



Minnesota Journal

Inside This Issue

A publication of the Citizens League

Profiles in churning. — Page 2.

Region must confront education system. — Page 2.

Court-designed school programs. — Page 8.

Volume 15, Number 3
March 17, 1998

Legislators waver as districts struggle to target funds to schools with poor kids

The prospects of school sites in Minnesota's largest school districts having greater control of special state funding for educating

by Dana Schroeder

poor students appear shaky, despite a 1997 state law guaranteeing it. District officials have been reluctant to reallocate funds among school sites and have found some legislators willing to back off on requiring the funding to follow poor students to their schools.

During its special session last summer, the Legislature made significant changes in the state's compensatory education revenue program, which has pumped extra money into districts with large numbers of poor students since

1971. The funding, which amounted to \$185.1 million in 1997-98, has been particularly important for Minneapolis and St. Paul. Together they receive nearly half the compensatory funding statewide.

The Legislature hiked the compensatory revenue allocation for the biennium by 40 percent, or \$100 million, from \$260 million to \$360 million. And it required that the money be allocated to school sites where low-income students (those eligible for free and reduced-price lunches) are enrolled. Previously

Continued on page 6

Teacher settlements don't help students

by Joe Nathan

How do you feel about some teachers in a district getting four or five percent pay raises over the next two years, while other teachers in the same district, without having to demonstrate that they or their school are more effective, receive 17 to 28 percent pay raises? How do you feel about salary settlements all over Minnesota sig-

Continued on page 4

Group aims to train future leaders

by Ron Wirtz

Editor's note: This article continues the Minnesota Journal's year-long look into the challenges of public leadership. The series of articles is part of the Citizens League's Public Leadership Initiative.

You'll have to excuse the elation of organizers for the Active Citizenship School for finally seeing their ideas and dreams take a strong initial flight, after several unsuccessful take-off attempts.

The Active Citizenship School (ACS) is group of 40 civic-minded young people (loosely defined as 25 to 40 years old) who have an interest in public citizenship. After an orientation meeting in January, a two-day retreat was held at

Continued on page 3

Teaching reading key to better schools

by Marcia Droege

Our education system is in crisis. Too many students are failing basic skills tests. In many classrooms disruptive behavior management hinders learning for all students. Many students have become detached and alienated and many parents have lost faith in their schools.

A number of proposals have been made for "fixing" the system: hiring more teachers to create smaller class sizes, charter schools, graduation standards. But as long as our

students lack a solid reading foundation, virtually all other measures to fix our education system are destined to fail.

Sound too simple? Take a look at what happens when we fail at teaching kids to read. Students who have difficulty reading become totally frustrated by efforts to teach them other subjects. Their frustration often turns into overt resistance

and they frequently disrupt classes. In this totally unacceptable classroom environment, even the most gifted children can become underachievers and sometimes even leading troublemakers.

Sadly, many of these frustrated students get labeled with varying degrees of learning disabilities and emotional/behavioral disorders. Our remedial programs have become overburdened and are not as effective as they once were. Many stu-

Continued on page 5

High school graduation standards: Profiles in churning

Judging by the din emanating from the Capitol and the newspaper opinion pages, we should call the Profile of Learning the "Profile of Churning." The education establishment complains that it's not ready to implement the Profile, which is the high-standards component of Minnesota's results-oriented graduation rule. Conservative alarmists have a long bill of complaints—among them, that the Profile represents an attempt by state government to wrest control of education from local communities.

We're in danger of significant missteps—or worse—as this educational accountability measure moves forward. It's time to look through all the dust that has been kicked up and keep our eyes on the ball. The results-oriented graduation rule, the "Grad Rule" for short, was based on four sensible assumptions.

- First, a high school diploma should be a credible credential. That means you don't get one just because you sat in a chair for four years. You get a diploma when you demonstrate you've amassed sufficient knowledge and competencies to warrant a diploma. Does anybody really disagree with this basic point?
- Second, the State of Minnesota—which is constitutionally charged with the obligation to educate our children and which spends about one-third our state budget for the purpose—ought to define the core knowledge that must be demonstrated in order to get a high school diploma.

Viewpoint

by Lyle Wray

● Third, when it comes to curriculum—how communities go about the task of teaching that material—the state should play a much smaller role than it currently does. Legislatures and state officials find the temptation to micromanage local governments, including school districts, nearly irresistible. The notion that the state should specify results and, for the most part, get out of the way sounds simple, but it's a very hard thing to do. The Grad Rule is just such an attempt. The Legislature is saying to local districts, charter schools and families: As long as your students learn the core knowledge we expect them to, you can largely go about doing education in the best way you see fit.

● Fourth, the public and the Legislature ought to be able to tell whether districts are educating students or not. The need for impartial information on district performance was not stated as explicitly as the other three, and some people (including us) were disappointed that the Rule did not build in accountability for districts, as well as for students. But recent developments, such as proposals to "reconstitute" schools whose students consistently fail to learn what's expected of them, reflect this underlying proposition: Districts shouldn't be allowed to declare themselves successful without some outside verification of their results.

We think these four propositions are just as reasonable and persuasive now as when the rule was passed. When the state defines the results it expects in return for its education appropriations, then lets people and communities create their own learning programs, it lays the groundwork for innovation, accountability and better performance.

True, as always, the devil is in the details. And there are enough details in this policy to sustain many devils. Some of the language in the Profile of Learning sounds as if it were lifted from a Dilbert cartoon (phy ed, for instance, is included in the "decision-making" content standard). Some of the performance packages seem fussy and gimmicky. We sympathize with educators worried about the monumental training and administrative adjustments that will be needed. And the question of how colleges and employers will evaluate graduates' relative merits can't be sidestepped.

We're especially concerned that the Profile's learning expectations, which are rigorous, not get "dumbed down" in the translation to performance packages. Recent reports showing that even the top U.S. students are only mediocre in math and science do not bode well. Today's global economy demands higher intellectual skills. With industries and capital increasingly

footloose, a failure to educate students to global standards carries a high cost. But we shouldn't allow an honest and appropriate dialog about "How high should the standards be and how do we assess whether they are met?" to become an argument against having standards at all.

