Minnesota Journal

Inside This Issue

Making compensatory aid work. — Page 2.

Compensatory funding tables. - Pages 4a & 4b.

Drop in Twin Cities crime. - Page 8.

A publication of the Citizens League

Volume 14, Number 11 November 18, 1997

Move to give school sites control of extra funding for needy kids faces roadblocks

Will Minnesota's largest school districts actually give up control of a significant pot of education funding to school sites?

year's legislative changes in and compensatory education revenue tied to low-income students are generating not only more money, but questions about how the money is allocated and the direction

by Dana Schroeder

the state is taking in financing education. The funding—and the changes in how it's allocated—are particularly important for Minneapolis and St. Paul, which together receive nearly half the compensatory funding statewide and have received significant amounts of the funding ever since 1971. A second year of poor big-city district performance on statewide basic skills tests—teamed with the late Minneapolis Urban League President Gary Sudduth's widely reported call for Minneapolis to "Show us the money" and years of pressure by groups like the Citizens League to better target compensatory funding—forced the Legis-

Continued on page 5

Leading decision-making for public good

Editor's note: The Minnesota Journal continues its year-long look into the some of the challenges public leaders face today. The series of articles is part of the Citizens League's Public Leadership Initiative. This month, we asked three leaders to explore these questions: Is there a characteristic Minnesota-style way of making decisions about public problems? Does it work for the public good? How do leaders lead in a place with a strong egalitarian and populist tradition?

Newcomers must be at table

by Dan Cornejo

"I have lived here all my life. *You're* not from here, so *you* don't understand."

"Those people don't belong in our downtown (our school...our ...our mall)."

As a veteran of hundreds of public hearings on development matters, I have heard various versions of

Continued on page 4

Consensus can be barrier

by Bruce Vandal

Have you ever attended a meeting with 15 people and a facilitator armed with a newsprint pad and a box full of colored magic markers? Two hours later the room is strewn with multiple sheets of newsprint covered with multicolored text and not a single decision has been made. If this scenario sounds familiar, you have been using a

Continued on page 2

Leading among dispersed power

by Lyle Wray

Several years ago, the *New York Times* ran a series of articles on the increasing dispersion of political power within major metropolitan areas of the United States. The nature of public leadership is being forever changed by the increasing diversity of voices and the growth of more inclusive leadership groups.

Continued on page 4

Teachers settling at 8-9 percent

by Ted Kolderie

The "odd year" is the bargaining year for teachers and boards of education—perhaps not coincidentally, also the year the Legislature sets the budget and the year boards of education hold elections. The media doesn't much cover bargaining. But what happens has big implications both for taxes and for learning programs.

So how's it coming?

• Slower than in '95. As of early November only about 60 (of, now, 340) districts in the state had settled—about 13,000 teachers out of 47,000).

• The additional cost to operate the districts for the coming biennium now looks to be about eight to nine percent, all things considered.

• This is more than the Legislature has provided in new money. So, again, either taxes will have to go up or program-offerings will have to come down.

"We have 8.5 percent on the table," one superintendent said, "and we're getting nowhere. And getting nothing by way of productivity improvement. There'll be nothing

Continued on page 3

November 18, 1997

MINNESOTA JOURNAL

Let's make targeted compensatory aid work for kids

The 1997 Legislature deserves hearty congratulations for taking two giant steps to restructure education for the benefit of students.

First, lawmakers required that compensatory aid for low-income students must follow them to the schools where they are enrolled. It's a position the Citizens League has advocated for years. Attaching compensatory aid to students is only fair. Research has repeatedly shown that children in poverty are at greater risk for academic troubles. Students in schools with high concentrations of poverty are more likely to be underachievers than are students in low-poverty schools.

The public education system cannot eliminate all the disadvantages that students bring with them from their homes and communities. But the public education system has a special obligation to the children who need education most as their way out of poverty.

When lawmakers put the "compensatory revenue" mechanism into law in 1971 they intended the money to flow to the schools in which these students were enrolled, to pay for the additional supportive services low-income students typically need. But the language of the law was vague and districts tended to capture the funding and use it for a variety of districtwide programs. The law has long needed tightening

Viewpoint

by Lyle Wray

up, and the 1997 Legislature got the job done.

But Legislators did even more. In another big change, the Legislature gave school sites control over how the compensatory money is usedanother step the Citizens League has long thought necessary. The new law offers principals, teachers, and parents a tremendous opportunity to tailor-make improvement strategies to the needs of the students in their particular school.

As Gary Sudduth pointed out in his now-famous "show us the money" remarks to the Minneapolis School Board, previous spending on compensatory aid hasn't seemed to do much good for the kids who desperately needed the help. Education researchers who have studied the effects of spending on various interventions have used less stirring rhetoric but their conclusions have been similar: It's not just how much money is provided for education that matters—it's how the money is spent.

The University of Wisconsin's Allen Odden points out that school districts, when they're given more money, tend to use the additional resources on hiring more teachers,

raising teacher salaries, reducing class sizes and adding more pullout programs-none of which predictably improve student achievement. Better results-better student learning-require more imaginative restructuring of the entire school budget, Odden says. Schools must be allowed to get the unthinkable on the table, exploring what another education researcher, Eric Hanushek, calls "the unperceived range of choices."

Why not allow a school to trade off slightly larger class sizes in grade four in order to provide for very small classes and intensive tutoring in grades one and two, when students are learning to read? Why not let a school with a large immigrant population hire 20 bilingual community members part-time to provide intensive one-to-one tutoring in English language, instead of-or in addition to-adding another certified English-as-a-Second-Language teacher? Why not trust a school that decides it doesn't really need five (high-salary) teachers with masters' degrees, but prefers instead to have six teachers with bachelors' degrees and extensive knowledge of the ethnic communities represented in the school?

The answer, at least right now, is that a host of school district policies, teacher contracts and other complexities make such changes di cult or impossible. Without a doubt, the new law will shake things up. Implementing the change will be hard. It will occasionally be frustrating. It will take time for districts to get used to delegating authority. It will take time for teachers and parents to get used to both having the freedom to make decisions and facing accountability for the results. We can expect mistakes.

But we're persuaded that the learning curve will be worth it. If we want better performance from our schools, we'll have to give the people closest to the action more freedom and encouragement to try new ways of doing things.

Targeting compensatory aid to the schools where the disadvantaged kids are enrolled is the fair thing to do. Giving school sites the freedom to make decisions, and holding them accountable for results, is a sensible thing to do. Life and politics being what they are, doing something that's both fair and sible is a big achievement. We an should be writing fan letters to our legislators thanking them for their leadership-and asking what we can do to help.

Lyle Wray is executive director of the Citizens League.

Vandal

Continued from page

consensus-based decision-making process.

As a nonprofit professional, I have frequently participated in meetings of well-meaning citizens where consensus-based decision-making is the method of choice. Consensus building is based on the argument that if you do not include all stakeholders at the beginning of the process, they will not "own" a decision or strategy. More often than not, when consensus is the modus operandi, a decision cannot be found much less owned.

Why is this well intentioned process rarely successful? One

explanation is that as citizens we do not exercise leadership through effective political organizing. Most consensus-building methods use a large group meeting as the primary place where decision-making happens. Unfortunately, in a large group, we may agree that something must be done about a problem, but we rarely know enough about the common interests of the group to move toward a decision.

