

CITIZENS LEAGUE REPORT

* * * * *

* For Release P.M.s *

* Friday, Sept. 6, 1974 *

* * * * *

Prepared by
Citizens League Fluctuating Enrollments Committee
Marvin Geisness, Chairman

Approved
Citizens League Board of Directors
August 28, 1974

Citizens League
84 South 6th Street
Minneapolis, Minn. 55402
Phone: 338-0791

TABLE OF CONTENTS

INTRODUCTION	1
MAJOR IDEAS IN OUR REPORT	4
FINDINGS	7
CONCLUSIONS	19
RECOMMENDATIONS	25
DISCUSSION OF RECOMMENDATIONS	33
COMMITTEE ASSIGNMENT	39
WORK OF THE COMMITTEE	40
BACKGROUND	43

INTRODUCTION

This report is addressed to the immediate problem that has appeared for school districts in the Twin Cities metropolitan area as a result of the differential growth and decline in enrollments. In its analysis of the problem, and in its recommendations for action, the report essentially accepts, but does not necessarily defend, the larger system of public education as it finds it, and works within that framework.

In submitting this report and these recommendations to the community we want to guard against any inference that we are, fundamentally, satisfied with 'the world as we find it' in education. We have come to sense more and more clearly a set of larger, urgent issues, beyond those addressed here, that require a searching reappraisal of some of the 'givens' in our educational system.

This growing feeling was powerfully emphasized this spring by the action of the voters in three major Twin Cities area school districts -- St. Louis Park, Roseville, and Edina -- rejecting proposals by their school systems to increase their budgets, and taxes. These are districts that care about quality education, and they are far from the most hard-pressed, in terms of the financial resources of their citizens. Their action in saying "no" to their schools is of major significance, and should be cause, in itself, for a serious re-examination of what the public wants, and what it feels it is receiving.

We can readily identify the points which -- for purposes of dealing quickly with the immediate problems presented by the declining enrollments -- this report does not fundamentally challenge:

- * The new state law which requires that, in districts with declining enrollment, the last-hired teachers be dismissed first.
- * The existence of many, independent personnel systems, each hiring and occasionally discharging teachers under rules and practices about employment, compensation and tenure that vary from district to district.
- * The system for relating teachers' salary increases exclusively to credits earned and years worked.
- * The traditional staffing pattern -- the pupil-teacher ratio, and the use of certificated teachers as the instructional staff.
- * The concept that pupils should go to school in a building located in a district in which they live.
- * The existing pattern of school district boundaries, both as to size and as to location.

But in a larger sense we are compelled to ask, Why? Why should the public have to accept all these constraints as 'given'?

- * Should the youngest and newest teachers always be the first to be dismissed, if that is not necessarily best for the students in a district or in a particular

school?

- * Should this metropolitan area continue to be divided into separate compartments for the employment of teachers, thus dramatically magnifying the situation of 'growth' and 'decline'?
- * Should all additional compensation for teachers be related to credits and length of service, without any compensation based on capability and accomplishment?
- * Is it necessary to accept that (as the present debate over financing implies) a district with a more senior faculty . . . literally, with better-trained and more experienced teachers . . . cannot handle a bigger load of teaching (perhaps with the assistance of para-professionals and teacher aids), but is a 'problem' requiring some kind of special compensation from the school aid formula?
- * Should students ever attend school in buildings now or formerly owned by another school district than the one in which they live?
- * Should the Twin Cities area -- as it now begins to experience the problem of declining enrollments felt long ago by most other regions of this state -- confront the possibility of school district consolidation?

The most fundamental 'given' about our present educational system is that a child must go to school and to the school from the attendance area in which he lives. This policy on the opportunities for choice and for variety may reduce incentives on the school to put its primary emphasis on responsiveness to the 'clients' of the system, and on an accountability for its results.

Almost equally basic: this situation may leave the system with few incentives to seek out other and more innovative ways to organize staff and facilities, in the face of rising costs. The existing system tends to hold these 'inputs' constant and -- with rising costs -- to let the impact fall -- or threaten to fall -- instead on the range of program offerings. Nothing is more common, as a result, than for almost every study of the education problem to conclude with a recommendation for increased funding. And nothing is more familiar than the frustration of the Legislature and of the taxpayers with their futile effort to make the system change by trying to limit the overall level of funding.

Should this community examine basic changes in the method of delivering education? For example, should the system be more oriented to the needs and desires of the pupils and their families?

We think the community has gone along, too long, failing to force the really fundamental issues. It is urgent to begin exploring major alternatives now.

It is absolutely essential for the community to do this . . . even as it begins, next year, to debate the immediate steps that can and should be taken to ease the narrow and immediate problems arising out of the growth and decline of enrollments.

A special obligation rests on the Citizens League, we recognize . . . because of our role in the past and because of our role in raising these questions now . . . to take an active part in this enlarged discussion. We accept this obligation, and will do our best to respond constructively to it.

But for the time being -- as a prelude to facing the larger, more fundamental questions -- we address ourselves, in this report, to the immediate, pressing issues of fluctuating enrollments, issues which will demand specific action in 1975.

MAJOR IDEAS

1. School enrollment in Minnesota will decline substantially in coming years, perhaps 31% outstate and 16% in the metropolitan area by 1985-86.
2. The decline will not be universal. Some districts will experience rapid growth, meaning, of course, that the decline in the remaining districts will be even more severe.
3. Overall decline in enrollment is inescapable. Total births in 1973 in Minnesota were lower than any year since before 1945.
4. The trends have been projected for several years, although their impact is just now being felt by many districts. There is still time to act.
5. Unless steps are taken, severe consequences will result:
 - * Buildings will stand vacant in some districts, while in nearby growing school districts new construction will take place.
 - * Teaching staffs will become increasingly segregated by age and experience with older teachers located mainly in the declining-enrollment districts and younger teachers mainly in the growing districts.
 - * More specialized curriculum offerings will be placed in jeopardy because of absence of adequate enrollment and/or trained staff.
 - * Declining-enrollment districts, required to dismiss the newest and usually-lower-paid teachers first, will not be able to reduce costs as fast as state aid will be withdrawn. Increased pressure will develop, therefore, for a higher level of aid per pupil. If teaching staffs are not reduced, pressure will be even greater.
 - * Neighborhood residents and school boards will have more and more conflict over the future of their local schools.
6. Capital plant and personnel must be reduced during this period of enrollment decline. To ease the transition the Legislature should:
 - * Make uniform the provisions of tenure, pensions and other aspects of teacher employment from district to district to remove restraints which presently discourage experienced teachers from seeking employment in other districts.
 - * 'Write down' the cost to a growing district of hiring an experienced teacher whose position is terminated by a declining-enrollment district to remove the financial disincentive for growing districts to hire experienced teachers.

. I N O U R R E P O R T

- * Give a declining-enrollment district some additional state aid so that it would not need to dismiss more than 10 per cent of its teachers, for example, to make up for a 10 per cent reduction in pupils and in state aid.
 - * Permit declining-enrollment districts to offer more severance pay to experienced teachers who might prefer to leave education, thereby making it possible for such districts to hire some beginning teachers.
7. To help "aging" staffs to be continually revitalized, school districts and teachers should work with state colleges and the University of Minnesota on the design of college-level courses which teachers take to advance on the salary schedule, to maximize the potential that such courses will be related directly to improving teachers' performance in their present jobs.
 8. Vastly-improved arrangements for inter-district cooperation in the metropolitan area are needed. To accomplish this the Legislature should:
 - * Create an education institute for the Twin Cities area to anticipate and respond on a continuing basis to inter-district problems, including those caused by fluctuating enrollments. A governing board of such an institute should be made up of lay persons selected by school board members from precincts of equal population in the seven-county area. The chairman should be named by the Metropolitan Council at-large in the area. Its financial support should come from legislative appropriation or property tax levy, not from contributions or assessments on individual school districts.
 - * Give the education institute a major role in (a) determining the need for new school building construction in the metropolitan area; (b) maintenance of curriculum offerings from district to district as enrollments decline; (c) acting as a spokesman for areawide concerns relating to elementary-secondary education in the metropolitan area.
 9. To assure recognition of the sensitive issues that need to be faced in closing schools, each local School Board should prepare and adopt guidelines on the procedures to be followed in neighborhood involvement when the future of a school is called into question.
 10. To assure attention to non-school uses of public buildings, a School Board, before it makes a final decision on a school's future, should first obtain a report from the local municipality on other public building needs which might be met through the use of the school.