One Capitol observer suggests that the Rule's burgeoning complexity wasn't an accident. The education establishment, eager to avoid accountability, this theory goes, knows that if the Rule can be made complicated or controversial enough it will be abandoned. If true, the strategy would earn even Machiavelli's admiration.

A "vast conspiracy?" Garden variety pettifoggery? Or the inevitable messiness that comes when implementing a new policy? Who knows? But we should be firm in insisting that the current difficulties not slow us down. The details of implementation will have to be thrashed out and, no doubt, corrections will be needed as we all learn along the way. But the four basic propositions behind the results-oriented graduation rule are still sound, and state leaders shouldn't back away. The Governor, Legislature, Department of Children, Families and Learning and school districts ought to commit to keeping the Graduation Rule on schedule.

Lyle Wray is executive director of the Citizens League.

Leaders

Continued from page 1

Under Forest in late February to expose the group to core concepts of public citizenship and to discuss the mission of ACS.

Somewhat ironically, ACS is getting off the ground at a time when the public's collective faith in community leadership—elected public officials, as well as non-profit and business leaders—seems at low ebb.

The Citizens League, for one, came to this conclusion last summer after interviewing 57 community leaders about the nature of, and environment for, public leadership. The League's cursory investigation found that some talented individuals are scared away from public leadership roles by the intense scrutiny that accompanies such positions today. When people do assume leadership roles, the League heard, they often find themselves handcuffed from pursuing meaningful change by institutional inertia and special interests.

As is seen, at least in part, as a training ground for future public leaders. The ACS retreat brought together a diverse group that talked passionately about such issues as public citizenship, civic involvement, governance and leadership. Particularly notable was the open and frank debate on

both public issues and the group's general mission.

During the retreat several members questioned the group about what it expected to "do" or accomplish. Others wondered aloud what they could expect to get out of this inaugural "class" of the ACS. At this early stage, in fact, there appear to be number of unanswered questions about ACS' direction as a young civic organization. But the mood after the retreat has been very positive and upbeat, according to a number of members.

"I found there was a healthy tension between the philosophical nature of this issue we are addressing and the need to make a concrete contribution," said Roger Reinert, an ACS member and instructor with the University of Minnesota Extension.

Judy Meath noted the "distinctly" nonpartisan atmosphere at the retreat. "I think the retreat pointed up for me that diverse people can come together with conviction over something and disagree wildly in other areas," said Meath, who is a community program specialist with Boynton Health Service at the University of Minnesota.

The retreat, in fact, was not the official beginning of ACS. A smaller group of members—Lynea Atlas, Jon Bacal, Sean Kershaw, Jodi McCordle, Christine Nelson, Joel Spoonheim and Bruce Vandal—have worked upwards of two-and-a-half years to figure out what it takes to attract and keep a large group of young adults interested in issues of public citizenship and systems change. They were helped by Citizens League board member Lani Kawamura, who directs the Women's Wellness Program for the Minneapolis YWCA and was the chief policy advisor for the late Gov. Rudy Perpich. A few initial attempts started well but fizzled shortly thereafter when participation faltered.

Critical in the success of ACS this time around has been good, old-fashioned one-on-one contact. The original seven began doing one-on-ones with friends, coworkers and anyone else in their general cohort group who looked like they had some passion for the admittedly abstract notions of public citizenship—arcane issues like enlightened self-interest, public good and capacity building.

These seven were building the ACS "people base"—those who believe enough in the idea behind the organization to hopefully carry it forward. As such, the group was self-selected and self-motivated, which introduced an important element missing from previous efforts.

"There was buy-in (at the retreat) that hadn't been there in the past," said ACS Organizer John Bacal, the group's lone paid staff member and a K-12 education consultant. "Past efforts didn't stir the soul. Yeah, they were good ideas, but the passion was missing."

The broad mission of the group has always been to help young people recognize their responsibilities as citizens and the capacity each has for influencing change. But according to Bacal, another difference this time is the group's focus on affecting change where members were already invested, like at work, home, school and social organizations. This allows members to see a closer connection and a personal self-interest in becoming involved in ACS.

According to ACS member Lynea Atlas, it was important for ACS to add value to people's daily routines instead of simply adding more activities to hectic schedules. Instead of creating some new initiative or group project, ACS is looking to show members how to do more in the places where they are already active.

Atlas, a project coordinator for the Minnesota Minority Education Partnership, added that the diversity of the ACS Class of 1998 is also a big attraction. The group is diverse by traditional racial and ethnic measures, but is also balanced in political leanings, gender and professional representation in government, nonprofit and business sectors. Atlas said this provides individual members with unique access to people with a broad range of problem-solving skills.

Bacal agreed. "I think people got a sense that this is a real diverse, real wired group," Bacal said, adding that this synergy hopefully will keep people coming back. "People are excited about the group."

The inaugural ACS Class of 1998



"You're a natural for this new ACS leadership program, Jennifer... You're smart, active in the community, educated, talented and you enjoy bossing people around!"

will meet monthly and split into work teams to do case studies that apply ACS values to problem-solving situations. But Bacal said that the group will return often to the model of individual contact that brought people together in order to expand its base and keep the inaugural ACS class plugged in and excited. A number of ACS members have been down this road before and they seem to realize this is just a start.

"The real work happens between meetings," Bacal said.

Ron Wirtz is a research associate with the Citizens League and a member of the inaugural ACS Class of 1998. The League is fiscal agent for ACS and has helped facilitate the group's start-up.

Correction

An error was made in the preparation of the fiscal disparities table in last month's issue of the *Minnesota Journal* (page 7). The table shows incorrect positive and negative signs for all the numbers in the first column of the table ("Net gain or loss from sharing"). The numbers are correct, but the correct signs are the opposite of those shown in the table. For example, the table shows Andover with a net loss of \$75 per capita (-\$75); it should actually show a net gain of \$75 per capita (\$75). The error did not affect the text of the article.

Corrected copies of the table are available from the Citizens League at 612-338-0791 or from the League's web page at <http://freenet.msp.mn.us/ip/pol/citizen>.

Editor's note: Due to a space shortage, the "On Balance" roundup of editorial opinions from state newspapers will not appear this month.