A more effective method of decision-making is through building one-on-one relationships with other group members and developing possible solutions before a meeting even takes place. By building oneon-one relationships, leaders can express their self-interest, understand the self-interest of others and develop a decision that could plau-

sibly be implemented. Then when the group meets, a leader can propose a decision that represents the self-interest of each individual member and move the group toward a decision.

As we pursue solutions to the challenges our communities face, we must not allow group consensus building to be a barrier. We must instead value the actions of those citizens who take it upon themselves to build relationships and forward solutions that meet the self-interest of all stakeholders. We must exercise ethical leadership not by speaking the loudest in a group, but by shaping solutions through the identification, understanding and synthesis of the interests of other key stakeholders.

Skillful leadership exercised properly can create a meaningful process that leads to effective solutions and, who knows, may save some trees from being turned into newsprint.

Bruce Vandal is program director of the Minnesota Minority Education Partnership and a member of the board of the Active Citizenship School for Young Adults.

Bargaining

Continued from page 1

but higher class sizes for kids, n we're all done."

Unable to control their largest supplier cost, districts are, as a result, starting to think about how to persuade the Legislature to raise the revenues in '98 and '99. Budget problems have to be solved by raising revenue in a system that cannot improve productivity.

Slower settlements Bargaining normally starts late in the spring. Off and on the Legislature has considered requiring a settlement by Labor Day, as a condition for school to open. But it's always backed away from that. So bargaining drags on through the fall.

In recent years there's been a Jan. 15 deadline. Districts that didn't settle by then paid a penalty in lost state aid. Boards and superintendents argued this "forced settlement" favored the unions. This year, as a one-time experiment, the Legislature waived the deadline. ; may partly explain the slower ing of settlements this year.

On balance

Because of a space shortage, the "On Balance" editorial wrap-up will not appear this month. It will return in next month's Journal.

The Minnesota Journal

Publisher — Lyle Wray Editor - Dana M. Schroeder Contributing Editor — Ted Kolderie Sketches - Ray Hanson

The Minnesota Journal (ISSN 0741-9449) is a publication of the Citizens League, a nonprofit nonpartisan Twin Cities public affairs organization, 708 S. Third St., Suite 500, Minneapolis, MN 55415, Mary Anderson, president. Articles and commentary are drawn from a broad range of perspectives and do not necessarily reflect League positions on policy questions. The Journal is published once a month. Periodicals postage paid at Minneapolis, MN.

Annual subscription rate for nonmembers is \$40 issues. Orders may be placed at 612/338or by mail at the above address.

Postmaster: Send address changes to The Minnesota Journal, 708 S. Third St., Suite 500, Minneapolis, MN 55415

It's not easy keeping track of what's happening.

Both the Minnesota School Boards Association and the union (the Minnesota Education Association and the Minnesota Federation of Teachers are gradually merging) report settlements. But the percentages they report differ markedly.

The difference involves the next year cost of teachers moving "across the lanes" (with advanced degrees) and "up the steps" (with more years of service). To the union this is not "new money": It counts only higher dollar amounts in the lanes and in the steps—that is, increases "in the salary schedule." To the boards, "progression" through steps and lanes is part of the total cost increase they will have to cover next biennium. So the union may report a five percent increase, the board an eight percent increase.

To cover the settlement a board can go to reserves (if it has reserves) or can go to referendum (if it can get voters to approve higher local taxes). Failing that, program gets cut or class size gets raised. (During the 1991 bargaining round in Forest Lake a reporter for the *Pioneer* Press came across a letter from the MEA local offering to sacrifice 31 teachers in order to free up enough money to finance the settlement.)

Usually the public doesn't hear much about bargaining until it's over. Bargaining becomes news when a strike vote is taken. Or when negotiators agree on a settlement. Even then, however, terms of the settlement aren't disclosed—at least not far enough ahead of the board vote to permit any public debate. The public may get to deal later with the effects of a salary settlement (as in a referendum later to increase taxes to restore program cuts), but never with the settlement itself.

Tying funding to performance

A lot of new revenue will be needperformance-related compensation ed. At \$12 billion a biennium K-12 and for "reconstituting" failing schools. public education is so large that even small percentage increases generate big requirements for new An advisory committee to Comrevenue-especially from the state, missioner Robert Wedl has begun which now provides almost twoto look at "performance funding." It was clear November 3, however, in thirds of the total. Five percent comments from Denver-based eduwould mean over a half-billion dollars more every legislative budget cation-finance expert John Myers, year. that in no state does this extra

In the '97 legislative session, with revenues high from the strong economy, this could come out of surplus. In a low-growth year the "raise" for education will require raising tax rates.

The question is always how to get the Legislature to come up with those increases.

The increases of the late 1960s and early '70s "rode in on the back of the property-tax revolt," as Allan Odden, then head of finance for the Education Commission of the States, told a conference at Spring Hill Center in the early '80s.

Lawsuits, even the threat of lawsuits, can sometimes leverage more money. The equity case known as Skeen failed in the Supreme Court but formulas were improved for low-value districts at about the same time. Now Saint Paul, a highvalue district, is suing, charging the state is still not doing enough.

It's sometimes worked to promise improvement "if only" the state will provide more resources (hoping no one will ask why it shouldn't expect improvement from what it gives the districts now). But with student achievement at last being measured, reported and compared, promises are no longer enough. So expect to hear next about actually tying money to performance.

Minneapolis is already getting attention about this, thanks largely to Louise Sundin, the able president of the Minneapolis Federation of Teachers. (Teacher compensation is up 10.2 percent there for the next two years-perhaps the biggest increase in the state.) The "big six" education groups will meet soon to hear about the new Minneapolis contract and its provisions both for



"On the plus side, we have money for a 9% wage increase for the faculty ... on the minus side, you are the faculty!"

stump-money for districts (or schools) that "do well" exceed one percent of total spending in the K-12 system. And Minnesota legislators may want a much stronger connection than that, between spending and performance.

If so, they can:

• Require that revenue be budgeted to schools on a per-pupil basis. Currently, "We budget expenditures to schools, but not revenues," says Lois Rockney, finance director for Saint Paul. "When schools get staff they go on doing things the same," Odden says. "When schools get dollars they do things differently.'

• Give schools performance targets, and the flexibility to decide how learning will be organized; which means the ability to change patterns of expenditure. Changes in expenditure patterns may help more than changes in expenditure levels.

• Give districts greater authority to bring in learning programs they do not own themselves. In a real sense the districts' budget problems result from boards having no choices, no alternatives to the learning business they own and run.

To encourage boards to change, the state might (some around the Legislature suggest) reduce its support to districts whose schools are not improving. This would not cut the dollar amounts available to those districts: It would simply require taxpayers in a nonimproving district to pay a larger share of the cost of running the schools. That hike in local taxes might generate a useful discussion between the community and the board about improvement.

Ted Kolderie is contributing editor of the Minnesota Journal.

Cornejo

Continued from page

these statements as reasons for maintaining the status quo. What these citizens are saying is, "We don't need to change. Keep our city for us. We were here first.

