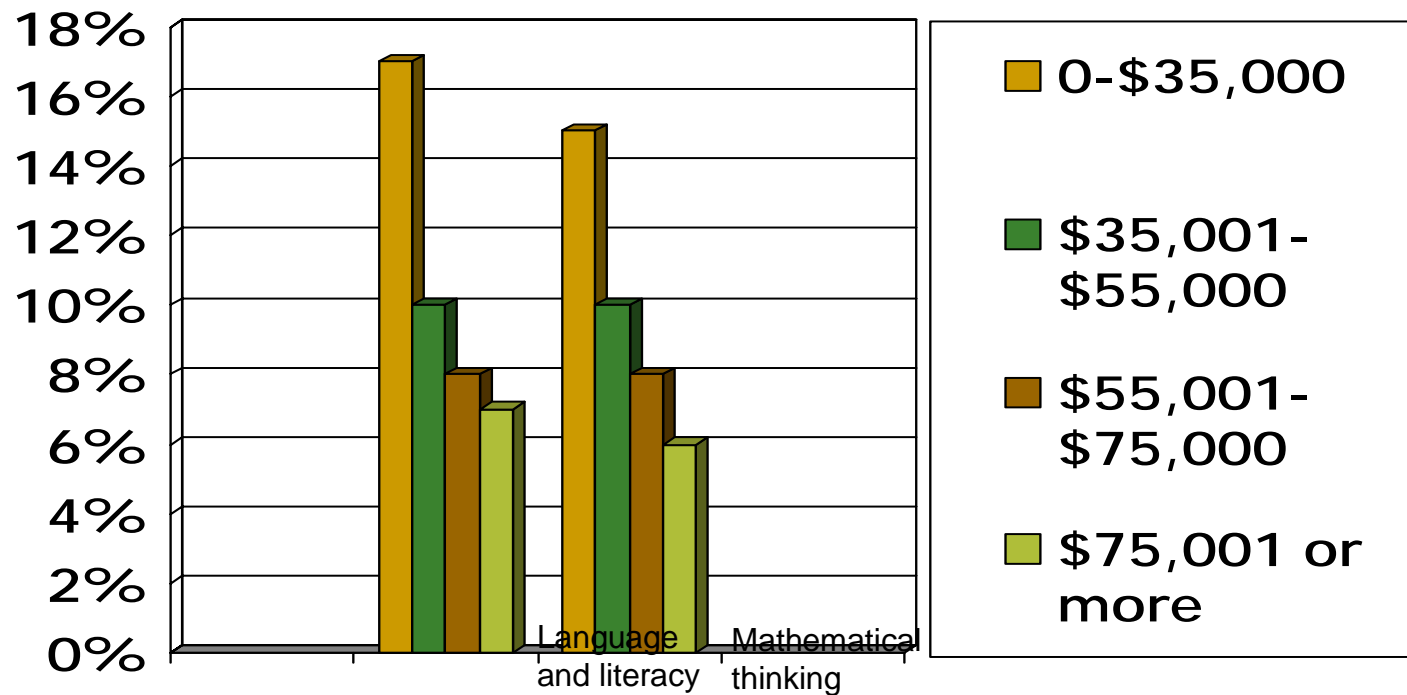
# Special Education Requirements

## **1975 – “Individuals with Disabilities Education Act” (IDEA), Public Law 105-17**

- Brought 1 million children who were previously kept at home or in institutions into the public school system.
  - Federal government agreed to pay 40% of excess cost to educate these children. ***It has never provided 40%***
    - In 2004, Minnesota school districts reallocated **\$378 million** meant for regular education instruction to provide state and federally mandated special education programs
    - In 2005, the state auditor’s report on public school costs showed that the greatest increases in school budgets were for special education.
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# % of MN children rated "not yet" performing adequately at Kindergarten entrance

Brookings Institute



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# So...

- More children qualifying for Free and Reduced Lunches (FRL)
  - More children needing English Language Learning services (ELL)
  - More children requiring Special Education services (SpEd)
  - 100% rule for the first time in history
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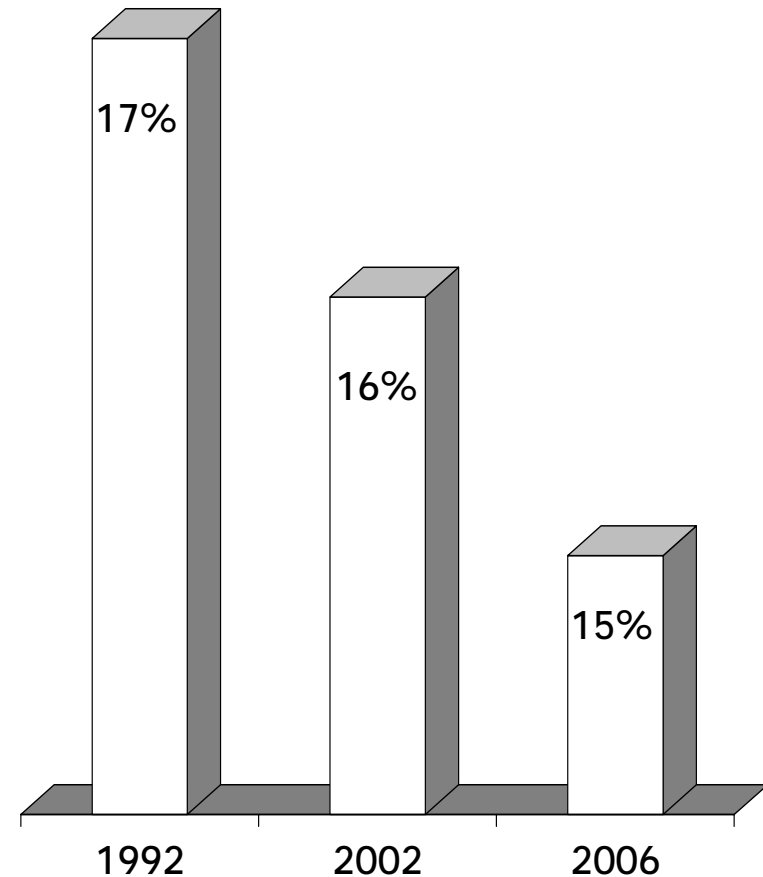
# And the state response?