Region must confront education system in new ways

From State of the Region address by Curt Johnson, chair, Metropolitan Council, Mar. 4.

In the midst of our higher than average wealth, we are tolerating some of the worst concentrated poverty in the nation. No region, however successful and resilient, can sustain its economy, its society, its reputation as a good place to live and do business, and ignore this issue...

We do have a system for saving kids, for preparing young minds for working and living; it's supposed

to be our schools—but that system itself is proving inadequate to the task. Just last week we got another jolt...We found out that our high school seniors know less than students in nearly every competing country when it comes to subjects that determine our technological know-how...

Not surprisingly, it is mayors across the country who are picking up this challenge. Mayors know how critical effective schools are to any community's capacity and its reputation...

The common thread here: a growing sense that leaving it to school boards, superintendents and teachers' unions is not good enough...

Simply put, the war against inadequate educational outcomes is too important to be left to the school generals. Why do we leave it to the NAACP to soak up all the outrage over consistently-disappointing results? At some point, soon, we have to decide in this region whether to confront this system in ways it has never been confronted here...Still we cling to the traditional model, despite the mounting evi-

dence that it's a system that runs on rules tuned to the convenience of the adults who make their living in it. We need a little less Minnesota Nice and more insistence on results.

Of course, this issue is safely outside the Council's official portfolio. But no issue matters more to the future of the region than the education and training of our young people, so do not expect us to sit quietly on the sidelines any longer...We need a community response, a rising up that would eventually make most educators cheer.

Salaries

Continued from page 1

nificantly exceeding increases in revenue, thus helping to produce larger class sizes and program cuts?

Judging by calls I've received since asking these questions in the *St. Paul Pioneer Press*, many parents are puzzled. Some teachers are angry someone is raising such questions. But as the Legislature considers putting more money into schools, isn't it important to understand how money is being spent and what impact it's having on students?

Many teachers are caring, committed and creative. But the current negotiating approach doesn't serve students' best interests. I'm not opposed to higher salaries for educators, as long as they're accompanied by responsibility for improved student achievement. We're already seeing some schools around the nation where teachers are earning more and students are learning more. But first, let's take a look at what the current system is producing.

One often hears about "budget cuts," despite the rarely reported facts that the districts in question frequently have increasing revenue. How can this be? We should be talking about budget *reallocations*; money used for reducing class size or for maintaining programs often is shifted into sizable salary increases for teachers.

Most teachers' contracts contain a schedule of salaries that increase with teachers' education and experience levels. Under such a system, then, teachers can receive salary increases three ways: first, negotiated contract settlements usually

raise salaries for all teachers on the schedule, although often by different amounts at various levels in the schedule; second, teachers move up to higher salary "steps" each year during their first 10 to 15 years of teaching, eventually reaching the highest step at, say, 20 to 25 years of experience; and third, teachers can move up to higher salary "lanes" by taking more college courses or earning an advanced degree. So an overall increase in teachers' salaries of, say, 10 percent over two years can have very

"The current negotiating approach doesn't serve students' best interests."

different effects on individual teachers.

St. Paul, which is suing the state for more money, gave about one-third of its 3,000-plus teachers, mostly veterans, salary increases of 16 to 28 percent over the 1997-98 and 1998-99 school years, as part of a contract settlement in which teachers work five more days. A teacher with a master's degree in the ninth year of teaching last year will get a 16.1 percent increase, from \$39,574 in 1996-97 to \$45,978 in 1998-99. A teacher with a master's degree plus 60 credits in the 10th year of teaching last year will get a 28.2 percent increase, from \$44,219 in 1996-97 to \$56,697 in 1998-99. In contrast, bachelor's degree teachers in their first year of teaching last year will get an 8.7 percent salary increase over the two years, from \$26,500 in 1996-97 to \$28,795 in 1998-99. The average teacher's salary in St. Paul is \$42,100 this year.

In Minneapolis, which is involved in a lawsuit by the NAACP challenging the adequacy of students' education, young teachers get a 16.7 percent increase over the two-year period, while veteran teachers are getting 23 percent raises. A teacher with a bachelor's degree in the first year of teaching last year will get a salary increase from \$25,410 in 1996-97 to \$29,667 in 1998-99. A teacher with a master's degree plus 45 credits in the ninth year of teaching last year will get a

salary increase from \$45,369 in 1996-97 to \$55,857 in 1998-99. The average teacher's salary in Minneapolis is \$49,400 this year.

Over the two-year period, some Mounds View teachers will receive a 24 percent increase. Beginning teachers get a 7.8 percent increase. Young Spring Lake Park teachers are getting a 9.6 percent increase, while some veterans get 16 percent.

Some educators point out that the average Minnesota teacher salary

ranks below the national average. That's true. Minnesota ranks 19th in average salary. Most of the states paying higher average salaries are on the East and West coasts, where living costs are higher. Moreover, Minnesota's student population has been growing by thousands of students over the last decade, meaning we've hired many teachers. A number of the higher teacher salary states are experiencing declining student enrollment, so their average teacher is older than in Minnesota.

Statewide, about one-third of the school districts have settled their contracts. Minnesota School Board Association figures show the average salary and fringe benefit package is about 8.6 percent over the two-year period. Meanwhile, the state provided about a four percent increase in per pupil revenue. Expenses are rising faster than revenue. In many districts this means larger class sizes and program cuts.

Some teachers deeply resent any questioning of their salaries. They point out correctly that their job is difficult. They often feel underappreciated. Asked about disparities among salary increases, many teachers say they all deserve more. Teachers are not alone in that view.

Some urge more state funding. But over the last 15 years, salary settlements often have exceeded revenue increases. *More money can help.* But it won't help places like an inner city public school with rising test scores that loses thousands of textbook dollars because the teachers use more effective materials than district texts. Just allocating more money to districts won't

solve the problem.

There is another way to think about this situation—a way that honors educators and benefits students. This approach is producing encouraging results around the country. Give all, or 95 percent, of the revenue directly to school sites. Make them responsible for improved achievement over a three- to five-year period. Allow schools to decide how to spend *all* the money. Let them purchase items through the district, or from other sources.