First, these statements reveal underlying attitudes toward newcomers that stop many Twin Citians from openly addressing their fears of cultural and racial differences. Secondly, these attitudes are barriers to community collaboration to adopt new, more effective development and transportation practices to reduce sprawl in our region. Lastly, these attitudes expose a blindness to the need for us to transform our whole value system regarding newcomers and new development practices so that our region and state cannot only survive, but thrive, in a world economy that rewards competence in cross-cultural communication and negotiation.

Our elected and appointed civic leaders say they must listen to their constituents (read "single-family homeowners"). But, we know our future viability as a region depends on our leaders listening, and acting, on a much broader range of views, including most especially those of the newcomers.

How can our leaders improve our ability to openly discuss the interrelated issues of population increase, racial diversity, in-migration, development patterns and economic growth? How can we openly dis-

agree, yet learn from each other? How can we move purposefully to devise short-term actions to achieve long-range solutions?

First, I believe our government leaders should invest more resources in staff and in citizen-run organizations that engage in constructive problem identification, problem solving, planning and negotiating in development matters. These increased resources should be accompanied by requirements and incentives to allow *all* parties affected by the issues to participate.

Secondly, our leaders must place more emphasis on the development of a *shared* vision and program for long-term change. But togetherness does not mean assimilation of newcomers into the majority view-

points and culture. This means an agenda that creatively draws on the strengths of all those at the table and reflects the diversity of views. Consensus need not, perhaps should not, be the objective. Fq change, how about "equity of opportunity" as our beacon?

Our civic leaders must recognize that effective land-use planning and growth management draws its wisdom, and its *legitimacy*, from the diverse contributions of all their constituents.

Dan Cornejo is development director for the city of Robbinsdale. He moved here seven years ago from New York City to serve as director of planning and economic development under former St. Paul mayor Jim Scheibel.

Wray

Continued from page 1

Some people wax nostalgic about the "good old days," when enlightened decisions could be made for the many by the few. Whether or not those decisions really were enlightened, it's clear that the days of the "5-5-1" leadership plan-find the five people who can make something happen, the five who can stop it from happening and the one person who can broker a deal and get them together-are long gone. Want proof? Look at the stadium debate.

Today, within this context of diffuse leadership, the challenge facing many metropolitan areas is to agree upon a direction for addressing major challenges. Public officials are expected to make decisions and generate momentum for proposed

"What do you mean, who am *I?...I'm your model for* decision-making for serving the public good!"

solutions, while at the same time building a buy-in and establishing the legitimacy for their decisionmaking from wary citizens. This, of course, is no small task.

Former U.S. Labor Secretary Robert Reich, in a chapter of his 1994 book on "policy-making in a democracy" offers some guidance. According to Reich, there have been three distinct historical models for addressing the public good. In the first model, which characterized U.S. history up through the Progressive Era, enlightened elitessocial and economic leaders and competent and efficient public administrators-would make decisions for the public good.

This model of leadership was not without successes, but it has eroded over the past half-century under pressure from a very long list of rightful claimants to a share of



social and political power. Two models have emerged to take its place: interest group intermediation and net benefit maximization.

In the first of those-interest group intermediation-making deals among the most powerful interest groups is the central leadership task. The public good is considered to be the best deal that can be brokered. Appeals to the public good are viewed as hopelessly "googoo"(good government) or naive or elitist-or all three.

In the second model—net benefit maximization—economic models of cost-benefit analysis are used to make "objective" decisions about the public good. The public has developed a good deal of cynicism about such analysis, since experts seem to be able to support whichever side of an issue is writing the check. As one wag said, "an economic model will confess to anything if you torture the assumptions enough."

Reich suggests that public leaders must go beyond deal-making and economic analysis to really move an agenda. Leaders should be generating broad public deliberation about significant issues and engendering social learning across interest groups, he says. This is a far cry from the pure interest group politics that so often prevail.

How might this work in the Twin Cities? Take the need for more

affordable housing in the region, for example. It is very temptingand common-for leaders to assemble members of like-minded interest groups in "choirs" to complain about and blame those not present for all of the miseries being experienced. Is it possible, instead, to generate rich conversationsone city at a time-that involve low-income people who work in a community or want to live there, along with present residents of all income strata, elected leaders, communities of faith, housing developers and business people with a real commitment to act? Is it possible for similar cross-sector groups to talk seriously about what it would take to really strengthen the urban core and the distressed and aging areas of the suburbs?

If the Twin Cities area is to solve the affordable housing dilemma. along with countless other challenges we face as a region, we'll need more than a deal and more than cost-benefit studies. We'll need a shared vision for the public good and a broader circle of leadership for carrying it out. The Governor, the Metropolitan Council, mayors and other elected officials will be key, as they always have been. In a dispersed-power era, the vision must also come from other voices in the community. We need to get work inventing a new and bette model for serving the public good.

Lyle Wray is executive director of the Citizens League.

November 18, 1997

Compensatory

Continued from page 1

e to consider changes in the funding aimed at needy students. (See "Viewpoint" on page two.) And it enacted several significant changes in compensatory education funding during this past summer's special session:

• It significantly increased the compensatory revenue appropriation, hiking it by \$100 million, or nearly 40 percent-from \$260 million to \$360 million-for the biennium.

• It required districts to allocate this extra revenue to the school *sites* where low-income students (those eligible for free and reducedprice lunches) are enrolled. Previously the money had gone to dis*tricts*, based on the number of students receiving Aid to Families with Dependent Children, or AFDC. Districts had considerable latitude in spending the money districtwide, especially before the 1996 Legislature began requiring that the funds be spent to help stuts who were not achieving at

• It required that parents at the school sites-what's more, parents reflective of the diversity of the school community—have a key role in deciding how the money for their school is used to meet the needs of kids not achieving at their age level.

meir age level.

An early look at the impacts of these changes suggests several important trends:

• Some schools have been allocated significant amounts of compensatory funding under the new site formula-in some cases, as much as \$2,000 per student enrolled at the schools.

• Some districts-notably Minneapolis and St. Paul-have resisted making fundamental changes in the way compensatory funding is allocated among schools.

Meaningful parental involveat reflecting the diversity of school communities has been lacking.

• While some policymakers

believe that shifting compensatory funding directly to school sites is one step toward moving broader control of school funding to sites, others are not sure the state ought to be moving in that direction. At least one key legislator is ready to back off from the requirement that all compensatory funding go directly to school sites.

Funding levels

Compensatory funding increased by \$49.7 million, or 37 percent, to \$185.1 million between the 1996-7 and 1997-98 school years. Minneapolis received the largest amount of funding-up by \$8.8 million, or 22 percent-to \$49.9

"To the extent the delivery system and bureaucracy can't react, I think we're going to move beyond them." -State Sen. Larry Pogemiller (DFL-Minneapolis)

million this year. St. Paul is second highest at \$39.6 million-an increase of \$7.2 million, or 22 percent. Minneapolis and St. Paul together received 48 percent of this year's total.

In Minneapolis the compensatory funding amounts to nine percent of the district's 1997-98 budget of \$547 million, according to district Budget Director Marj Rolland.