FINDINGS

- I. School districts in the Twin Cities metropolitan area and statewide are likely to experience significant differential rates of growth/decline over the next 10-12 years.
 - A. Total enrollment dropping -- Total enrollment in the seven-county area for grades 1-12 both public and private may drop from about 449,000 in 1973-74 to about 422,000 by 1978-79 and to about 378,000 in 1985-86, a decline of 15.8%, according to projections by Scott Foster of the Minnesota Higher Education Coordinating Commission (HECC). In the rest of the state, according to these same projections, enrollment may drop from about 479,000 in 1973-74 to about 330,000 by 1985-86, a decline of 31.1%. Taken together, metropolitan and outstate enrollment may decline by 23.6% by 1985-86.
 - B. Pupil unit drop will be slightly greater -- The drop in pupil units, which are used as a basis for state aid, will be greater, because of more anticipated drop in high school enrollment where each pupil enrolled counts as 1.4 pupil units, as compared to 1.0 in elementary schools. Using the Foster projections and translating secondary enrollment into pupil units, the decline in pupil units in the metropolitan area from 1973-74 to 1985-86 may be almost 86,000, or 15.9%, while enrollment may drop by about 71,000. In the rest of the state, according to these same projections, pupil unit drop may be 185,000 or 31.9%, compared with an enrollment drop of about 148,000 during the same time. Taken together, metropolitan and outstate pupil units may decline by 24.1% by 1985-86.
 - C. Growth in some districts accents decline in others -- The aggregate figures mask the full impact of decline upon those districts losing enrollment because some districts are growing at the same time. For example, a Citizens League survey of individual districts' projections in the metropolitan area revealed that 25 close-in public school districts project a decline of about 44,000 between 1973-74 and 1978-79. The survey also showed that 20 outlying districts in the metropolitan area project a growth during this period of about 21,000, which means the net decline in the region would be about 23,000, if these projections come true. (The Foster projections above, which cover both public and private enrollment, project about a 27,000 drop in the metropolitan area in grades 1-12 in this five year period.)
 - D. The downturn is part of a national phenomenon -- Enrollment in elementary and secondary education nationally has been projected by the U. S. Department of Health, Education and Welfare to drop from 51.3 million in 1971 to 49.8 million in 1981.

II. Reduction in births and changes in housing patterns are the main reasons for the differential growth/decline which is anticipated.

- A. Fertility rate is low--- The fertility rate, which is the average number of births per women during childbearing years, was estimated at 3.7 children nationally in 1960. By 1973 the national rate had declined to 1.9, which is below the zero population growth level of 2.1. In the Twin Cities metropolitan area, the fertility rate in 1972 was 1.8. A further reduction was likely for 1973 because the number of births continued to decline. In 1959, 88,294 live births were recorded in Minnesota, highest in history. By 1973, the number had declined to about 53,833, a 39% drop.
- B. Impact on pupil units of an increase in births now would be many years off -- Because of the large number of women of child-bearing age in the population, it is anticipated that the absolute number of births may begin to rise again, perhaps beginning in 1974. However, the impact of such an upturn on reversing the trend of pupil unit decline would not really begin until persons born in 1974 enter junior high school some 11 or 12 years later, when they will count as 1.4 pupil units.
- C. Population shifts account for some of the differential growth /decline -- A significant amount of new construction of lower-priced homes is taking place 3rd, 4th and 5th tier suburbs and townships. Because of lower per-acre land costs and less- stringent codes, costs of new construction are lower in the far-out suburbs. Such housing, while adding to transportation expense, retains its appeal because of amenities present in the partial-rural setting. Older housing in the central cities often is available at prices competitive with new housing on the suburban fringe. There is recent evidence of a resurgence of interest in closer-in housing, including older homes in central cities. Also, the Metropolitan Council is considering ways to encourage new development increasingly in the more built-up portions of the region. Nevertheless, we have no evidence to indicate growth will be halted in the outlying areas.

Ironically, school officials in today's declining enrollment suburban districts were largely supportive of the tighter building requirements imposed by their city councils in years past when they were concerned about too rapid growth and the need to protect their property tax base. Today such school officials would welcome more new housing within reach of young families with children. However, as far as we could determine, school officials in the metropolitan area have stayed out of the metropolitan development discussion.* They have virtually ignored, for example, hearings of the Metropolitan Council on ways to control urban sprawl.

- D. All "types" of school districts affected by decline -- All types of school districts appear to be experiencing enrollment decline, including those districts which often appear to be named in informal discussions of the "best" school districts in the metropolitan area. Nevertheless, questions have been raised as to the relationship between outward migration and people's perceptions of various school systems. Some persons have asked whether part of the decline, particularly in central cities, can be attributed to a desire of parents to send their children to schools without racial minorities, to uncertainty about the future of the neighborhood school, or to a perceived decline in academic excellence. While some school districts conduct surveys on why families move, this practice is not widespread in the metropolitan area.

* However, an informal meeting between school officials and the Chairman of the Metropolitan Council occurred in August, 1974.

III. Vacant classrooms in many districts and new construction in others are some of the more visible manifestations of changing enrollment patterns.

- A. Schools are being closed -- Declining enrollment is a major factor requiring some school boards to close schools in the metropolitan area. School districts with excess capacity could accommodate all of the growth in enrollment which is occurring in other districts, if the extra cost and inconvenience of transportation were not considered, which in many cases would be clearly unacceptable. For example, students in rapidly-growing Elk River in Sherburne County are not likely to be bused to Robbinsdale, a first-tier suburban district.
- B. New construction is continuing -- Perhaps illustrative of continued growth in new construction is that during the fiscal year ending June 30, 1973, bond issues approved by voters across the state totaled \$46.6 million in 17 separate bond issue elections. In addition \$42.2 million in bond issues were turned down by voters in 16 other elections. Total bonded debt of all school districts in the state was \$1.1 billion in the year ending June 30, 1973, up by almost \$90 million from the year before.
- C. Inter-district student movement is not new -- The metropolitan area has a long history of students from one district attending school in another. For example, until their own school districts built high schools, pupils from Maplewood attended Johnson High in St. Paul; pupils from Roseville attended Washington High in St. Paul; pupils from Circle Pines attended Marshall High in Minneapolis; pupils from Richfield attended Roosevelt and Washburn High in Minneapolis and Bloomington High; pupils from Golden Valley attended West High in Minneapolis, and pupil from Edina attended Southwest High in Minneapolis.
- D. But districts resist such movement today -- School districts which today are growing in enrollment or those which are declining but need to replace old or obsolete facilities are not likely to support using vacant classrooms in other districts. For example, passage of a recent bond issue in Burnsville, a growing district, was attributed at least partially to a fear that Burnsville pupils would be bused across the Minnesota River to Bloomington, which has vacant classrooms, if the bond issue failed.
- E. Irregular school district boundaries are sometimes a factor -- Many school district boundaries developed by historical accident. They may bear no relationship to community of interest. For example, many municipalities are divided among three or more school districts each. In some cases a student may reside in a growing district and actually live closer to a school in a nearby district with declining enrollment but may not be allowed to attend the closer school.
- F. Vacant classrooms affect operating budgets, too -- The financial problem of vacant classrooms often is seen mainly in terms of the fact that a school district still is paying off bonds used to finance construction of the classrooms. But the operating budget is affected, too. Reduced enrollment in a building makes it more difficult to maintain pupil-teacher ratios at a reasonable level. Administrative overhead adds to the per pupil operating expense of a building with excess capacity.

- G. Growing districts sometimes use "unconventional" approaches in utilizing existing buildings -- The Mora School District moved to year-round school a few years ago, following a bond issue defeat. Some school districts in and near the metropolitan area were on split shifts in 1973-74. Early high school graduation--defended on its own merits--may serve to ease enrollment pressures in Burnsville.
- H. Legislative interest in building utilization is high -- Fear that growing districts might overbuild prompted serious consideration by the Legislature in 1974 of a bill to require a certificate of need from the State Department of Education before a local school district could build. The bill passed the Senate and died in the House.

IV. The differential growth/decline is having major effect on the age-experience mix of teaching staffs and on the socio-economic mix of enrollment.