When Vaughn Next Century, an inner-city Los Angeles school of 1,300 students, had these opportunities, student achievement soared. Teachers there earn above-average salaries. They don't have to wait almost three years, as they had done when using the district's central purchasing, to obtain computers they selected. Classes contact businesses about computers and other supplies, explain that the school pays cash and ask for their best price.

An inner-city Boston middle school given the same opportunities also pays its staff above the average local salary. It's open 210 days a year from 8 a.m. to 4 p.m. and gives staff 2 1/2 hours per day plan. During an intensive nine-week summer program, the average student made more than a year's worth of academic growth.

The New Minnesota Country School in LeSueur, Minn., is a coop. Teacher pay is higher than the district's average. New Country operates a longer day and year. Student achievement is improving and the schools' first three-year performance contract recently was renewed because of clear, demonstrated improvements in student achievement.

The current system frustrates many fine educators and many concerned parents. When parents and teachers have the power to make critical personnel and budget decisions and when the system changes to reward schools for improved student performance, we'll see progress. Teachers can earn more and students will learn more.

Joe Nathan is director of the Center for School Change at the University of Minnesota's Humphrey Institute.

Reading

Continued from page 1

nts who are relegated to remedial programs become trapped there.

Learning disability programs were originally designed as temporary "fix-it" shops where students would get special help for a limited time and then be worked back into the regular classroom. Now, because of the high number of special education students, these students are being "spoon fed" and enabled—just to keep the peace. They become dependent on the system and become so-called "remedial lifers," who get stuck and seem perpetually unable to work their way back to mainstream education and the high self-esteem it generates.

As more and more students get referred to special education—whether or not they are truly special needs students—special education teachers have to spend so much time on due process paperwork that they have virtually little or no time to focus on clinical teaching. In addition, special education teachers are continually pulled away from their students to attend to emotionally distraught students in other classrooms. These overburdened special education programs have become a major cost to taxpayers and potentially emotionally and socially damaging to students, and, in the long run, detrimental to the society in which these youngsters will have to live as adults.

In order to solve the problems in special education, we must concentrate on doing things right in "regular" education. We *must* do a better job of teaching kids to read.

When we address today's reading problems, we must realize that what worked in the past doesn't work today. Instead, we must begin compensating for the reality that our progressive, high-tech, fast-paced world has excessively stimulated students and made it increasingly difficult for them to focus on their academic pursuits. We must also recognize that the number of children with significant emotional needs is skyrocketing.

We must involve these students in curricula that provide meaning,

security, consistency and tangible reinforcement and that enrich, shape and mold genuine appreciation for learning. Beginning with the way reading is taught, we must help students focus on learning and become motivated to consistently transfer the skills they have learned to other situations. This is a discipline that requires conditioning and has been lost.

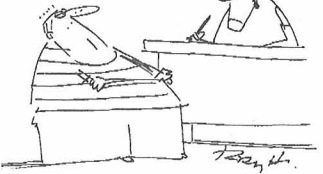
How do we accomplish all these seemingly elusive objectives? There are five key steps:

1. Set higher standards for reading curricula. School districts must set higher standards by demanding that all reading curricula—starting with beginning reading—incorporate all the most effective teaching and learning practices determined by brain research and education research over the past several decades. And districts must aggressively enforce these standards by making curricula publishers totally accountable for meeting them.

Some of today's reading curricula have good pieces, but they focus only on specific approaches—phonics, for example, or whole language—and are often isolated, fragmented, random in their approach, provide very little reinforcement and have too many rules and inconsistencies. Attempts to meld phonics and whole language approaches have not produced "a good fit." To survive with today's programs, students have to learn through osmosis. Yet, most students don't have the maturity level necessary to synthesize all the incoming information. What we need is a holistic approach to learning that provides whatever is needed to complete the reading circle for *all* students.

In effect, the regular education reading program should take a special ed approach: focus on the individual strengths and needs of each child. This will dramatically reduce

"Actually, I'm a whiz at math...I just need for you to read the questions!"



the number of kids relegated to special education programs and will help meet the needs of gifted students, as well.

We must recognize that teachers—who are focusing on behavior management, classroom management, teaching, committee work—cannot take on the main responsibility for developing high quality reading curricula. Publishers must take on that responsibility. And the curricula should be a framework—tested through pilot studies with kids—that provides for students' individuality, rather than a rigid cookbook approach.

2. Give teachers a uniform methodology and curriculum for reading. Teachers must be armed with a uniform reading methodology and curriculum that spans all grade levels throughout all schools in a district. This curriculum must form a solid reading pyramid that enables students to build upon each skill they learn. It must include the following:

- Ongoing assessment to determine the direction of teaching for each student;
- Consistent teaching approaches;
- Multisensory approaches;
- Stimulation of both the left and right sides of the brain;
- Broad enough spectrum to help all students reach their potential;
- Continuous reinforcement of all skills;
- Progression through higher order thinking skills, including enhancement of creativity;
- Encouragement of student independence by setting up students for success and then expecting them to apply and transfer their skills;
- Fostering of student ownership in learning by using methods, strategies and compensatory skills that can be applied outside of the particular classroom lesson.
- Opportunities for students to verbalize why they were successful.

3. Require a consistent approach to the uniform curriculum. The uniform reading curriculum—cov-

ering the entire spectrum from remedial to enrichment—must be approached, explained and presented in a consistent manner. Whenever special needs students require other methods of learning, they must be guided back to the original curriculum, so they can get back on track with the mainstream.

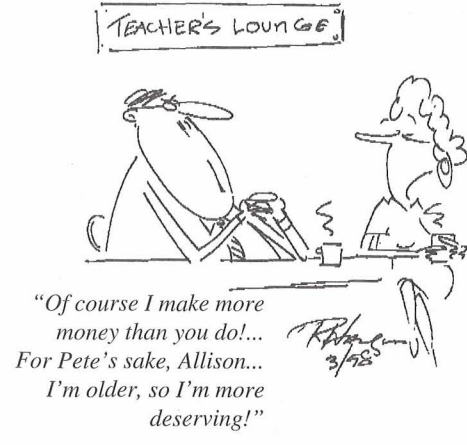
This uniform approach will promote continuity and strengthen reinforcement. And kids need reinforcement, because so many of them have so many conflicting forces operating in their lives. A consistent approach will significantly reduce confusion within a district. It can also help build a solid pyramidal learning foundation that reaches academic heights far beyond those currently imagined.