- Programs shown to close the achievement gap have been cut
    - child care eligibility
    - early childhood education
    - after school programs
  - English Language Learning services capped at 5 years
  - From 2003 until 2007 the special education inflator was abolished
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# Price of Government in Minnesota

John Gunyou

The Price of Government is the State of Minnesota's **official measure** and is factored as total revenue as a percentage of personal income.



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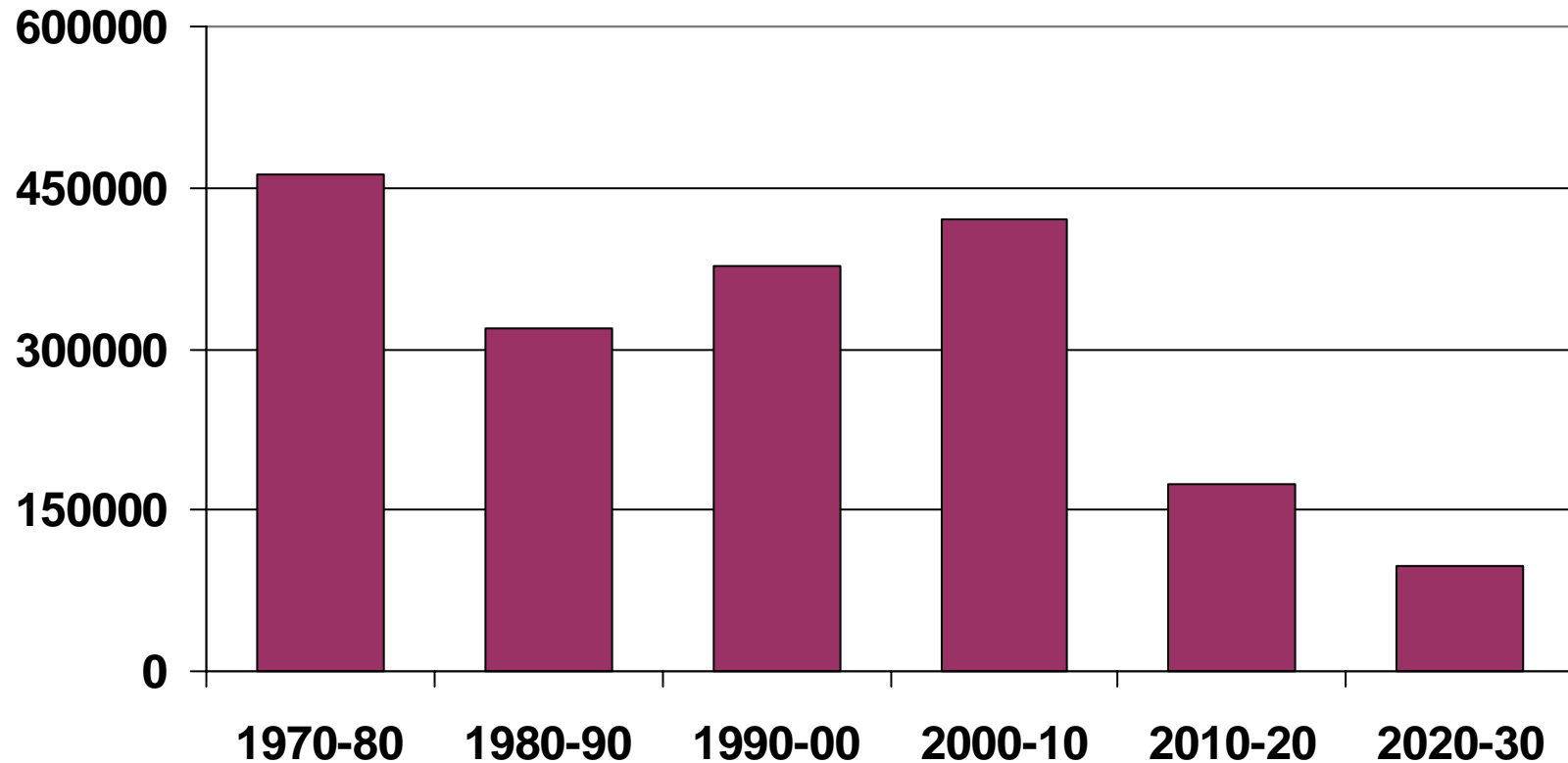
So why  
should any of this  
matter to us?