- A. Law requires younger teachers be laid off first -- Facing the potential of layoffs in many districts because of enrollment decline, teacher organizations successfully obtained from the 1974 Legislature a law providing that layoffs shall be made inversely in relationship to seniority, that is, the most recently hired teachers must be laid off first. Such a law already had been in existence for school districts in St. Paul, Minneapolis and Duluth and the concept had worked its way into some bargaining agreements, so the new law represented more a ratification of existing practice than a radical departure. Nevertheless, the law serves to highlight the longer-term implications of declining enrollments on teaching staffs and school budgets.
- B. Teaching staffs becoming increasingly unbalanced in age and experience -- A declining enrollment district has little opportunity to hire beginning teachers. Not only are no new jobs available, but when cuts must be made in the present staff, the younger teachers must be cut first. Meanwhile, growing districts are predominately made up of younger teaching staffs, meaning that these districts, too, in coming years may find themselves with staffs of predominately veteran teachers.
- C. High-seniority-staffed districts facing serious financial problems -- Most school districts have salary schedules which provide additional compensation for seniority every year until about the 12th year of teaching. Inevitably, this affects total expenditures, since the class load of a teacher does not normally increase with seniority. Differences in expenditures per pupil unit for instructional salaries are substantial. For example, in 1972-73, expenditures per pupil unit for instructional salaries in St. Louis Park were \$733, compared to \$465 in Rosemount. About one-half of the Rosemount certificated staff was under 30 years of age in that year compared to only about one-fifth of the certificated staff in St. Louis Park. But school districts receive state aid on a uniform pupil-unit basis which ignores the impact of high salary expenditures of districts with mainly a veteran faculty. Such districts are finding it difficult if not impossible, to maintain their past programs in the face of such financial limitations. Already above average in expenditures per pupil, they must continue such high levels and increase class size. In effect, pupil-unit expenditures are increasing, accompanied by a reduction in program.

- D. Veteran teachers have no incentive to transfer to growing districts -- Several long standing policies discourage veteran teachers in declining enrollment districts from seeking employment in growing districts. These policies, which were established for reasons other than discouraging mobility, include:
1. Salaries to transferring teachers are limited -- Many districts have long standing policies which prohibit paying any teacher who transfers from another district at a salary any higher than the sixth or seventh step of the salary schedule. That is, a teacher with, say, 12 years experience in one district would be paid, initially, on the basis of no more than 6 or 7 years of experience if he transfers. This policy emerged not to discourage mobility but out of conflict between teachers and school boards. Teacher organizations have wanted transferring teachers to be placed, automatically, on the same step of the salary schedule as they were when they left the other district. School boards, on the other hand have wanted to be free to negotiate a salary at whatever level a transferring teacher would be willing to accept. In many cases they have reached an accommodation on the transfer policy of giving credit for no more than 6 or 7 years experience.
 2. Receiving district has financial incentive not to hire veteran teachers -- A growing district with the option of hiring a veteran or a beginning teacher is unlikely, under present state aid, to seriously consider hiring many veteran teachers over beginning teachers. State aid is the same one way or another, so it is easier to make ends meet with a lower-paid, less-experienced teaching staff.
 3. Teacher tenure is forfeited -- A teacher forfeits his tenure automatically when he transfers, although it can be regained again after one year, or three years in the case of a transfer to Minneapolis, St. Paul or Duluth.
 4. Pension plans in Minneapolis, St. Paul and Duluth differ from other districts' plans -- Minneapolis and St. Paul and Duluth each have their own separate teachers' pension plans. All other school districts in the state are part of the same Teachers Retirement Association (TRA). Although in past years pension benefits were less under the TRA plan, this is no longer the case. Currently, a beginning teacher, wherever he is in the state, can look forward to retiring with at least 50% of the average of his five best years of salary after 30 years experience. If such a teacher transfers from Minneapolis, St. Paul or Duluth to a TRA school district, he will not necessarily lose all benefits, but full pension benefits do not transfer automatically, which acts as a barrier to mobility.
- E. Staffing extra curricular activities can become more difficult -- School districts usually have found younger teachers more willing to accept such after-hours jobs as coaches and drama instructors. A school district with more and more of its staff middle-aged or older may find it increasingly difficult to recruit its own teachers--even with the extra pay--for extra-curricular activities. Also, the declining-enrollment district, able to hire only very few new persons, lacks the flexibility--which a district hiring many new personnel has--of being able to fill the combinations of teaching skills needed. For example, a declining district may need a biology teacher and a wrestling coach. It may not be able to find a teacher with

these particular qualifications. A growing district, with many more combinations to work with, because of a variety of new jobs to fill, has an easier time of matching jobs with teachers.

- F. Program offerings could suffer -- It is possible that in declining-enrollment districts a class formerly taught by a younger teacher in his major field of training may be assumed by an older teacher in his secondary field of training. Or certain kinds of classroom settings which may appeal more to younger teachers could be placed in jeopardy, for example, the open school in a multi-school alternatives project in Minneapolis which has attracted mainly younger teachers.
 - G. Opportunities diminish for teachers to learn from each other -- If staffs become more and more segregated by age, it will not be possible for more experienced teachers to provide beginning teachers with the benefit of their experience. Likewise, veteran teachers will miss the benefits of fresh ideas from beginning teachers.
 - H. In-service training assumes added importance in a declining-enrollment district -- Even with measures that might increase mobility, declining-enrollment districts are likely to have predominantly-senior teaching staffs for many years in the future. An elaborate program of in-service education has long been provided for in almost every school district. Teachers are stimulated to get additional college credit evenings and during summers, and, thereby, receive additional compensation from their school districts. It is not clear, however, the extent to which all school districts actively encourage their teachers to take certain kinds of courses which are specifically designed to help "refreshen" a more veteran teaching staff. Nor is it clear how much direct contact occurs between school districts and teacher training institutions over the types of courses which are offered.
 - I. The decline is contributing to an increase in the proportion of socio-economic disadvantaged pupils in some districts -- The percentage of pupils from AFDC families increased in Minneapolis from 23.0% to 27.4% from 1970-71 to 1973-74, mainly because AFDC pupils make up an increasing percentage of a declining total enrollment, not because of a large increase in the number of AFDC pupils. In St. Paul, the percentage of AFDC pupils increased from 16.6 to 17.3% from 1972-73 to 1973-74.
- V. Declining enrollment raises concern over maintenance of diversified curriculum.
- A. Course offerings may be cut -- Faced with expenditure restraints, a declining enrollment district probably will be forced to reduce the diversity of its course offerings to stay within its budget, if it looks no further than its own borders.
 - B. Co-operative arrangements can help -- Several co-operative arrangements exist, largely on an ad hoc basis, whereby school districts in the Twin Cities area provide jointly what none of them could provide economically if acting independently. Most of the examples of such co-operation are in vocational education or special programs for the physically or mentally handicapped.
 - C. Potential may be far greater than currently utilized -- No systematic effort is present in the metropolitan area to identify gaps where districts not participating in co-operative programs could benefit. Nor is there any effort under way to identify potential areas where co-operative programs

could help as enrollment decline accentuates in coming years. Two school districts side by side may be forced to cut a course because of declining enrollment although such a course could be maintained, and a teacher kept on the payroll, if they worked together.

- D. Increasing inter-district co-operation is evident outstate -- School districts in a large area of southwestern Minnesota, faced with prospects of program cutbacks due to sharply declining enrollments, obtained special legislation in 1973 for a co-operative umbrella organization to assist inter-district co-operation.
- E. School district size continue to be a problem -- Irrespective of the advantages of co-operative programs, concern persists over the advisability of maintaining more than 400 independent school districts in Minnesota. This concern is not confined outstate. The advisability of continuing certain small districts within the metropolitan area also has been questioned.

VI. Declining enrollment raises major issues about school financing.

- A. State's commitment to education has been high -- Minnesota's commitment to elementary-secondary education consistently has exceeded the average for the rest of the nation. For example, for the fiscal year ending June 30, 1972, 31.3% of all state-local expenditures in Minnesota were for elementary secondary education, compared to a national figure of 27.4%. The proportion of total state-local expenditures in Minnesota for elementary-secondary education increased during the 1960s, when enrollments were rising, from 28.7% in 1960 to 31.3% in 1972.
- B. Expenditure pressures are likely to intensify -- Now, with enrollments declining and with other public functions competing for limited state and local taxes, outside pressures on overall educational expenditures probably will be greater than before.
- C. Thus, the matter of equity in distribution of limited funds assumes added importance -- With such pressures, it is likely that greater attention than ever before will be placed on the distribution of limited dollars among school districts. For every additional dollar distributed to accommodate certain "special" needs, funds for other purposes will be even more limited.
- D. Competing objectives for distribution of funds among school districts are readily apparent --

--Whether the Legislature should continue its commitment to the basic policy direction made in 1971 that state aid shall equalize for differences in local tax resources up to a reasonable pupil unit expenditure level.

--Whether state aid should be used to further reduce property taxes for schools and, if so, where, geographically, such reductions should be made.