4. Reduce the distractions and interruptions for classroom teachers. Let's give teachers the time they need to teach. Reduce their nonteaching duties and the nonacademic distractions to the school day. And until we're ready to arm teachers with more effective curricula, let's recognize that any efforts to evaluate their performance will be extremely unfair.

5. Recruit more volunteers. When a basic skills curriculum is clearly established and uniform, trained volunteers can independently conduct a significant portion of the one-on-one teaching many students need to succeed. Teachers will be able to put volunteers to work effectively and with little interference and education officials won't have to throw up their hands and say, "We don't have enough staff or enough money."

Let's give teachers the methods, materials and manpower they need to teach our children how to read. If we do a better job in the regular classroom, the ever-growing need for—and insatiable budgetary demands of—remedial and special education will diminish. If kids can't read, all our well-intentioned efforts to improve the education system are doomed to failure. School systems must make an effective, consistent, uniform reading curriculum their highest priority.

Marcia Droeger has been a special education teacher and parent educator for 13 years.



Compensatory

Continued from page 1

the money had gone to school *districts*, based on the number of students receiving Aid to Families with Dependent Children. The districts then had considerable latitude in spending the money.

(See "Move to give school sites control of extra funding for needy kids faces roadblocks," *Minnesota Journal*, Nov. 18, 1997, for a detailed explanation of the 1997 legislative changes in compensatory funding and a school-by-school listing of 1997-98 compensatory funding for Minneapolis and St. Paul.)

As they prepare their school budgets for next year, Minneapolis and St. Paul are still struggling with how to reallocate the compensatory funding to school sites in ways that don't shift funds from some sites to others.

And as this issue of the *Minnesota Journal* went to press, legislators were heading into conference committee with two bills taking very different directions on the compensatory revenue issue. In response to pressure by school districts, the House K-12 education bill backs off from requiring all compensatory revenue to follow poor students to their schools, while the Senate bill stands fast on the site-based allocation.

Meanwhile Gov. Arne Carlson and some community-based organizations are critical of attempts to back off so quickly from requiring the money to follow poor students.

Legislative proposals

The House bill grandfathers in the bulk of compensatory revenue under the old system, in which school *districts*, rather than school *sites*, decide how to spend the money. Only the *increase* in compensatory revenue after 1996-97—\$49.7 million this year—would be allocated directly to school sites. The House bill also allocates an additional \$4 million in compensatory aid to the Anoka-Hennepin school district (which received \$1.9 million in compensatory revenue in 1997-98). Anoka-Hennepin had complained that its large school sites were

treated unfairly by the new allocation formula.

The Senate bill, in contrast, makes no change in the requirement that the money follow poor students to their school sites. It does provide an additional \$2 million of compensatory revenue—for the 1998-99 school year only—to school *districts* to help them make the transition to the site-based allocation. Minneapolis would get \$307,000 of the additional funds and St. Paul, \$260,000.

The very different approaches of the House and Senate bills reflect

"No matter what we do, it'll hurt somebody. It's been a real difficult thing to deal with."

—St. Paul Assistant Superintendent William Larson

the differing views of the chairs of the House and Senate K-12 budget committees: Rep. Becky Kelso (DFL-Shakopee) and Sen. Larry Pogemiller (DFL-Minneapolis).

Last November, when questions were raised about districts' compliance with the new law—particularly in Minneapolis and St. Paul—Kelso said that requiring the districts to reallocate such large amounts of money was "unrealistic" and that perhaps just the *new* compensatory money should be directed to the sites.

The change in the House bill reflecting that very approach was offered as an amendment in committee by Rep. Leslie Schumacher (DFL-Princeton). Kelso says now, although she supports the House bill, that it "doesn't make a lot of sense to redo that [the compensatory revenue system] at this point."

"I remain convinced that what we did last year was damaging in the effort to get money to the sites," Kelso said. "I continue to believe we made a big mistake. We seldom pass bills that are retroactive to money they've had in the past."

She said districts that were receiving all or nearly all new compensatory funding this year—generally smaller districts with fewer

low-income students—do seem to be moving the money directly to the sites, as the law requires. But, Kelso said, the larger districts that were used to receiving significant amounts of compensatory funding, have made only an "artificial" movement of money from the district to the site, often telling sites how their compensatory revenue was being spent.

"Because it has been unworkable for districts, they're going to keep on doing it that way," she said. "We've produced very little meaningful site-based management." She said it is "senseless" to force

these districts to "drastically cut a site budget to move money to another site."

But, she said, "At this point people are so angry, it doesn't make sense to change [the law] now. This would not be the total answer." Instead, Kelso advocates taking a comprehensive look at compensatory revenue during the longer legislative budget session next year.

In contrast, Senate K-12 Education Budget Division Chair Larry Pogemiller has been forceful in his belief that districts can and must do the kind of reallocating of compensatory revenue the 1997 Legislature intended. "That money is for kids in poverty. If districts can't get the money to those children, maybe they won't get the money," he said.

"They're unwilling to follow the law. It's hard to argue that they need the money for poor kids and then not get the money to poor kids. This is a test of whether school districts can manage their money. I'm a great friend of urban education. They need to understand that when their best friend in the Legislature says this money was intended to go to poor kids, they can best serve their communities by following the law."

Laura Scott-Williams, interim CEO of the Minneapolis Urban League, is also disappointed at the House legislation retreating from the site-based allocations.

"I think it's a step backwards and it's evidence the school district lobbyists have been busy," she said. "We haven't given the other process a chance to work yet. Parents are just now getting involved. It takes time for the schools that get the money to come up with ideas. They're retreating in less than a year. That's unreasonable."

Robert Wedl, commissioner of Children, Families and Learning, said, "It's still our position that the revenue follow the kids to the sites." He said the districts have worked hard to get a better count of the numbers of students eligible for free and reduced-price lunch, especially at the high school level. He said Minneapolis, for example, will get an additional \$4 million in compensatory funds next year because of higher counts of eligible students. "Some high schools will get significant increases," he said.