The other 46 school districts in the seven-county metro area received a total of \$18.2 million—an increase of \$2.9 million, or 19 percent, over last year. The 305 nonmetro school districts received a total of \$77.4 million-an increase of \$30.8 million, or 66 percent, over last year, with more than two-thirds of the nonmetro districts more than doubling their compensatory funding.

For the first time this year the funds are to be allocated directly to sites based on the number and concentration of students eligible for free and reduced-price lunches-an allocation formula some people have questioned.

Education consultant Ruth Anne Olson called it a "blunt tool," especially at the secondary level, since older students are less likely to sign up for the lunch program. Victoria Davis, chair of the St. Paul NAACP education committee, said

the distribution formula is not an equitable one.

"The dollars don't follow schools with poor performance," she said. "We already have more data than we need to find out who's doing well." She said using performance data to allocate the compensatory funds would have been much better than using free and reduced lunch eligibility.

State Rep. Becky Kelso (DFL-Shakopee) said she thinks such a change in the formula might be possible in several years. "Hopefully when we have good student achievement data, we can start

directing money to sites where stu dents are not achieving," she said. "We're a couple of years off from that."

School site allocations

An analysis of compensatory revenue allocations by school sites shows a number of schools in Minneapolis and St. Paul receiving significant amounts of the funding.

Tables 1 and 2 on the accompanying insert (pages 4a and 4b) show the allocations of compensatory funds for schools in Minneapolis and St. Paul. To put the figures into context, the tables also show the amount of compensatory funding allocated to each site on a per pupil basis (using 1996 enrollment figures). It's important to note that this comparative per pupil figure is not part of the distribution formula and is based on all pupils enrolled at the school, even though the funding is not necessarily intended to be directed at every pupil enrolled at each site.

It's also important to remember that these figures include only compensatory revenue, not money from the general state school aid formula (\$3,581 per pupil for 1997-98) or other special funding for things like special education and limited English proficiency (LEP) programs.

Minneapolis. The five elementary schools in Minneapolis with the greatest compensatory allocations are North Star, \$1.50 million; Lincoln, \$1.46 million; Bethune, \$1.32 million; Andersen Open, \$1.29 million; and Four Winds, \$1.29 million.

On a per pupil basis the top five elementary schools in Minneapolis are School of Extended Learning, \$2,212 per pupil; Bethune, \$2,076; Lucy Craft Laney, \$2,065; North Star, \$1,994; and Broadway, \$1,977.

All of these schools have high concentrations of children eligible for free or reduced-price lunches, ranging from 78 percent at Andersen Open to nearly 97 percent at Bethune.

On the other end of the scale, Barton—with only 23 percent of its students eligible for free or reduced-price lunches-was allocated \$145 per pupil, or \$83,046.

The five secondary schools in Minneapolis with the greatest allocations are Roosevelt High, \$1.55 million: Northeast Middle, \$1.43 million; Edison High, \$1.29 million; Folwell Middle, \$1.10 million; and Franklin Middle, \$1.00 million.

On a per pupil basis the top five secondary schools in Minneapolis are Folwell Middle, \$1,630 per pupil; Northeast Middle, \$1,560; Northeast Middle, \$1,560; Olson Middle, \$1,409; and Sanford Middle, \$1,391.

These schools, too, have the highest concentrations of students eligible for free or reduced-price lunches, although the percentages are lower than at the elementary level.

On the other end of the scale, South High-with 24 percent of its students eligible for free or reduced lunches-was allocated \$160 per pupil, or \$297,151.

St. Paul. The five elementary schools in St. Paul with the highest allocations are East Consolidated, \$1.83 million; North End, \$1.47 million; Como Park, \$1.37 million; Phalen Lake, \$1.25 million; and Parkway, \$1.20 million.

Continued on page 6

5

Compensatory

Continued from page 5

On a per pupil basis the top five elementary schools in St. Paul are East Consolidated, \$1,997 per pupil; Dayton's Bluff, \$1.873: Roosevelt, \$1,740; Franklin, \$1,726; and North End, \$1,713.

As in Minneapolis, these schools have the highest concentration of students eligible for free or reduced lunches, with percentages in the 70s, 80s and 90s.

At the other end, Capitol Hillwith 16 percent free-or-reducedeligible students-was allocated \$70 per pupil, or \$72,658.

The top five secondary schools in St. Paul are Battle Creek Middle, \$1.25 million; Harding High, \$1.10 million; Arlington High, \$1.00 million; Como Park High, \$920 thousand; and Johnson High, \$877 thousand.

On a per pupil basis the top five secondary schools in St. Paul are Cleveland Middle, \$1,774 per pupil; Expo Middle, \$1,381: Washington Middle, \$1,374; Humboldt Junior, \$1,292; and Battle Creek Middle, \$1.235.

These schools, too, have the highest concentration of free-orreduced-eligible students.

At the other end, Central Highwith 27 percent free-or-reducedeligible students-was allocated \$196 per pupil, or \$388,789.

Suburban districts. Figures from a few selected suburban districts show that per pupil allocations at most school sites tend to be lower than at most schools in Minneapolis and St. Paul. But while there are schools like Eden Prairie's Cedar Ridge Elementary (with less than two percent free-or-reduced-eligible students), which was allocated \$1 per pupil in compensatory funding, Brooklyn Center's Earle Brown Elementary (with 44 percent free-or-reduced-eligible students) was allocated \$529 per pupil, or \$438,064.

Nonmetro districts. Figures from a few selected nonmetro districts show much the same picture. But there are school sites in nonmetro

6

districts allocated significant amounts of compensatory funding, because of concentrations of poor students. Rochester's Holmes Elementary, for example, was allocated \$809 per pupil, or \$249,846; Duluth's Lincoln Elementary was allocated \$994 per pupil, or \$880,031; St. Cloud's Roosevelt Elementary was allocated \$607 per pupil, or \$185,138.

District spending patterns Early evidence suggests requiring compensatory funding to go directly to school sites has done little to change district spending patterns

When the new law required compensatory funding allocations by site, Rolland said, the district had to go back and show how much compensatory funding had actually gone to each site through the district's spring budgeting. She said officials found that 50 of the district's schools were getting more than the new allocation formula would indicate they should; others were getting less.

The district decided not to take money away from any school, Rolland said. Minneapolis received \$5 million more in compensatory

"How could we implement the new law and still keep the budgets the same, so there would be a minimum amount of disruption at the schools?" -Mari Rolland, Minneapolis schools budget director

for the current school year, at least in Minneapolis and St. Paul.

In Minneapolis Budget Director Mari Rolland said that when the compensatory law changed in July, the district had already made its allocations to schools. "We scrambled," she said. "How could we implement the new law and still keep the budgets the same, so there would be a minimum amount of disruption at the schools?"

Rolland said in April-before the new law had been enacted-the district allocated one-third of its projected compensatory funding to schools, based on its own formula, which included poverty, the number of students of color and student mobility. The money was converted into teaching positions, based on the district's average salary of \$49,400. She said some of the sites "cashed in" the allocated teaching positions and used the funds for educational assistants or assistant principals.

The district then allocated twothirds of the projected compensatory funding at the district level for LEP and special education programs. She said \$20 million of compensatory funding was allocated for special education, which she said is "way underfunded" by the state.

funding than the district had projected, so it used that money and \$1 million in operating reserves, as well as other increased school aid funding, to make up the difference for schools that would otherwise have seen reductions in their compensatory funding.