--Whether school district pupil unit operating expenditures should be increased more, less or to the same extent as inflation increases.

--Whether the state aid formula should account for different living costs within the state.

- Whether present pupil unit weightings for elementary, secondary and socio-economic disadvantaged pupils are equitable.
- Whether the Legislature should continue its policy, at the same pace as begun in 1973, of accelerating the increase in expenditures of school districts which, in the past, have been spending below the statewide average per pupil unit.
- Whether the Legislature should continue its new program of special aid to rapidly-growing school districts.
- Whether the Legislature should continue its program of cushioning, for one year, the impact of decline in pupil units.
- Whether school aid should be extended to cover pre-kindergarten or post-high school programs.
- Whether special aids for certain students with particular learning problems because of physical or mental handicaps or behavioral difficulties should be increased.
- Whether some special state aid should be provided to school districts to help them finance certain new state-mandated programs and procedures.
- Whether some entirely new type of state aid formula should be adopted.

- E. Restrictions on local school taxing authority likely to continue -- The Legislature, in 1971, pre-empted overall policy in the general level of the property tax. We see no evidence that the Legislature is likely to grant unlimited property taxing authority to any single level of government, whether schools, counties, municipalities, or other taxing area. Therefore, school districts must accept relatively tight restrictions on their discretionary revenue-raising authority.
- F. Yet concerns persist as to the best approach to use for such restrictions -- The Legislature now allows a school district to exceed the legislatively-established property tax limit by referendum. The equity of the referendum approach has been questioned. Some critics have claimed that recent referenda notwithstanding (Edina, Roseville & Louis Park, relatively "wealthy" districts, experienced defeats recently), the referendum approach in the long run could bring about the same fiscal inequities which existed before 1971. That is, the districts with the large property tax base were able to finance, at lower rates, a higher expenditure level for education than districts with a smaller property tax base.
- G. The state's investment of public dollars for teacher education is a related issue -- The financial questions of declining elementary-secondary education "spill-over", so to speak, into higher education, with impact on enrollments and direction of program of the state's teacher-education programs.

VII. Declining enrollment produces conflict over future of neighborhood schools.

- A. Feelings run deep - Recent experience of school boards in dealing with neighborhood concerns in Roseville, St. Louis Park, Edina, Bloomington, Minneapolis, and St. Paul illustrates the depth of feeling which residents have over the future of schools in their areas. While this issue may seem to be secondary from the perspective of some persons,

it is of critical importance to those immediately affected. The school may have been a major factor in their selection of where to live. When change is suggested, the local residents--unprepared for such change--are often not persuaded that the new arrangements will be better.

- B. Apparent lack of early knowledge is frequent concern -- Comments made to us by neighborhood residents often center on the fact they believe they were not informed early enough that the future of their school was in question. In fact, not until a firm proposal is made for disposition of a problem--whether by closing a school or some other means--do some residents feel they are informed. At that time, they contend, their only recourse is to react to a single plan. They feel they have had no opportunity to evaluate the facts of the problem in the first instance or to review alternatives. Moreover, they cite lack of official school board guidelines covering procedures on school closings.
- C. Non-school-related impact may be overlooked -- Neighborhood residents may have come to recognize their school over the years as the focal point for a variety of community-related activities, yet the matter of the future use of the building is decided wholly within the educational community.
- D. State aid policies can affect decision -- Certain state aid policies may skew the decision of a local School Board in certain directions because all costs may not be evaluated on an even basis. For example, state aid for transportation is available without limitation to a school district. Such is not the case, of course, for the operating expenditures of school buildings. Thus a School Board might consider it cheaper from its own standpoint to close a school and transport youngsters at state expense rather than bear the higher cost locally of keeping the school open.
- E. Adequate building-by-building expenditure information is lacking -- Expenditure data on a building-by-building basis, which could help assure more enlightened debate over future of schools, has not been made available. The state Department of Education now is under legislative mandate to prepare guidelines for reporting school expenditures for each program in each school building.
- F. Neighborhood involvement may be lacking in on-going policy decisions involving local school operations -- Some persons have suggested that the concerns about neighborhood involvement in closing of schools are part of a larger question of on-going neighborhood involvement. Generally, there is no continuing framework within which neighborhood residents can participate in the decisions affecting the operations of their school.

VIII. Problems associated with the differential growth-decline in the metropolitan area have failed to receive adequate broader-than-district attention.

- A. Districts seen essentially has separate, unrelated units -- Within the metropolitan area, efforts to identify, early, trends in fluctuating enrollment and the implications of these trends for staffing, buildings, programs, and finances, have been handled almost exclusively on an individual district-by-district basis. Each district is assumed to be responsible for its own geographic area without the context of an overall framework within which each fits.

- B. Much information is kept confidential -- The vast majority of school districts in the metropolitan area are members, through their superintendents, of a metropolitan research organization, the Educational Research and Development Council of the Twin Cities Area, Inc. (ERDC). The ERDC has prepared confidential enrollment projections for each individual district's use only, but has not subjected such projections to areawide policy analysis.
- C. Areawide plans for coping with enrollment trends are non-existent -- Each school district is legally responsible, of course, for providing education to its own residents. However each district is largely left, by itself, to adjust to the differential growth/decline affecting all districts in the area. The problems of a declining district are thought of separately from those of a growing district nearby. Consequently, no district is able to chart its own course in some rational fashion which relates to the entire region.
- D. Organizational framework for development of policy proposals to the Legislature on educational issues affecting the Twin Cities area is limited -- Other than for purposes of salary negotiations, elected school board members in the region rarely come together to discuss major policy questions. School superintendents have just recently organized the Metropolitan School Management Association, but it is not clear that such an organization would be an appropriate vehicle for arriving at a metropolitan consensus on major policy questions.
- E. Several major policy issues beyond those directly related to enrollment change also are failing to receive attention from the standpoint of the metropolitan area as a whole:
1. Salary negotiations -- There is widespread concern over the present district-by-district negotiating process. Inter-district implications are clear, but it has not been possible for the issue to be thought through and an acceptable proposal developed.
 2. Teacher mobility -- School districts recognize the barriers to mobility within the metropolitan area and the problems they have produced, but they have not found any way to arrive at a consensus on joint action to handle the problem.
 3. Building utilization -- The potential, and limitations, of one district using facilities of another have been approached mainly on an ad hoc basis, without any attention to the overall investment in the region.
 4. State aid formula -- Inevitably, proposals will be advanced for adjustments in the formula to account for the differential growth/decline problems of the metropolitan area, but they will not represent any sort of metropolitan consensus.
 5. Urban development questions -- The Metropolitan Council is discussing preliminary policies relative to the development framework of the metropolitan area. The council, which has not had much involvement in the education field, is, nevertheless, developing policies which could have major impact. School officials have not been able to provide adequate input to these discussions.
 6. School district boundaries -- It has not been possible to develop, on

behalf of school districts in the area, a position on the boundaries question, and, if changes are desirable, any proposal for the entire area.

IX. Larger issues about the direction of education seem to be present.

Throughout the exploration of the problems of the differential growth-decline in enrollment, some persons have asked whether, in fact, these are the "root" problems. That is, are the problems of teacher mobility, neighborhood involvement, inter-district co-operation, building utilization, and financial limitations part of something larger, more fundamental?

Some persons, for example believe the current problems raise questions about whether the entire system is in jeopardy and should be re-examined. Others, not going quite so far, see a need to get out of conventional thinking with respect to the delivery of elementary-secondary education. They suggest more attention is needed to alternative education or non-school centered education, for example. Still others, not necessarily dissatisfied with the present system, believe it needs continued refinement.