Susan Heegaard of the state Department of Children, Families and Learning said Gov. Carlson believes strongly that the money needs to follow the students who generate it to their school sites. "The site council and the buy-in locally is a critical piece," she said. "Giving only the new money to sites nullifies the whole principle of having parents and community folks make decisions."

Minneapolis, St. Paul

School district officials in Minneapolis and St. Paul, which both received 22 percent increases in compensatory funding this year, are clearly struggling with ways to allocate the money to schools with higher concentration of lower-income students without reducing funding at other sites. Minneapolis received \$49.7 million in compensatory funding in 1997-98 and St. Paul, \$39.6 million.

Both districts claimed the reallocation for the current school year was extremely difficult, since budgets had already been set when the Legislature changed the program during the summer special session.

Continued on page 7

Compensatory

Continued from page 6

what has happened during the months they've have had to plan for next year's budgeting?

William Larson, assistant superintendent for fiscal affairs and operations in St. Paul, said no decision has yet been made on what approach to take on compensatory funding for next year.

"We've played around with the formulas trying to be the most equitable," he said. "We've been meeting with the principals. No matter what we do, it'll hurt somebody. It's been a real difficult thing to deal with."

The changes in the current House bill "would certainly make it easier," Larson said. "We're waiting to see what's going to happen. It's on hold."

He said if the district has been using compensatory funds to pay for things schools don't want, those things are going to go away. "That's been the struggle," he said. "Some things ought to stay regardless. Some things ought to be optional. If the schools don't want additional assistant principals, that may be their choice. It ought to be on the table."

"But we have to have a special education program," he said. "If a site council doesn't want to fund it, I can't not provide special education. Under the law a site council *recommends* how the funds are to be used. No recommendation will be accepted unless it meets the special education needs."

Regardless, he said, the district has "done a better job than ever before" in getting an accurate count of students eligible for free and reduced-price lunch. He said Harding High School's compensatory allocation increased by \$400,000 because the district was able to get more eligible students to sign up.

In Minneapolis, according to Superintendent, "The intent of the Legislature is very heartfelt and accepted here." Unlike this year,

he said, schools with high amounts of compensatory funding "will have a chance to make some different decisions next year—for sure. They can plan for it." The challenge, he said, is what to do for schools with reductions in compensatory funding.

To make the change, Minneapolis school officials have been discussing a new model of budgeting that reinforces site-based budgeting. The new model, he said, tries to "reflect how we receive the money."

"We can't put money in the pot

"The idea here is not to keep everybody happy. The idea is to get quality education for our kids."

—Minneapolis Urban League Interim CEO Laura Scott-Williams

and distribute it any more," he said. "We have to do things very differently."

Under the new model, Dudycha said, the district would first allocate money to school sites for enough teaching positions to keep class sizes in the range promised before the last referendum. Then state and federal funds would be allocated for citywide special education and Limited English Proficiency (LEP) programs. Compensatory revenue would be allocated to schools as required under the 1997 law. Any money left over would be allocated on a per pupil basis, with high schools receiving a higher per pupil amount. This would be a change from the current method of strictly allocating money to schools based on staff positions.

"This parallels how the district receives it," Dudycha said. "But the formulas don't meet the essentials of running the schools. We have to change the equation if it doesn't meet the educational needs."

Under the new model, Dudycha said, the district would tell sites that out of the funding they have available, they must accomplish certain things, such as special ed,

LEP, a principal and assistant principals. "Some people have said we'll just be asking the sites to make the shifts the district has been making," he said. "But folks will understand better the sources of funding."

"The notion is that schools will have greater flexibility with dollar amounts than with positions," he said. "In reality, a lot is given. But this will allow more discretion around a small portion of the money."

Dudycha said district officials are not yet sure whether they will rec-

ommend the new model, because some schools would take a big hit. "It's a real dilemma. There will be difficult reallocations."

Special education

Both Minneapolis and St. Paul have used large amounts of compensatory funding to subsidize special education and LEP programs, which they say makes reallocation of the funds among school sites difficult. "\$15 million was carved out of the top" of St. Paul's \$39.6 million in compensatory funding this year to subsidize special education, Larson said. Another \$3 million was used to cover a shortfall in LEP programs.

He said the big problem is how to allocate compensatory funding to cover citywide special education and LEP programs. If all the compensatory funds are allocated to school sites as the law requires, general education funding would have to be used to cover the special education shortfall. That would cause higher class sizes for schools with lower concentrations of lower-income students. Meanwhile, schools with significant amounts of compensatory funding could buy down their class sizes. "We're looking for a resolution to the issue that will be acceptable to

everybody," he said.

Dudycha, too, mentioned that Minneapolis must use compensatory funds to help support special education programs. The new budgeting model would call for fully funding citywide special education programs, which serve about 1,600 students. But, he said, it might be difficult to maintain the mainstream special education programs, which serve 4,000 students, at school sites with fewer low-income students.

Both Sen. Pogemiller and Commissioner Wedl said they would prefer to treat concerns over special education funding separately from concerns about compensatory revenue allocations.

"If the issue is districts do not have enough special education money, then that's the argument they should make," Pogemiller said.

"We don't want to change the [compensatory revenue] system to address it," Wedl said. "We'd rather address it through special education. We have to take a look at special education and LEP. Some general education revenue should fund special education. And it's appropriate to allocate compensatory money at the site level for special education. But we don't want it siphoned off. We'd rather address the problem of citywide special education programs through special education funding."

It's clear that targeting compensatory funding has been difficult for school districts and sites that have come to rely on the revenue. But as the Urban League's Scott-Williams noted, when money is reallocated, "you don't keep everybody happy. The idea here is not to keep everybody happy. The idea is to get quality education for our kids. Are they missing the point?"

Dana Schroeder is editor of the Minnesota Journal.

Court orders extra funding, specific school programs

As a mediated settlement is considered for the NAACP's educational adequacy lawsuit, this news from New Jersey: A judge appointed by the state Supreme Court there has recommended that an additional \$312 million be spent annually by the state on its urban schools—and has specified exactly how money is to be spent (*New York Times*, Jan. 23). The Supreme Court now has to decide whether to accept the recommendation and order New Jersey to provide the additional money for those services.