"Some principals think taking money from schools without a concentration of poverty is all right," she said. "I don't believe that. There is no school in this district that has more money than it needs."

A similar pattern was followed in St. Paul, where the district decided to spend about a third of its compensatory revenue on special education and LEP and the remainder on a variety of staff positionsincluding teachers, teacher aides, librarians, assistant principals, psychologists, police officers, hall monitors, nurses, counselors, clerical staff-and a variety of other programs, among them the DARE drug education program and Sylvan Learning Center tutors.

These costs were then charged back to school sites, some of which were charged more than they received in compensatory funding and some less.

In contrast, in Fulda, which received nearly \$99,000 in com-

pensatory funding this year-a \$78.000 increase—Superintendent Doug Froke said the elementary and high schools formed site councils made up of teachers, adminic trators and community membei decide how to spend the additional money. The site councils decided to purchase the services of a "basic skills" teacher for the secondary school and to hire a teacher to facilitate an "Early Success" reading program for first and second graders whose reading skills are below their peers.

Legislative intent

Robert Wedl, commissioner of the state Department of Children, Families and Learning said the legislative intent was that the compensatory money go to sites with high concentrations of poverty and be spent for students who are not successful by state and local standards. The Legislature called for more discussion and site or districtwide committee involvement in allocating the money.

"Part of the vision was we were not sure how compensatory money was being used," he said. "It was difficult to account for. Now we will have much better control a local level."

Wedl believes the allocation of money to the sites will result in different spending patterns. "We will see different uses of these revenues," he said. "It will evolve. We won't see it immediately." He believes there will be more compensatory money spent on remedial programs-after school or inschool-and less on police liaison officers or assistant principals.

Rep. Kelso said the intent was to give site councils direction and leave them flexibility in spending the money. "All of it was to go to the sites and it's not," she said. "The whole idea is to pass the power to the parents and school staff. It doesn't work if you don't pass the flexibility to the site."

But Kelso also says moving all the compensatory funding to the school sites was "just unreasonable" for districts like Minneapolis and St. Paul that had received la amounts of compensatory fund. for a number of years. Requiring the increase in compensatory fund-

Continued on page 7

Compensatory

Continued from page 6

-which was \$8.8 million in Minneapolis and \$7.2 million in St. Paul—to go to sites might be reasonable, she said.

"It probably just wasn't going to happen," Kelso said. "I'm looking for a good-faith effort to get that money to the sites. I don't know yet whether they are making a good-faith effort. Getting the compensatory to follow the child to the site is still a good idea. That still is my goal. I would have preferred we did it with just the new money."

Kelso said the Legislature will revisit the issue next session.

"I think the worst situation is when the Legislature passes unworkable laws," she said. "It's just not good legislating. I know it's unrealistic to tell Minneapolis to take \$50 million and whatever you're spending it on, send it to the sites. They just aren't going to get it done. It's not the real world. We with reality and we try to wve ahead."

State Sen. Larry Pogemiller (DFL-Minneapolis) disagrees.

"I don't see those local complications as being severe enough to say we ought to undo compensatory funding following the children," Pogemiller said. He would oppose any phasing in of the site allocation requirement.

"If a business said, We can't move the money around because that's where our employees are-not our customers-it wouldn't survive," he said. "This is not a jobs program; this is an educational deal. The concept of compensatory money following the student is sound. I think over a period of years the bluff is going to be called. Audit after audit has questioned how this money is being spent. They need to get results from the flow of this money."

the extent the delivery system bureaucracy can't react, I think we're going to move beyond them," Pogemiller said. "I ultimately see the money going to

November 18, 1997

kids and the family. I think that's where we're headed: certificate or voucher or a letter or whatever you want to call it.'

Who decides on spending?

Augie Rivera, who retired last spring after five years as principal at Wenonah elementary school in Minneapolis and many years working in the district's central office, said the schools are "very upset" at the way the compensatory funding decisions are being made.

"The classroom is where the par-

"There's creativity out there in those buildings. The Legislature has to make sure the money goes directly to the schools." -Augie Rivera, retired Minneapolis principal

ents, kids and teachers connect," he said. "That money was meant to go directly to the schools."

"Central offices don't understand the extent to which parents are involved at schools. There's creativity out there in those buildings. The Legislature has to make sure the money goes directly to the schools," Rivera said. And the Legislature has to trust that people at the schools "are not going to take off for the Bahamas or buy a Jaguar," he said.

He said the compensatory money intended for Wenonah (\$216,221) could have been used to hire a reading teacher, a full-time social worker and a technology person.

Consultant Ruth Anne Olson said no one is talking about the requirement that the school site councils charged with making the funding decisions must reflect the diversity of the school community.

"That is absolutely, positively not happening," she said. "It's an issue of both legality and effectiveness. Kids of color are not doing well because they've become disengaged from the school. The only way to understand that is to get input from parents in the community. Site councils do not reflect diversity."

Doing nothing to enforce the

requirement for diversity, Olson said, will reinforce the cynicism that communities of color feel. Even when there is a law that recognizes the need to include them in decisions, it's ignored. "We need the full range of voices," she said.

Kelso, in contrast, said the Legislature should not have been so prescriptive as to how the site councils would work.

"We say we want parents, we want councils to make real decisions," she said. "Micromanaging

is the antithesis of site-based management. As far as the makeup of site councils, I think the Legislature went too far. To say that parents who will be involved won't be concerned about achievement-I'm not that cynical."

School-based funding Some observers, such as Ted Kolderie of the Center for Policy Studies, see the movement of compensatory revenue to the school sites as the first step toward allocating funding by school. "The compensatory change is a start toward a new arrangement where schools get dollars, not teaching positions," he said.

"I don't see all funds going to school sites, but it is a step in that direction," Wedl agrees.

Kelso disagrees. "I don't think site-based management and all the funding going to the school is the future," she said. "I think it's a brick wall." She believes school sites can never have control over funding because teacher contract settlements are made at the district level.

In addition, she said, site-based management is "based on the idea that every teacher is a frustrated principal. Most of them are focused on what goes on in the classroom. And the impression that there are lots of parents who have

lots of time and interest to be involved in the schools is false. I think what they want is results. What works is parents putting pressure on professionals to meet their children's needs. To the degree that site-based management gets us to that point, it works."

Laura Scott-Williams, interim CEO of the Minneapolis Urban League, believes it is important to get parents involved in the decision-making process. "It has the potential to be good," she said. "But I'm not sure moving all funding to schools will give more accountability and parent involvement. We must hold somebody accountable. If it's spread out too thin, it's a problem. Is it a lack of resources going to the school or is it what's being done with them?" she asked.

But Rivera argues strongly that schools ought to control their resources. "The schools can do it; I know they can," he said. "Now we're doing the planning and someone else decides whether we get the money to get anything done."

He complains that principals—he calls them "branch managers"are given no power to make hiring and spending decisions for their schools. "There is competence in the buildings," he said. "Why do you have \$95,000 a year branch managers doing nothing? They don't think we can keep track of salaries."

Rivera said the school board should "change its orientation" and become a contractor for services, rather than serving an oversight function. "They have to utilize the talent out in their buildings," he said.