CONCLUSIONS

- I. The current differential growth/decline in enrollment in the metropolitan area did not emerge overnight. The facts have been available for many years. But inadequate attention has been given in the metropolitan area to coping with the problems which the fluctuations are producing. This must not be permitted to continue.
 - A. State study in 1970 projected decline -- A study published in August 1970 for the State Department of Education by the Bureau of Field Studies at the University of Minnesota, projected a drop within the metropolitan area of some 53,000 students from 1969-70 to 1978-79. Similar projections were made for all other regions of the state.
 - B. Birth records have been readily available, too -- It has been no secret that the absolute number of births statewide and in the metropolitan area has been steadily declining since 1959.
 - C. But good district-by-district projections have not been widely available -- Published projections usually have not broken down the metropolitan area district-by-district. Consequently, the implications of the district-by-district shifts in enrollment have not been fully explored. It is even possible that the lack of district-by-district projections has prompted some people to down-play the significance of the differential growth/decline because they may feel that: "It's someone else's problem, not ours."
 - D. However, the real major changes in enrollment are still coming. Action now can help overcome the failure to respond earlier -- The downturn in pupil units is just now beginning to have its impact felt in the declining-enrollment districts of the metropolitan area. The struggles over school closings and teacher terminations became widespread realities in the Twin Cities area only in this past school year. It is urgent that steps be taken to anticipate and adjust to the continued differential enrollment/decline.
- II. Differential growth/decline in enrollment, while it must be accepted as inevitable, can be used as an occasion for reappraisal, experimentation, and perhaps charting new directions for education in the state.
 - A. A decade or more of decline should be anticipated -- Without minimizing the importance of action to reduce the impact of dramatic enrollment shifts among districts, we conclude that teachers, school districts, parents, the Legislature and the state at-large must accept and plan for a decade or more of decline in pupil units. The phenomenon ought to be accepted for what it is, an inescapable fact of life. By itself the phenomenon is neither good nor bad. How the state responds to the phenomenon will determine the extent to which it becomes a problem to be overcome or an opportunity to embrace.
 - B. New kinds of programs can be tried -- The next several years can be an occasion to move increasingly into areas such as more teacher mobility, more inter-district co-operation on curriculum, better areawide school planning, improved school-community relationships, more flexibility in

use of facilities, and more effective use of limited tax resources.

- C. It can be an opportunity to see if the entire education system can be made to work better -- The next decade will require major adjustments no matter what. Therefore, the opportunity is present to reappraise traditional methods for delivery of educational services--not simply to find ways for school districts to continue as they always have.

III. School physical plant--While not the single over-riding issue in fluctuating enrollments--is, nevertheless, significant. Ways must be found to assure (a) maximum utilization of existing facilities and (b) prudent investment of additional dollars for new construction.

- A. Use existing space first -- Where transportation costs and travel times are not unreasonable, districts ought to look first to utilization of existing space in nearby districts before undertaking new construction. This policy should apply equally to growing districts needing new space and declining districts which need to replace old or obsolete facilities.
- B. Yet, new construction cannot be halted -- We should not be deluded that new construction will not be necessary. Sharing can realistically be accomplished mainly in those cases where two school districts are located side by side, one needing new facilities and the other having vacant space. In other cases new buildings will be required.
- C. Urban sprawl should be contained -- More effective utilization of existing facilities will be possible, and the problems of dramatic shifts in enrollment will be lessened, if urban growth strategies as advocated in the Citizens League report Growth Without Sprawl and in the Metropolitan Council development framework policies are adopted.
- D. Growing districts should anticipate future problems -- Growing districts should recognize that they may face the same sort of problem of excess capacity in the future as affects several other districts today. This means, for example, serious exploration of temporary, rather than 30-or 40-year, investments of new buildings. Among possibilities should be (1) flexible design of new buildings so they can be put to other uses conveniently if later discontinued as schools and while still used as schools, (2) locating new buildings where they can be related to other community facilities, such as libraries, community centers, perhaps other governmental offices, or even shopping areas, (3) leasing space, rather than owning. (4) considering the year round school.
- E. Financial interest in building utilization goes beyond each district's borders -- Neighboring school districts and the state at-large have a financial stake in the building decisions made by individual districts, for several reasons, including: (1) state aid helps local districts pay for the operation and maintenance of buildings, directly. (2) the state through the 45% homestead credit is helping local districts pay for new construction (3) nearby school districts, with excess capacity, have a need to make better use of these facilities.

IV. Steps must be taken to reduce the financial impact on school districts of differences in seniority of staffs and to encourage a better mix by age and experience of faculty in growing and in declining enrollment school districts.

- A. Find a way to make seniority of faculty less of a financial burden on a district -- Growing districts will not have incentive to hire higher-paid, veteran teachers, and declining districts will encounter even greater salary burdens, with increasingly-limited dollars, if present state aid policies are not changed.
- B. Provide incentives for a better age-experience faculty mix from district-to-district -- All districts will benefit from a better mix, in terms of (1) sharing ideas and perspective (2) more even distribution of expenditures for personnel from district to district (3) better ability for all districts to provide adequate staffing of extra-curricular activities, which usually attract more younger than older teachers (4) better opportunity to relate to students of different interests (5) better school management through a regular amount of staff turnover yearly (6) more opportunity for teachers to change their job environment from time to time.

While we conclude that state policies must be changed to stimulate a better mix of staff, we see no evidence that present state laws which assure preference to senior teachers in retaining jobs will be modified. Therefore, other changes, in the form of incentives will be necessary. The state should:

- Enable veteran teachers to transfer from one district to another without loss of compensation.
 - Enable veteran teachers who would prefer to seek jobs outside education to do so, through (a) improved severance benefits (b) funds for retraining for other jobs.
 - Encourage more part-time teaching by both beginners and veterans. It is not unlikely that some veteran teachers would prefer, and some beginners would be willing to accept, a part-time schedule.
 - Eliminate loss of pension benefits for a teacher who may transfer from Minneapolis, St. Paul or Duluth to another school district in the state or vice versa.
- C. Exercise caution on early retirement -- Quite clearly, a reduction in the retirement age could result in more senior teachers leaving, now, thereby enabling a declining district to hire some beginning faculty. However, we are deeply concerned about the long-term financial implications, particularly with respect to funding pensions, of early retirement. We are not at all sure that this approach, while perhaps simpler mechanically, is desirable.
- D. Improve in-service training -- A better "mix" of faculty is not the only answer. Declining enrollment districts, inevitably, will have a much higher percentage of veteran teachers. This means, therefore, that such districts must give more careful attention than even before to in-service education programs designed to keep a teaching staff continually renewed. Close monitoring of college credit courses taken by teachers, as ways to

move up on the salary schedule, must take place. School districts should be active participants in the course selections made by their teachers. The specific courses should not be determined simply in negotiations between the various teacher-training institutions and the individual teachers.

V. An method of identifying areas for inter-district co-operation on curriculum throughout the metropolitan area and stimulating such co-operation is needed.

- A. Enable every district to know the potential for inter district co-operation before it cuts a program -- No school district in the metropolitan area, faced with the need to cut programs because of declining enrollment, should make that decision in the absence of the fullest discussion of the potential of co-operation with nearby districts. This need is far too critical to rely on the random chance that two school districts might accidentally discover they can keep a program going which would have had to be terminated if they acted independently.

Information on enrollments, by subject matter, by grade, by geographic area already is available. It needs to be assembled in a meaningful way to stimulate more inter-district co operation.

- B. Recognize that some consolidation may be needed -- Some very small districts, however, probably should not remain in existence. Where consolidation rather than inter-district co-operation clearly is the superior approach, then districts should be consolidated.

VI. The basic equalization begun in 1971 should be continued with respect to state aid to education.

- A. Keep pace with inflation -- After making whatever adjustments may be needed to ease the financial problems associated with heavy seniority faculty, the Legislature must give top priority to increasing the basic foundation aid figure per pupil unit--upon which each district's aid is based--to keep pace with the cost of living.

- B. Don't dilute equalization efforts through proliferation of "special" aids -- Given increasing pressure on state expenditures, it is important that state aid dollars not be unduely diluted by trying to take into account all special circumstances. This will merely eat into dollars needed for general aid. This means, specifically:

-- Lower priority should be attached to providing special aid for rapidly growing school districts. No such aid program existed during all the years when many more districts were increasing in enrollment. Capital funds are available for much of the "start up" costs of new buildings in growing areas. Moreover, the rapidly growing districts have younger teaching staffs and, thereby, lower per pupil expenditures.

-- Lower priority should be attached to reducing the impact of enrollment decline by means of further adjustments in the weighting of pupil units or broadening the coverage of pupil units to other categories of existing or potential pupils. Such adjustments, if needed, ought to be made on their own merits.

- C. Continue to allow some discretionary local taxing authority -- The Legislature should continue to provide a way for limited local taxing authority above the state-allowed levy. If possible, a better approach than the all-or-nothing referendum, with its adverse impact on redressing fiscal disparities, should be found.