Judge Michael Patrick King's recommendations came eight months after the Court found Gov. Christine Todd Whitman's school financing plan unconstitutional and ordered additional spending on urban schools. That decision also appointed Judge King to determine which programs were needed to provide the "thorough and efficient education" guaranteed by the New Jersey constitution.

Judge King's decision called for urban districts to adopt the reading program proposed by the state, plus all-day preschool for three and four year-olds, all-day kindergarten for five year-olds, summer programs for all ages and health clinics for middle and high schools. Gov. Whitman and her attorney general, Peter G. Verniero, aren't pleased, arguing that "a higher degree of certainty should be required before programs and services are deemed constitutionally essential." According to the *Times*, school finance experts are questioning whether a court can order districts to adopt specific programs. Legislators, too, are frustrated by the prospect of having to raise or reallocate that much money.

It's a cautionary tale: If school districts and legislators don't figure out how to get the education system to produce better results, the courts may come up with an answer that nobody much likes. —Janet Dudrow.

With so much money sloshing around this year, the Legislature is less careful about what it spends. For the public, though, value probably still counts. So legislators—or Gov. Arne Carlson—might usefully set some upper limit on what to

Take Note

"There is no such thing as justice—in or out of court."—C. Darrow

spend on light-rail transit *per new rider attracted*.

This is easily calculated. All studies contain the numbers on cost (unlikely to be overestimated) and on ridership—present and projected—in the corridor (unlikely to be underestimated). How much seems "too much" to attract one new rider? \$25,000? \$100,000? \$200,000?

Equally relevant perhaps: How much is it necessary to spend to turn a driver into a rider with other transit strategies—say, by lowering bus fares or by subsidizing taxi rides?—Ted Kolderie.

Too much magic bus: In the transit battle between light rail and bus, too often the head-to-head comparison fails to look at the fundamental goal: convenient, cost-effective service. But Chicago, whose elevated trains are the "heavy" transit twin of LRT, is thinking about a dedicated busway along its central lakefront to service the McCormick Place Convention Center, home to a significant amount of annual tourism to the Windy City.

According to Chicago's Metropolitan Planning Council, the busway is being pursued for the simple reason that it would provide better service to McCormick Place than any alternative. Currently, the primary mode for convention visitors is the door-to-door service of private charter bus; a dedicated busway would make travel from downtown hotels significantly faster. In fact, in case the busway falls by the transit wayside, planners are looking at alternative locations for a new convention center.—Ron Wirtz.

Curt Johnson's "State of the Region" address Mar. 4 may have been the best and most politically important talk ever given on metropolitan affairs around here. Two things stood out.

One was its conviction that "sprawl" cannot really be contained effectively by trying to wrap our arms around the outer edge of the region with green belts and no-

growth lines and restrictions on zoning and sewer extensions. If the core of the region is a place people want to leave, the fringe will grow.

The other was the strongest assertion in the 30-year history of the Metropolitan Council that public education is a key to whether families will want to live in the core. "Good schools" is an issue coming up rapidly on the urban agenda at all levels: metropolitan, municipal and neighborhood.—T.K.

The Duluth City Council last November debated an ordinance that would have imposed a Payment in Lieu of Taxes (PILOT) on some Duluth nonprofits. Introduced by Councilor John Young, the ordinance would have set up an 11-member board to review individual nonprofits and determine if each was a "purely public charity." Organizations not meeting the criteria would be subject to a PILOT equal to 40 percent of what the property tax would be if the property weren't tax-exempt.

A 1988 Citizens League report said that nonprofits and units of government should pay a fee for property-related services such as police and fire protection—a recommendation that drew vocal and well-organized opposition from the nonprofit sector back then.

Not much has changed, evidently. A well-organized turnout by Duluth nonprofits at a Nov. 24 council meeting killed the proposal after two hours of debate. A later

attempt to set up a task force to study the idea further was also scuttled.—J.D.

What might more appropriately be called the *anti-fiscal* disparities law continues to help offset the peaks and valleys in development from place to place, from time to time. Minneapolis started as a net recipient of tax base, then became a net contributor for some years, then drew again from the regional pool, now is a net contributor again. Over its 24 years of operation, city governments have left this program to work. "Losers" in one year have not tried to change the rules to their short-term advantage. Growth cycles; nobody can predict the future. The program is basically tax-base insurance.—T.K.

Don't put down "Minnesota Nice." Incivility is a problem in public discourse these days. The ability to have a polite discussion has been a significant factor in Minnesota's civic progress—especially because a community driven by opportunity rather than by crises has to think out and talk out what it wants to do.

Some years back a visitor from New York City expressed amazement at a discussion here about health care and hospitals. "If we'd tried to have this discussion in New York," he said, "people would have been at each others' throats in five minutes."—T.K.

"Take Note" contributors include Minnesota Journal and Citizens League staff members.

Minnesota Journal
Citizens League
Suite 500
708 S. Third St.
Minneapolis, MN 55415

PERIODICALS
POSTAGE PAID
AT MINNEAPOLIS
MINNESOTA



Citizens League Matters

March 17, 1998

News for Citizens League Members

Welcome

New and Returning Members

John Anderson
Mark Banks
Wendy S. Brower
Tim Engstrom
Margaret Gillespie
Laurence Harmon
Shirley Hunt
Alexander
David Kelliher
Terrall Lewis
Bruce Lick
Tim Marx
Steve O'Malley
Elaine B. Peterson
Makeda Zulu-Gillespie

Thanks recruiter:
Linda Ewen

Citizens League

708 South 3rd St. Suite 500
 Minneapolis, MN 55415
 Ph 338-0791 Fax 337-5919
 citizen@epx.cis.umn.edu
 http://freenet.msp.mn.us/ip/
 /pol/citizen

The Citizens League promotes the public interest in Minnesota by involving citizens in identifying and framing critical public policy choices, forging recommendations and advocating their adoption. Suggested dues for membership are \$50 for individuals and \$75 for families. For more information, please call 338-0791.

Don't forget to order your 1998 Public Affairs Directory. To order, please call 338-0791.

Does the common good have a prayer?

Citizens League 45th annual meeting features a discussion about the role of communities of faith in public leadership

What is it that faith brings to public leadership? and what are people of faith failing to do in public leadership?