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# Minnesota Future Labor Force

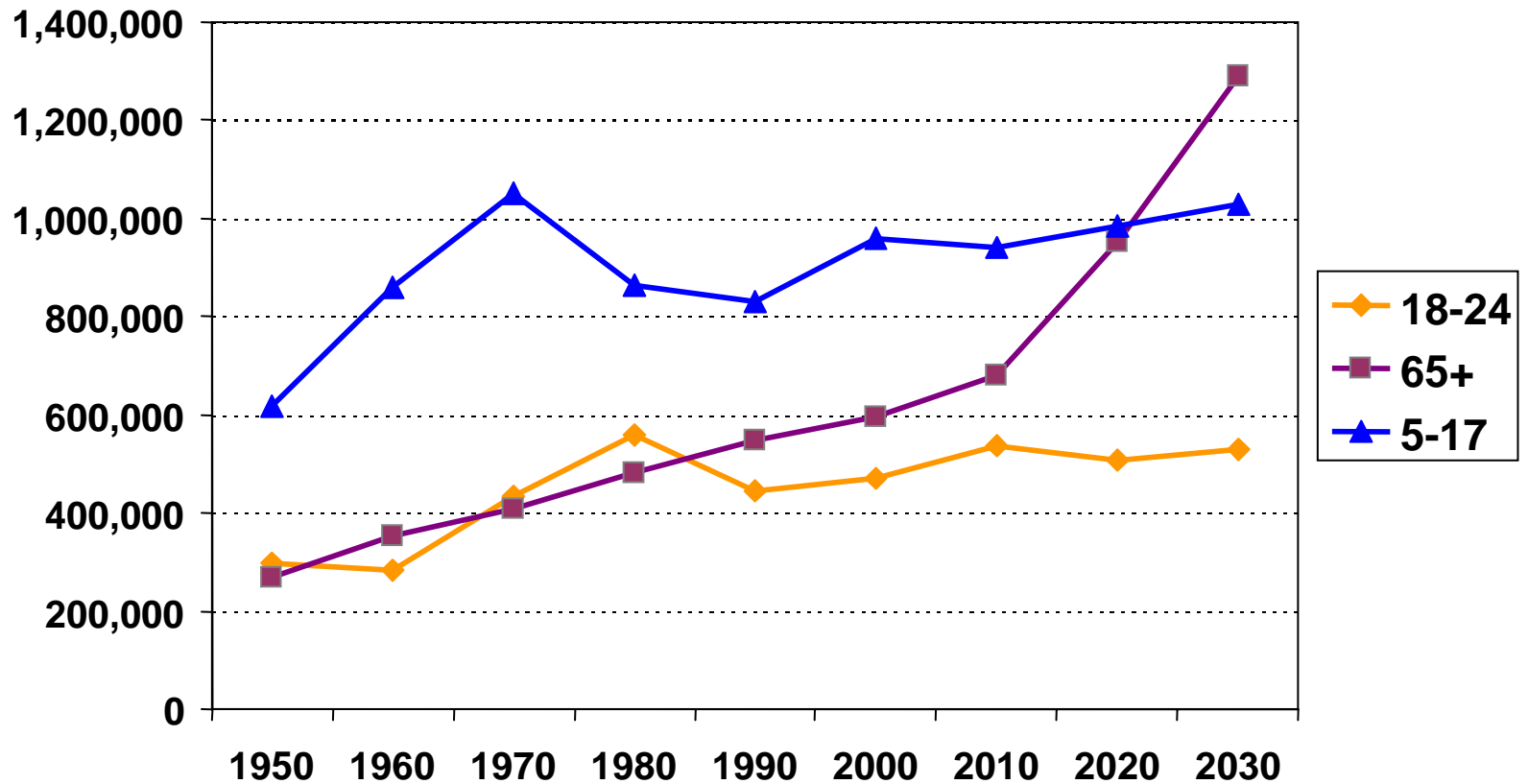
Tom Gillaspay

Net Labor Force Growth



# By 2020 65+ is Larger than K-12 By 2030 65+ Doubles

Tom Gillaspay



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# Reduced tax revenues

Beginning in 2020, from this cohort we can count on

- Less income tax revenue
  - Less sales tax revenue
  - Less ability to pay increased property tax
  - Greater demand on the same tax dollar
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# School funding is needed to

- Prepare ALL students for 2020 not 2008
- Help students meet state and federal mandates.
- Provide for the economic security of a district and state

*It's their future, but it's our responsibility*

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# Parents United

Working to engage concerned citizens in the conversation around public policy and its effect on our public schools

[www.parentsunited.org](http://www.parentsunited.org)

Advocates for  
Minnesota's Public Schools

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