Dana Schroeder is editor of the Minnesota Journal. Tables on compensatory funding for districts other than Minneapolis and St. Paul are available from the Citizens League office at 612-338-0791 or at the League's web site at http://freenet.msp.mn.us/ip/ pol/citizen.

Twin Cities catching up on national crime drop trend

Better late than never. Just as the Twin Cities lagged behind nationwide increase in crime in the 1980s, so, too, we appear to be finally catching up with the national decline in crime in 1990s.

Despite a small increase in the rate of Part I offenses (due mostly to increases in property crimes), a Hennepin County crime report showed that violent crime dropped five percent in 1996; robberies decreased by seven percent in 1996, after setting four consecutive all-time highs.

Even more promising, violent crime for juveniles and 18 to 24 year-old adults decreased by eight and nine percent, respectively, since 1994. Among black youths, violent crime dropped 12 percent during the same time frame, despite continued strong growth of this population.

There were a couple of interesting statistical spikes, however. Car theft was up by almost 20 percent — all of it in Minneapolis. Driving under the influence of alcohol also saw a steep increase of 30 percent in Hennepin County—almost all of which took place in the suburbs.

The increase of female juvenile arrests might be the most notable, however, rising from about 1,100 arrests in 1990 to almost 1,800 arrests in 1996. From 1995 to 1996, the increase in juvenile female arrests (by about 200) came almost entirely from suburban jurisdictions. In Minneapolis, the only category increasing substantially for female juveniles was for drug arrests.—*Ron Wirtz*.

Buzz Merritt, one of the leaders of the public journalism movement, noted at a recent Silha Center lecture that E. J. Dionne argues in his book, Why Americans Hate Politics, that candidates for office often stake out extreme positions to attract loyal followers and differentiate themselves form their opponents. But most average voters are somewhere in the middle. When political debates occur at the ends of the spectrum, all those folks in the middle conclude that the debate isn't relevant to them, so they check out.

Merritt argued that traditional news

Take Note

"The only medicine for suffering, crime, and all the other woes of mankind, is wisdom."—T.H. Huxley

reporting has become less relevant to the average reader/viewer for the same reason. Too often the news report takes place at the extreme if one side says "z," the dutiful reporter finds someone on the other side to say "a"—leading most people to conclude that the news isn't relevant to them.—*Phil Jenni*.

A survey of American housing by the U.S. Department of Housing and Urban Development (HUD) found that American houses are continuing to get bigger and more expensive.

The median home value for all U.S. owner-occupied homes was \$92,500 in 1995. That median concealed wide regional variations, from \$76,000 in the South and \$80,100 in the Midwest to \$118,900 in the Northeast and \$140,300 in the West.

The newest survey, which is conducted every two years by the Bureau of the Census for HUD, showed that the size of housing units has continued to increase, even as the size of households has stayed about the same. All U.S. housing units average 1,732 square feet, but those built within the last four years average 1,920 square feet. And while less than 40 percent of U.S. houses have two or more bathrooms, more than 80 percent of newer homes have that number.—Janet Dudrow.

New data from the U.S. International Trade Administration (*Governing* magazine, October 1997) show the LaCrosse, Wisconsin-Minnesota metro area first in the U.S. in the rate of growth in merchandise exports—with a whopping 197 percent increase between 1994 and 1995.—*J.D.*

Leadership U. In an "industry" as labor-intensive as higher education, it might surprise people to see the lack of management training faculty receive before assuming various leadership positions.

Several internal reports conducted last year said the University of

Minnesota generally assumes faculty have the skills necessary to assume managerial positions. In fact, the reports argued, faculty members have little individual experience and the University substitutes fairly minimal training in its place. Additional leadership training for faculty was "mandatory," the reports concluded.

The Office Human Resources (OHR) offers a number of opportunities through its Administrative Development Program, but these reach less than half of all targeted faculty, mainly because they are voluntary. One OHR official added that faculty have a "training threshold" of about 25 to 40 hours (the typical length of training programs) because, somewhat ironically, they have more immediate management duties to attend to.

This person added that President Yudof has taken the unprecedented step of elevating the human resources function to a full vice presidency reporting directly to Yudof (instead of to a vice president), which is likely to raise the profile of leadership training. —R.W.

At a recent small gathering of Minneapolis Rotary Club members, new Minneapolis Public Library Director Mary Lawson outlined her vision for the future of the library. Included in her vision was a new central library building in downtown Minneapolis. Quipped one Rotarian from the back, "If we

Minnesota Journal Citizens League Suite 500 708 S. Third St. Minneapolis, MN 55415 don't build it, will the books leave?"—*Phil Jenni*.

When is a tax cut not a tax cut George Will (*Newsweek*, Oct. 13) points out that Congress' recent tax cut involved 824 changes to the tax code that are sure to boggle the minds of tax attorneys, let alone regular taxpayers. He quotes Bruce Upbin of *Forbes* magazine, whose conclusion is: It's time to buy stock in H & R Block, since the prospect of filling out the new forms is sure to drive many taxpayers into the company's offices.

The company's average charge for preparing a tax return last year was \$72, while the average tax cut per person from this year's tax bill is \$70, Will notes.—*J.D.*

Wonk humor: State Demographer Tom Gillaspy alleges that the cubicle complex at Minnesota Planning was designed by the Confusocrat office furniture company...A newsletter item listing the labor market economists at the Department of Economic Security was recently headlined "to serve and project"...And God forgive us f laughing about a really important problem, but we just had to howl over a brochure announcing a conference on the Endocrine Disrupter Debate. The brochure alerted us to the rise in feminized fish, demasculinized alligators, reproductive failures in birds and diminished sperm counts in lab rats. Heavens! -J.D.

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

> PERIODICALS POSTAGE PAID AT MINNEAPOLIS MINNESOTA

Citizens League Matters

November 18, 1997

News for Citizens League Members

Ted Kolderie will moderate all

three sessions, which will be

held at Sabathani Community Center, 310 East 38th Street in

south Minneapolis. Ample free

parking is available in the adja-

All the sessions start with a

reception at 4:30 p.m.; the

program will begin at 5:00

and finish at 6:00. Cost is

\$10 for each session and

refreshments will be served.

Details are below. For more

information or to register,

please call 338-0791.

cent lot.

Welcome New and Returning Members

Robert Burke William W. Cameron Fran Davis **Guy Harper** Marjorie C. Hols Dianne R. Krogh Susan Laine **Michael Lander** Geri Malandra Mary Nachbar Katherine Nason **Edward Oliver** Dan O'Neill **Craig Pederson Terence J. Quigley** Gordon H. Ritz Peter Rode **Denise Rogers** Jeff Rugel Karen Snedeker Barbara Thoman David Walsh **JeffWashburne** Marnie Werner

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

Promoting 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.

What's new in education poli-• learn more about the new laws and what they mean for Minnesota's kids, families and schools.

 hear about what's happening from people who are close to the action.

New opportunities for improving Minnesota schools

- discuss the opportunities, challenges and puzzles involved in putting the education reforms into action,
- connect with other people who want to make a difference in Minnesota's education.