VII. Neighborhood involvement in future of school buildings must be assured.

- A. Early notice is key -- Residents of a neighborhood in which the future of their school is under review must be fully informed at the earliest point in time when it become evident that questions about the school's future will be raised. What this means is that residents must be fully informed of all facts and developments *before* alternatives or proposals are advanced by school administrators or the school board.
- B. Provide opportunity to participate in debate on alternatives -- Early notice is not enough. Residents should be invited to suggest and debate alternatives. Under no circumstances should they be offered only the option of reacting to a preferred plan presented by the administration of School Board.
- C. Guidelines spelling out neighborhood involvement procedures are needed -- Neighborhood residents need to know, too, a set of established guidelines relating to decisions on the future of a school, so that they can respond at the appropriate times.
- D. Non-school-related activities must be weighed -- Input from city officials, such as the planning commission and/or city council, should be sought. Not infrequently the school has become a focal point for neighborhood identity. In some cases a building is used for community activities other than the normal function of during-the-day education for public school pupils. Ways to assure continuance of such activities cannot be overlooked.
- E. State aid policies must not prejudice a decision -- All costs related to a school staying open or closing should be evaluated on an even basis. State aid should be modified to the extent that currently it has the effect of influencing a decision one way or another. It would appear that the state's method of providing transportation aid, for example, currently weighs in favor of closing a school, other factors being equal.
- F. Make school-by-school expenditure information available -- The state Department of Education urgently needs to complete, promptly, its legislative mandate to prepare guidelines for reporting school expenditures by program in each school building. This will assure a sounder factual background for discussions over the future of a school as well as discussions over allocation of funds within the school.

- G. Provide more on-going neighborhood involvement -- Neighborhood involvement should be permanent, rather than just occurring when a school is at a crisis point. To assure more continuing contact between the neighborhood and its school, neighborhood residents should be allowed to participate in the decisions on use of operating funds for their school once an allocation to the school has been made by the school board.

VIII. A permanent, areawide framework within the metropolitan area for elementary-secondary education is needed.

- A. Responsibility for identification of trends must be clearly established -- Areawide enrollment trends, with likely distribution by district, must be identified early, and publicly, along with areawide implications of such issues as socio-economic differentials, faculty and other staff, buildings, curriculum, finances and school district boundaries.
- B. Plans for coping with these trends must be prepared -- Each school district needs to know the areawide framework within which it makes its own specific plans.
- C. School districts would not surrender autonomy -- The need for school districts to give up authority for running their own affairs has not been demonstrated. Areawide planning involves the making of proposals not imposing decisions on school districts.
- D. Critical issues of areawide concern of school districts must be addressed on a unified basis -- Individual school districts, acting separately or in small groups in the metropolitan area, cannot adequately arrive at needed positions on such issues as salary negotiations, teacher mobility, building utilization, state aid formula or other issues of areawide concern in the metropolitan area.
- E. Individual school districts should carry out all operational responsibility -- Districts, acting individually or co-operatively, should remain responsible for operating educational programs. An areawide framework should be clearly non-operational.
- F. Build on present structures -- if possible, an areawide framework should build on structures already in existence, such as, perhaps, the Educational Research and Development Council (ERDC).
- G. Framework should be legislatively established and permanent -- The membership and financing of such a framework should not, however, be voluntary, because it would be susceptible to loss of support by one or more school districts. Thus it should be established by legislation and be provided with its financing in the legislation.
- H. Framework should relate closely to, but not officially represent, individual districts -- To maximize the potential of forthright attention to critical issues, from an areawide perspective, not from the interests of each individual district, the framework should not be built out of representatives from each school district. Yet school boards should have a role in selection of whatever board is developed from the framework. Only lay persons, whether school board members or private citizens, should serve on such a board. Such a role is inappropriate for school administrators or other school staff.

RECOMMENDATIONS

I. State should promote better age-experience mix of teaching staffs

It is critical that the 1975 Legislature take specific steps to promote, permanently, a better age-experience mix of teachers from district to district. This is the only way to come to grips in the long run with the continuing implications of fluctuating enrollments on school finance and on the education offered to pupils. A reasonably comparable age-experience mix from district to district will ease the financial problems which are becoming particularly burdensome on high-seniority, declining-enrollment districts. It also will help revitalize teaching staffs through a higher degree of interchange among persons of varying experience and training and will expose pupils to teachers with varying degrees of experience and training. We have three major categories of recommendations on this subject: mobility among school districts, mobility from education to other types of jobs, and maintenance of program offerings in declining enrollment districts.

A. Encourage more mobility from district-to-district by:

1. Providing special reimbursement to growing districts which are willing to hire veteran teachers from declining enrollment districts -- School districts which are declining in enrollment are finding it difficult to accomplish a proportional reduction in teaching staff because teachers are not able to be offered jobs in elementary-secondary education elsewhere in the state. Consequently, the declining-enrollment district's financial problems become even more severe. The task of accomplishing reductions would be eased if teachers knew that jobs were available elsewhere. However, a growing district, which has openings for new personnel, has had a financial incentive *not* to hire veterans from declining districts because of higher salary costs. The Legislature should make special payment to growing districts for the extra costs they incur in hiring veteran teachers from declining-enrollment districts over beginning teachers. A special payment made to a growing district for hiring a veteran teacher would not be constant or permanent but would be gradually phased out over a period of years.
2. Making salaries equitable for transferring teachers -- We recommend that any arbitrary ceilings on what a school board may pay an incoming transferring teacher be dropped and that a school board and a prospective teacher be free to negotiate -- within the district's salary schedule -- whatever is an agreeable starting salary to both of them.
3. Eliminating pension plan differentials -- We recommend that teachers who transfer, permanently, from one district to another within the state be able to transfer with full credit for teachers' pension benefits already attained. This could be accomplished through a gradual phasing out of the present separate teacher pension plans in Minneapolis, St. Paul and Duluth. Existing teachers could stay in the existing plans, with all new teachers placed in the statewide plan now in effect for all other school districts. It also could be accomplished by retaining the present pension plans, but providing that when a teacher transfers, he carries with him sufficient funds to place him in his new pension plan without penalty.

4. Undertaking voluntary teacher-exchange programs -- We recommend that school districts in the metropolitan area, with the co-operation of teacher organizations, take the leadership in establishing voluntary teacher-exchange programs. Under such programs a teacher could stay on the payroll of his home district and trade places for a year or fraction thereof with a teacher in another district. We recommend that first priority for such teacher-exchange be given to placement of veteran teachers in low-seniority, growing districts and to placement of younger teachers in high-seniority, declining districts.
 5. Making more part-time teaching positions available -- We recommend that school districts and teachers be encouraged to consider part-time positions. Some currently full-time teachers might prefer to teach only part-time. A declining district might thereby be able to recruit some younger teachers on a full-time or part-time basis.
 6. Making tenure application uniform -- We recommend that to the extent tenure continues to be granted to teachers its application ought to be uniform so as not to act as a barrier to mobility. Currently, a tenured teacher, if he transfers to Minneapolis, St. Paul or Duluth from any one of these districts or from any other district in the state, must go on probation for three more years before gaining tenure again. But if a tenured teacher transfers to any school district in the state other than Minneapolis, St. Paul or Duluth, the teacher need be on probation for only one more year before gaining tenure again. This applies to teachers from Minneapolis, St. Paul and Duluth who may transfer to one of these other districts, too.
 7. Permitting "trial" transfers -- We recommend that tenured teachers who chose, voluntarily, to leave a school district and transfer to another district retain -- for the time in which they would not be eligible for tenure in the new district -- the tenure and seniority held in the district they leave. Thus, in the event a new district finds a teacher unacceptable, may go back to his old job. It is unlikely such an eventuality would occur very often, but the tenure provision no longer would be a barrier to mobility.
- B. Permit school districts to offer financial assistance to teachers who would prefer to work elsewhere, outside of education -- We recommend that the Legislature permit school districts to offer substantially-improved severance benefits and/or financial assistance for training for other jobs to teachers who, voluntarily, would prefer to work elsewhere outside of education. Eligibility for such benefits or assistance could be limited to teachers with considerable years of experience in the same district, say, at least 15. Funds could perhaps be earmarked from part of the savings which a school district would realize in coming years from replacing a veteran teacher with a first-year teacher. Because it may take 12 years or more for a first year teacher to reach maximum salary, the total salary differential over a 12 year period can be very large.
- C. Keep seniority law from interfering with program offerings of school districts -- We recommend that the Legislature not permit the new state law which protects seniority in teacher layoffs to impact adversely on program

offerings of school districts. Alternative types of education settings -- such as the open school, team teaching, or the self-contained classroom -- may appeal differentially to teachers of varying ages. A district ought not be faced with the necessity of having to discontinue a certain kind of educational setting or program offering because of a seniority rule which impacts chiefly on younger teachers. We recommend that the Legislature instruct the State Board of Education to review the present and potential impact of the seniority law on the ability of school districts to maintain educational settings and program offerings and to make proposals to the Legislature as deemed necessary.