Panelists from various segments of the faith community will discuss these two questions at the Citizens League annual meeting at 4:30 p.m. Wednesday, March 25 at the Lutheran Brotherhood Auditorium in downtown Minneapolis.

The panel will be moderated by **Doug Wallace**, who will also offer some closing remarks.

Panelists include **Rev. Curtiss DeYoung**; President, **TURN Leadership Foundation**; former **Governor Al Quie**; **Matthew Ramadan**, Executive Director, Northside Residents Redevelopment Council; **Rev. Alfred Babington-Johnson**, President, Stairstep Foundation and **Dr. Anita Pampusch**, President, Bush Foundation.

This year's annual meeting continues the public leadership theme which the League launched in 1997. At its annu-

al planning retreat, the League Board concluded that 1) solving many of our community's problems required improving the climate for public leadership and 2) public leadership comes from the private, public and non-profits sectors. The objective of the Public Leadership Initiative is to find ways to develop and support

We heard many things that provided a rich portfolio for expanded public discussion. Consequently, we decided to feature public leadership issues in all of our programming throughout the year.

Many of the issues and problems identified in the leadership interviews had a spiritual dimension—especially when it comes to areas people referred to as the "culture." But there seemed to be a sense that the spiritual dimension of public life has diminished.

Some argue that getting at our most intractable problems requires nothing less than changing the dominant cultural messages, especially for today's young people. In some areas of the country, the religious or faith communities have been credited with reshaping attitudes toward crime and drugs, for instance. Are we doing that in this region? How should communities of faith be involved in shaping public leadership?

Join us on March 25 to discuss the role of faith communities in developing public leaders.

Does the Common Good Have a Prayer?

Wednesday, March 25, 1998

4:30 - 7:00 p.m.

\$10; \$15 at the door

Lutheran Brotherhood Auditorium
 625 Fourth Avenue South
 Minneapolis, MN

public leaders in Minnesota. It looks, not at the substance of issues, but at the environment for creating, and adapting to change.

As a first stage of the project, the League interviewed 57 people with experience in the challenges of public leadership.

Getting the Jobs Done

New study begins with public forums

The League's new study was launched on March 5. Minnesota's state economist **Tom Stinson** and state demographer **Tom Gillaspay** painted a picture of a very tight labor market for years to come and explained why that could be detrimental to the long-term health of Minnesota's economy. But they also noted that the situation presented unprecedented opportunity to improve productivity and economic opportunity for many citizens.

The final session on March 18 will focus on the challenge facing Minnesota's public leaders in government, business and the independent sector. Must the state simply accept these trends and wait for the market to respond, or can we make choices to capitalize on the opportunities and minimize the dangers? **George Garnett**, Vice President of the Minneapolis Foundation and **Rick Krueger**, President of the Minnesota High Technology Council, will

address those questions. The final session will be held from 4:00-6:00 p.m. at the Humphrey Institute, on the west bank campus of the University of Minnesota.

In April, the Citizens League will begin the study committee that will develop an in-depth report and recommendations for policy.

Applications to serve on the committee will be accepted through March 20. In selecting the 40 people who will serve on the committee, the League Board of Directors will attempt to create a diverse group that brings a broad perspective. Special consideration will be given to those people who are "generalists" and not professional experts on the subject.

The committee, co-chaired by **Gary Cunningham** and **Steve Keefe**, will meet on Thursdays from 4:00 to 6:00 p.m. and should finish in August.

Applications for membership on the labor shortage study committee will be available at the March 18 meeting, or call 338-0791.

Youth Citizens League goes to work

The Citizens League is using the labor shortage study to launch an effort to involve teenagers in tackling public policy problems. Teenagers from the Downtown YMCA and Summit Academy OIC will work on proposals to raise teens' awareness of the labor shortage and the opportunity it provides for teens' career futures. The teens have already been a welcome addition to the forums.

Special thanks to **Makeda Zulu-Gillespie** of the YMCA and **Terrall Lewis** of Summit Academy OIC. And to a group of Citizens League adult members who will serve as mentors to the youth: **Archie Spencer**, **Matthew Ramadan**, **Jim Dorsey** and **Gary Cunningham**.

A new WRINKLE on AGING

The Citizens League is collaborating with the Minnesota Department of Human Services (DHS) Project 2030 on a series of policy events on the issue of the impact of an aging baby boom generation.

The initiative will focus on three themes related to the aging baby boom generation:

- Increasing choice and options for tomorrow's elderly;
- Building communities that meet future needs; and
- Ensuring a strong workforce for tomorrow's economy.

The project will begin with a four-part Mind-Opener series.

On May 19, **Marilyn Moon**, senior fellow at the Urban Institute's Health Policy Center in Washington, D.C., will be the featured speaker at a luncheon meeting at the Sheraton Metrodome.

The project will conclude in June with a half-day symposium focusing on policy implications and potential solutions to problems identified in the earlier sessions. Former Senator **Dave Durenberger** will be the keynote speaker.

Tuesday, March 31

Maria Gomez

Assistant commissioner, Aging Initiative: Project 2030

An overview of issues and the policy implications of an aging baby boom generation.

Tuesday, April 14

Dan Lindh

President and CEO, Presbyterian Homes of Minnesota, Inc.

Building age-sensitive, integrating communities for the needs of an aging population.

Tuesday, April 7

Dr. Robert Kane

Director, Center on Aging University of Minnesota

The impact of aging baby boomers on healthcare and long-term care.

Tuesday, April 21

Michelle Fedderly

Senior consultant Quantum Performance Group

The changing impressions of retirement and productive aging.

All of the Mind-Opener meetings will be at the University Club, 420 Summit Ave., St. Paul from 7:30 - 8:30 a.m. Cost is \$10 for members; \$15 for non-members. To register, call 338-0791.

THANK YOU SPONSORS

The League is grateful to the following for their financial support for A New Wrinkle on Aging:

THE ALLINA FOUNDATION
HALLELAND LEWIS NILAN SIPKINS & JOHNSON
MEDTRONIC, INC.
METROPOLITAN AREA AGENCY ON AGING
ST. JUDE MEDICAL, INC.