Tuesday, November 25 Thursday, November 20

Targeting resources to needy students

cy? Lots! The 1997

Legislature enacted several

should go a long way toward

improving Minnesota's schools.

more opportunity and incen-

parents more education choic-

The Citizens League is spon-

Education," three after-work

sessions exploring these new

opportunities. You'll want to

come to these sessions to:

soring "Conversations on

tives to improve—and give

es for their kids.

important new laws that

The reforms give schools

The 1997 Legislature increased "compensation revenue"extra resources for poor students-by \$100 million for the biennium and required this revenue to follow students to the schools where they enroll. How can parents, students, teachers and schools seize this opportunity for improvement?

Resource Guests

Larry Lucio, Principal, Sanford Middle School in Minneapolis Ilean Her, Executive Director, Council on Asian-Pacific Minnesotans Robert Wedl. Commissioner. MN Dept. of Children, Families and Learning.

Opening new education choices for families

Minnesota has garnered national attention for its program to provide expanded tax deductions and a new tax credit that parents may use for non-tuition education expenses. What's being done to help parents take advantage of this opportunity? How are education innovators rising to the challenge?

Resource Guests

Peter Bell, Board member, Center of the American Experiment Rep.Andy Dawkins (DFL-St. Paul) lim Rickabaugh, President, Midwest Region, Voyager Expanded Learning

New opportunities for charter schools

Tuesday, December 2

This year, the Legislature lifted the 40-school limit on the number of charter schools, and \$1.8 million was appropriated for start-up assistance. What new school initiatives are underway? What are the next steps in strengthening charter schools as an option for students?

Resource Guests

Margaret Preska.

Distinguished Sr. Fellow for Academic Affairs, MN State Colleges and Universities Milo Cutter, President, Minnesota Association of Charter Schools Jon Bacal, charter school organizer

ELEMENTARY Andersen Andersen Open Armatage Audubon Bancroft Barton Benjamin Banneker Bethune	477 784 494 241 668 572 655 635 150 482	\$ 893,818 1,291,488 481,179 267,751 733,067 83,043 921,248 1,318,166	\$1,874 1,647 974 1,111 1,097 145 1,406	Mill City Montessori Morris Park North Star Northrop Park View Montessori	123 278 756 298	\$ 27,502 430,114 1,507,243	\$224 1,547 1,994
Andersen Open Armatage Audubon Bancroft Barton Benjamin Banneker	784 494 241 668 572 655 635 150	1,291,488 481,179 267,751 733,067 83,043 921,248	1,647 974 1,111 1,097 145	Morris Park North Star Northrop Park View Montessori	278 756 298	430,114 1,507,243	1,547
Armatage Audubon Bancroft Barton Benjamin Banneker	494 241 668 572 655 635 150	481,179 267,751 733,067 83,043 921,248	974 1,111 1,097 145	North Star Northrop Park View Montessori	756 298	1,507,243	-
Audubon Bancroft Barton Benjamin Banneker	241 668 572 655 635 150	267,751 733,067 83,043 921,248	1,111 1,097 145	Northrop Park View Montessori	298		1.994
Bancroft Barton Benjamin Banneker	668 572 655 635 150	733,067 83,043 921,248	1,097 145	Park View Montessori		100 100	.,
Barton Benjamin Banneker	572 655 635 150	83,043 921,248	145			103,169	346
Benjamin Banneker	655 635 150	921,248			327	410,275	1,255
-	635 150		1.406	Pillsbury	652	484,617	743
Bethune	150	1,318,166		Powderhorn	617	1,151,650	1,867
		· ·	2,076	Putnam	315	451,027	1,432
Bottineau	100	168,450	1,123	Ramsey Fine Arts	961	333,606	347
Broadway	402	952,904	1,977	River West DTP	25	38,782	1,551
Brookside	304	329,094	1,083	School of Extended Learning	288	637,060	2,212
Bryn Mawr	575	1,075,374	1,870	Seward	785	370,311	472
Burroughs	511	297,724	583	Sheridan	709	911,365	1,285
Children's Academy North	106	197,671	1,865	Shingle Creek	444	650,775	1,466
Cooper	319	579,048	1,815	Sullivan	678	331,995	490
Dowling	418	171,745	411	Tuttle	439	527,016	1,200
Downtown Open	145	93,357	644	Waite Park	458	613,676	1,340
Emerson	516	418,332	811	Webster Open	771	1,090,450	1,414
Ericsson	414	387,822	937	Wenonah	320	216,221	676
eld	495	298,369	603	West Central Academy	501	981,910	1,960
Four Winds	676	1,289,160	1,907	Wilder EEC	280	523,184	1,869
Fulton	599	292,711	489	Willard	567	660,802	1,165
Green Central Park	370	684,293	1,849	Windom Open	465	329,918	710
Hale	632	286,158	453			,	
Hall	256	500,624	1,956	MIDDLE & SECONDARY			
Hamilton	521	853,925	1,639	Anthony Middle	761	\$ 266,892	\$ 351
Hiawatha	332	462,092	1,392	Anwatin Middle	682	652,351	957
Holland	386	619,979	1,606	Chiron Middle	200	130,277	651
Howe	322	400,034	1,242	Edison Sr.	1,383	1,288,336	932
Jefferson	705	1,064,058	1,509	Folwell Middle	674	1,098,293	1,630
Jenny Lind	648	841,177	1,298	Franklin Middle	751	1,002,680	1,335
Keewaydin	326	303,705	932	Henry Sr.	1,165	668,501	574
Kenny	546	245,728	450	North Sr.	1,035	720,676	696
Kenwood	540	491,958	911	Northeast Middle	914	1,425,489	1,560
Lincoln	759	1,463,197	1,928	Olson Middle	684	964,041	1,409
Longfellow	354	420,768	1,189	Roosevelt Sr.	1,646	1,554,297	944
Loring	462	419,084	907	Sanford Middle	628	873,728	1,391
Lucy Craft Laney	297	613,425	2,065	South Sr.	1,863	297,151	160
Lyndale	580	896,468	1,546	Southwest Sr.	1,512	400,786	265
Marcy Open	640	329,022	514	Washburn Sr.	1,312	400,780 371,600	289
Martin Luther King	116	217,009	1,871	Work Opportunity Center	191	164,010	269 859

*Using Oct. 1996 enrollment figures. This calculation was done to try to put the revenue figures in context by adjusting for school enrollment. It's important to note that this comparative figure is not part of the distribution formula and is based on all pupils enrolled at the school, even though the funding is not necessarily intended to be directed at every pupil enrolled at each site. These figures include only compensatory revenue, not any of the other revenue sources for the schools. SOURCE: Minnesota Dept. of Children, Families and Learning

TABLE 1: 1997-98 COMPENSATORY REVENUE ALLOCATIONS—MINNEAPOLIS

League Board adopts budget and workplan for fiscal year 1998

The League ended fiscal year 1997 with a budget shortfall of \$2,536 on revenue of \$481,469 and expenses of \$484,004. This represents a victory of sorts since the year started with a \$70,000 gap in the budget due to the expiration of the McKnight grant and a non-recurring special grant from First Bank System. Thanks to the persistence, energy and hard work of Mike Christenson, the League not only overcame that gap but also laid the groundwork for the coming year.