II. State should provide special aid to declining-enrollment school districts to the extent that salary expenditures do not decline proportionately with termination of staff positions.

Even with liberalized transfer policies, high-seniority, declining enrollment districts will continue to face difficulties with a school aid formula which bases aid on a uniform pupil-unit expenditure. A school district which is declining in enrollment ought not be required -- because of state aid and/or levy limit provisions -- to reduce the size of its staff more than an amount proportional to the decline in numbers of pupils.

State law now provides that unless individual school districts and teachers can agree on another dismissal policy, declining-enrollment districts must dismiss the most recently-hired and, therefore, usually lowest-paid, teachers first. Such teachers almost invariably are paid at levels below the average teacher's salary for the entire district. Such layoffs mean that the average teacher's salary will increase and, consequently, so will be the average expenditures per pupil. If a district were to avoid an increase in its average expenditures per pupil, it would have to lay off additional staff beyond those layoffs which are proportional to the amount of decline in pupils.

To make it possible for a declining-enrollment district to limit its layoffs to a number proportional to the decline in pupil enrollment, we recommend that the state make financial resources available to the school district sufficient to permit the district to finance the additional average per pupil expenditures required as a result to increasing seniority -- without requiring the district to impose further layoffs.

Such financial resources would approximate the difference between the salary of each teacher who is laid off and the average teachers' salary in that district at that time. For example, assume that because of declining enrollments, a proportional layoff of six teachers becomes necessary. Assume that each of these teachers is paid \$8,000, whereas the average salary in the district is \$14,000, a difference of \$6,000 per teacher, or a total of \$36,000. The state would make up the difference with a special aid payment to the district. The additional aid would decrease year by year, in the same manner as salaries of such laid off teachers would have approached the average salary in the district in coming years.

III. State should establish an education institute for the Twin Cities area.

For study and leadership on longer-range inter-district needs, particularly those which emerge from fluctuating enrollments, and for study and leadership on other areawide school concerns, in a framework which transcends school district boundaries but is not divorced from the interests of individual districts, we recommend:

A. That the Legislature establish an education institute for the Twin Cities area, to be structured as follows:

1. It should encompass the area covered by all school districts whose headquarters are located within the seven county area.
2. Its board should be chosen from precincts of approximately equal population, formed by combinations of school districts in the metropolitan area. There should be approximately 20 such precincts, each with a population of about 100,000. The boundaries of such precincts should be set by the Legislature. However, the Legislature would benefit from a proposed set of boundaries which it could ratify or modify. We recommend that the Metropolitan Council submit a proposed set of boundaries to the 1975 Legislature for its consideration.
3. Members of the board of the institute be selected by School Board members from the various school districts which make up each precinct, with a system of weighted voting to reflect the different populations of school districts.
4. Only lay persons or School Board members should be permitted to serve on the board. To the extent that School Board members are themselves appointed, it should be kept in mind that time demands are likely to be very severe upon a person who serves both on his local School Board and the education institute.
5. The chairman should be selected at-large from within the metropolitan area by the Metropolitan Council. In advance of making the appointment of chairman, the Metropolitan Council should solicit nominees publicly and a reasonable time before making the appointment--say, two weeks---make public a list of all persons under consideration, with a requirement that the chairman be picked from the list.
6. Its financial support for professional staff and other expenses should come either from direct legislative appropriation or from a property tax levy throughout the metropolitan area. It should not receive its financing from contributions or assessments on individual school districts.

B. That the education institute be charged, in the legislation, to do the following:

1. Assemble and publish, annually, metropolitan-wide and district-by-district projections of enrollment for at least five years into the future.
2. Report, annually, on the public policy implications of enrollment trends with respect to finances, building needs, teachers and other staff requirements, and curriculum along with recommendations school districts, and, as deemed necessary, to the Legislature.
3. Review and comment on proposed bond issue elections for new buildings or other proposals for new construction by school districts in the metropolitan area. Any such comment would be made available to the public by a local School Board in informational material distributed in connection with a bond issue election or, if no

bond issue election is required, in whatever material a School Board may distribute in connection with its building plans.

Report, within two years, to the Legislature on whether the review and comment procedure is adequate, or whether additional powers are needed, such as suspension for a period of time.

4. Act as spokesman for areawide concerns relating to elementary-secondary education in the metropolitan area in contacts with the Metropolitan Council and other bodies.
 5. Prepare a plan with recommended schedule for implementation by whatever agencies are deemed appropriate, for identifying, early, areas of potential inter-district cooperation on curriculum in the seven-county metropolitan area and of notifying districts of such potential - with particular emphasis on the need for such cooperation as the result of fluctuations in enrollments.
 6. Study and recommend to the Legislature or other bodies with respect to:
 - School district boundaries
 - Socio-economic differentials
 - The appropriate framework for negotiating salaries
 - Inter-district cooperation on utilization of buildings
 - State aid and other financial issues
 - Its own structure and responsibilities
 - Whether fundamental changes in the delivery of education services are needed.
 - Any other problems or issues which it may place on its agenda on its own initiative or in response to requests.
- C. That the school superintendents who make up the governing board of the Educational Research and Development Council (ERDC), a voluntary association of school districts in the metropolitan area, review the proposal for an education institute and recommend how such an institute should relate to the ERDC.

We believe that it would be possible for the ERDC to become a part of the education institute. Superintendents could serve in an advisory capacity to the board of the education institute, and such services as the leadership-training workshops which ERDC has sponsored in the past could continue. Moreover, a legislatively-established body may be on a better long term financial base than a voluntary association. Nevertheless, we do not want to pre-empt the ERDC if there are valid reasons why it should remain separate.

While the Legislature will determine the relationship between the education institute and local school districts, our recommendations do not contemplate such an institute would infringe upon decision-making powers now held by local school districts. Nor would such an institute pre-empt the relationship between the citizen and his local school board.

IV. School districts should adopt guidelines on school closings.

To assure early, relevant involvement by neighborhoods on the future of schools, we recommend:

A. That each School Board prepare and, after appropriate hearing, adopt formal guidelines on the procedures to be followed in neighborhood involvement when a future of a school is called into question. Such guidelines should guarantee:

1. That the guidelines themselves will be widely circulated so that residents will be aware of their existence.
2. That neighborhood residents are to be informed at the earliest date when facts and circumstances are identified which are requiring the administration and School Board to review the longer term future of a school building.
3. That neighborhood residents be invited to participate with the administration in developing and reviewing alternatives for solving the problem and in recommending a solution to the School Board.
4. That at least the following criteria will be considered in appraising the future of schools.

- Educational program, current and potential
- Economic considerations, with all costs evaluated on an equal basis
- Physical features of schools and neighborhoods
- Socio-political features of schools and neighborhoods

B. We further recommend that the School Board appeal to the State Board of Education in any case in which it believes its decision relative to the future of a school is being prejudiced by the availability or absence of a certain kind of state aid.

V. New ways should be sought for using public buildings

To assure that school districts do not have to act in a vacuum, ignoring other public building needs, we recommend that each municipality's planning staff prepare an inventory of public buildings within its borders along with an on-going update of identified building needs by various governmental agencies. A building such as a school might be used for other purposes when phased out or part of it could be used for other purposes while still being used as a school. Before a school board makes a final decision on a school's future it should first obtain a report from the municipality's planning commission or city council on other public building needs which might be met through use of the school.

VI. School districts and teacher education institutions should cooperate closely.

To help renew and revitalize otherwise "aging" staffs, school districts are recognizing more and more that in-service training is critical. In-service training involves those programs which a school district itself may sponsor. However, the largest investments a school district makes in in-service training are the adjustments in teachers' salaries for more college level courses.

School districts, teachers and teacher-education institutions, therefore, have a common interest in teacher-education programs. School districts are recognizing that the college level courses are at the core of their in-service training programs. Teacher education institutions, not immune to the problems of

lack of students, benefit because such courses help maintain demand for their services.

We recommend that school districts and teachers work with state colleges and the University of Minnesota in advice on the design of college level courses which teachers take to advance on the salary schedule, to maximize the potential that such courses will be related directly to improving teachers' performance in their present jobs.

To assist teacher education institutions in planning their future needs, both with respect to under-graduate and post graduate training, we recommend that the State Board of Education report, annually, to the state colleges and the University of Minnesota on the anticipated demand in coming years for new teachers and on the extent of post-graduate training anticipated for school district teaching staffs in coming years.