The FY98 budget, approved by the Board of Directors on October 28, 1997, anticipates revenue of \$511,000 and expenses of \$508,300, for a projected surplus of \$2,700.

The budget anticipates a revenue increase of \$29,500. The League plans to meet that target by boosting corporate/foundation contribution and income earned from special projects.

The target for corporate/foundation revenue is based on the assumption that revenue from existing contributors will remain the same, as in FY97, but that the League will "close the deal" on a couple of major new requests that were initiated in 1997.

The League is also targeting \$50,000, a \$14,000 increase over FY97, for special projects, but \$30,000 of this has already been committed. And \$20,000 has been targeted for earned income, which is actually very conservative (\$5,700 less than FY97). About \$8,000 has already been committed and the remainder should come from sponsorships, speaking fees, etc.

New civic leadership program invites applicants for 1998

The Active Citizenship School, a new program to develop the leadership abilities of Twin Cities young adults, invites applications for its 1998 class. Each participant in the Active Citizenship School is expected to bring to the program a work- or community-related challenge on which they want help or advice. The program features mentorship from experienced leaders, skill-development workshops, strategies for public and organizational problem-solving and system change, and peer coaching. The participants will meet one evening per month during the calendar year.

All Minnesotans between the ages of 20 and 40 are eligible to apply. Twenty-five applicants will be selected. Applications must be received by December 8, 1997; the program begins in late January. To request an application, or for more information, please contact [on Bacal at 377-7866. The Active Citizenship School works in partnership with the Citizens League and the Minnesota Active Citizenship Initiative.

The budget anticipates an increase of \$24,000 in expenses. Most of the increase comes in two areas: additional public forums and producing a regular television program.

Otherwise the budget assumes that expenses will remain steady, with no dramatic change anticipated in League programs or personnel.

The Board also approved a

It's time to plan for year-end giving

It's fall, the time of year when we all start planning for snowy weather, the holidays-and, if we're wise, year-end giving. Here are some tips to help you plan your charitable contributions for this year.

· Calculate your income. Try to get an estimate on your tax liability for the year. Did your earned or unearned income increase? Did you sell any appreciated assets? Will you owe additional taxes? If any of these are true, you might want to move some of your charitable giving forward to create a larger income tax deduction for yourself this year.

• Review your stocks. Look at the stocks you've held for more than a year. Which ones have appreciated most? It might be prudent to make a year-end gift using one or more of these stocks to avoid capital gains tax on the appreciation. By making a gift of stock, no taxes are paid and you receive a charitable deduction for the full market

Information in this article is reprinted with the permission of the St. Paul Foundation.

workplan which lays out the League's programmatic and organizational activities for the year. Executive Director Lyle Wray noted that the workplan is a roadmap. It is changeable but any change means assessing the League's current program and financial commitments for the year.

For a copy of the League's budget or workplan, please call the office at 338-0791.

value of the stock. If you can't use the full tax deduction this year, it can be carried forward for up to five years.

· Consider a life-income gift. You can make a gift now, obtain the tax benefits and receive income for the rest of your life. An advisor can guide you through the options to choose the plan that suits you best.

• Do your giving early. This is especially true if you want to make gifts of noncash assets (stock or real estate, for example) or lifeincome gifts.

• Talk to your advisor. Before making any significant charitable gift, you should talk to your financial advisor.

For more information on making a year-end gift, or if you are interested in options for contributing to the League's endowment fund, please contact the League office at 338-0791 or CraigWruck at the St. Paul Foundation at 224-5463.

		1997-98	Compensatory			1997-98	Compensatory
School	10/96 Fall Enrollment	Compensatory Revenue	Revenue per Pupil*	School	10/96 Fall Enrollment	Compensatory Revenue	Revenue per Pupil*
School	Enromment	nevenue	per Pupil	301001		nevenue	per i upi
ELEMENTARY							
Adams	617	\$ 131,029	\$ 212	Nokomis Montessori	482	\$ 130,420	\$ 271
Ames	399	566,192	1,419	North End	859	1,471,361	1,713
Battle Creek	541	556,237	1,028	Parkway	776	1,200,709	1,547
Benjamin Mays	595	770,738	1,295	Phalen Lake	801	1,247,656	1,558
Bridge View Sp. Ed.	100	50,814	508	Prosperity Heights	423	579,084	1,369
Capitol Hill	1,031	72,658	70	Randolph Heights	452	287,590	636
Chelsea Heights	709	237,707	335	Riverview	282	327,733	1,162
Cherokee Heights	556	891,096	1,603	Rondo All-Day Kdg. & E	isenmenger 49	76,132	1,554
Como Park	928	1,374,245	1,481	Roosevelt	560	974,390	1,740
Dayton's Bluff	523	979,762	1,873	St. Anthony Park	628	387,464	617
Expo/Harriet Bishop Ctr.	706	324,367	459	St. Paul Open	422	262,272	621
East Consolidated	914	1,825,237	1,997	Satum/River Front	547	895,214	1,637
Eastern Heights	530	355,880	671	Sheridan	345	415,396	1,204
Famsworth	580	560,785	967	Webster	1,122	806,083	718
Franklin	407	702,592	1,726				
Frost Lake	596	508,788	854	MIDDLE & SECONDAI	ΥY		
Galtier	280	273,947	978	·····			
Groveland Park	567	202,971	358	Arlington Sr.	1,162	\$1,002,250	\$ 863
Hancock/Hamline	619	681,428	1,101	Battle Creek Middle	1,014	1,251,918	1,235
Hayden Heights	674	621,733	922	Central Sr.	1,981	388,789	19
Highland Park	251	301,986	1,203	Cleveland Middle	447	792,833	1,774
Hill Montessori	509	157,027	309	Como Park Sr.	1,299	919,816	708
Highwood Hills	557	544,348	977	Expo Middle	341	470,830	1,381
Homecroft	258	341,018	1,322	Harding Sr.	1,874	1,099,761	587
Jackson	430	694,678	1,616	Hazel Park Middle	965	860,371	892
Linwood	339	242,613	716	Highland Park Jr.	588	630,399	1,072
Longfellow	540	612,745	1,135	Highland Park Sr.	1,106	516,058	467
Mann	443	165,872	374	Humboldt Jr.	537	693,962	1,292
Maxfield	519	737,650	1,421	Humboldt Sr.	845	823,451	974
Mississippi	595	536,936	902	Johnson Sr.	1,406	876,808	624
Monroe	743	869,682	1,171	Murray Jr.	837	530,239	633
Mounds Park	763	1,089,555	1,428	Ramsey Jr.	744	195,129	262
Museum/Rondo	360	228,468	635	Washington Middle	627	861,624	1,374
		,		Track in grott thread of	021	001,024	1,01-1

*Using Oct. 1996 enrollment figures. This calculation was done to try to put the revenue figures in context by adjusting for school enrollment. It's important to note that this comparative figure is not part of the distribution formula and is based on all pupils enrolled at the school, even though the funding is not necessarily intended to be directed at every pupil enrolled at each site. These figures include only compensatory revenue, not any of the other revenue sources for the schools. SOURCE: Minnesota Dept. of Children, Families and Learning

TABLE 2: 1997-98 COMPENSATORY REVENUE ALLOCATIONS-ST. PAUL