DISCUSSION OF RECOMMENDATIONS

1. *What alternatives were considered as ways to meet the financial problems peculiar to declining enrollments?*

Essentially two alternatives were considered. The first alternative, originally advanced by the Fluctuating Enrollments Committee, would provide that the state pay directly to each school district some of the expense incurred for compensation to teachers for experience and training beyond the B. A. minimum. Such an alternative, in effect, would have had the state share in expenses all school districts incur because of senior staff. This alternative was not adopted in this report for two reasons: its uncertain side-effects, such as potential impact on teacher salary negotiations, and its large-scale impact on foundation aid. The alternative represented a fundamental change in the general program of foundation aid in the state, a change which--the Board of Directors felt--should be made only after looking at all matters which impact on school district expenses, not just fluctuating enrollments.

The second alternative, adopted in this report, is directed to the specific problems related to fluctuating enrollments--without the presence of uncertain side effects. The second alternative would provide special state aid (a) for those specific cases in which growing districts hire veteran teachers from declining-enrollment districts and (b) for those specific cases in which a declining-enrollment district is unable to reduce its salary expenditures proportionately with termination of staff positions.

2. *What impact do the recommendations on financial assistance to declining enrollment districts have on laws relating to teacher tenure and seniority and on the practice of compensating teachers on the basis of experience and training?*

We intend, in this report, to be neutral. The report's recommendations are designed to cope with declining enrollment within the constraints imposed by these long-standing laws and practices. While not defending them, we felt we had to make recommendations which recognized their reality.

3. *What about a possibility that growing districts might use the recommended state aid for hiring veteran teachers as a way to help "raid" top talent from other districts?*

That would not be possible under the terms of our recommendation. The special state aid paid to growing districts which hire teachers from declining-enrollment districts would apply only to those teachers so designated by the declining-enrollment districts. The aid would not be available if a teacher, not so designated by a declining-enrollment district, chose voluntarily to accept employment in a growing district.

4. *With respect to the recommendation that special state aid be provided to declining-enrollment districts whose salary expenditures do not decline proportionately with termination of staff positions: to what extent, if at all, would this apply retroactively?*

We did not work out all the details of this proposal (recommendation II, page 25). However, it is not the intent of this proposal to help out some declin-

ing-enrollment districts and not others. It would not be fair to provide such aid for teacher layoffs in coming years while ignoring the fact that some school districts already may have gone through such a painful process in the last two-three years, without such special aid. This fact would have to be taken into consideration in development of the specific legislation. Some retroactive payments would be reasonable, and only fair.

5. *Why give special state aid rather than allowing a special local levy when declining-enrollment districts salary expenditures do not decline proportionately with termination of staff positions?*

It would be possible for the Legislature to allow school districts which are declining in enrollment a special local property tax levy--outside other limits--to cover the expenditures which do not decline proportionately with termination of staff positions. Instead, we recommended state aid.

School districts are required by a state law, not their own local option, to dismiss the most recently-hired teachers first. Thus the state has an obligation to help districts with expenditures which are largely outside their control. Moreover, we were extremely reluctant to become involved--unnecessarily--in the larger debate over levy limits and all its ramifications. The subject is clearly beyond our assignment.

6. *What is the potential impact on differentiated staffing of the state-aid-related recommendations?*

It depends upon how the state aid is paid. We believe safeguards should be built in so that a state payment does not work contrary to differentiated staffing. Our specific recommendations in this report are largely incidental, we believe, in impact upon differentiated staffing one way or another. Under differentiated staffing, instructional personnel are classified according to their different jobs and levels of responsibility and are compensated accordingly. More use of para-professionals is an integral part of differentiated staffing. Para-professionals, also known as teacher aides, perform those classroom and classroom-related responsibilities which do not require a four-year college degree.

A Citizens League report, issued in 1969, urged much greater use of differentiated staffing as a way to make more effective use of limited dollars. The League report pointed out that school boards, by extending their use of para-professionals, can free professional personnel to devote more of their time to professional responsibilities, which can affect the total number of professional personnel needed.

7. *How does the proposal for a direct state payment to declining enrollment, declining-staff districts relate to the principle of equalization as embodied in the 1971 and 1973 school aid formulas?*

Very directly. The 1971 Legislature enacted a major reform in school aids, which was continued by the 1973 Legislature. The key principle in the 1971 and 1973 legislation is that up to a level of expenditures for school operating purposes which approximates the average statewide expenditure per pupil unit, the property tax wealth of a local school district will be irrelevant. The state will simply make up the difference between what a uniform property tax rate will raise in each school district and the average statewide

expenditure per pupil unit.

Such a principle is equitable to the extent that a comparable expenditure level from district to district can "buy" approximately the same level of services with the same dollars. We have shown in this report that the increasing seniority of instructional staffs in declining enrollment districts--a situation which is beyond control of these districts--is making it impossible to provide comparable services from district to district at approximately the same pupil-unit expenditure. Therefore, we are recommending that the state step in--before the foundation aid formula is applied--and pay, directly, a portion of the additional salary costs which a declining enrollment district, particularly, faces. After such a payment, then, such districts can be treated more equitably by a foundation aid formula which is based on a uniform pupil-unit expenditure.

8. *What about early retirement as a means for improving the age mix of teaching staffs?*

Early retirement doubtless would result in some teachers leaving teaching before they otherwise would, thereby enabling a school district to hire beginning teachers as a replacement. Also, it appears as if declining-enrollment districts, particularly, would be affected, because they have a predominance of older staff. For example, as of October 1, 1972, approximately 18.6% of the certificated staff in Minneapolis, and 15.0% of the certificated staff in St. Paul were age 55 or over, compared with a metropolitan average of 10.4%.

On the other hand, early retirement means a substantial addition, permanently, to the total number of teachers, both active and retired, who are receiving compensation from the state and its school districts. The dollar impact of this approach is not known, but some persons close to pension matters believe it to be substantial.

Instead of recommending early retirement, we have opted to suggest other approaches, which can affect both older teachers who are nearing retirement age as well as veteran teachers with many years in the work force ahead of them, who might be willing to consider improved severance benefits or help in training for other jobs. For example, take a 58-year-old teacher, with a B. A. degree and no additional credits, now being paid \$12,000 a year. If that teacher were replaced now by a beginning teacher with a salary \$7,760, the cumulative savings to the school district for the seven years until the teacher reaches retirement age could be about \$19,000. Or, take a 44-year old teacher with a M. A. degree and 20 years' experience, being paid \$16,000. If that teacher were replaced now by a beginning teacher with a salary of \$7,760, the cumulative savings to the school district for the next 12 years, until the beginning teacher reached maximum, could be about \$64,000. A portion of such potential cumulative savings could be used for severance pay or for training for other employment, without the longer-term, broader impact which early retirement would have across the state.

9. *How does the recommended education institute for the Twin Cities area relate to the State Department of Education's concept of intermediate "educational service areas" located throughout the state?*

The recommended education institute would have some of the characteristics of an educational service area as being advanced by the Department of Education, but it would be distinctly different in some respects. In effect, the education institute would be tailored to meet the particular circumstances and needs of the Twin Cities area.

An educational service area would supplement local school district programs and services in fields which can be most effectively and efficiently be served through co-operative efforts of several school districts. In 1973 special legislation was passed establishing the Southwest and West Central Educational Service Area, covering some 107 school districts in 25 counties in southwestern Minnesota. Participation by school districts is strictly voluntary. A 12-member board is elected at-large by school board members in the participating districts. The Educational Service Area serves as the vehicle whereby school districts can provide, jointly, programs which they would have difficulty maintaining by themselves, such as special education, data processing, counseling, improvement and co-ordination of testing programs and program planning and evaluation. At this point, the Educational Service Area is primarily involved in assisting school districts in direct operational responsibilities. It is less involved in planning for the entire southwest region.

Our recommended education institute would be heavily involved in identification and analysis of issues of areawide concern in the metropolitan area. It would develop plans for school districts to use in coping with the inter-district implications of fluctuating enrollments. It would not have direct operational responsibilities. With respect to inter-district co-operation on curriculum (which is a major responsibility of an Educational Service area), our recommended education institute would be instructed to guarantee that school districts in the metropolitan area are made fully aware of the potential of inter-district co-operative programs. It would do this through development of an ongoing system which identifies course offerings by school location, by grade, with enrollment in each, throughout the metropolitan area, with assurance that such information would be made available to all school districts. This would mean that no school district, faced with declining enrollment in certain courses, would have to cut such courses without first knowing the full potential of inter-district cooperation as a way to keep them. The operational responsibilities of such a system need not be undertaken directly by the education institute. It could be run directly by the already-existing, voluntary, inter-district computer organizations.

10. *What about certificate-of-need legislation on school buildings?*

The 1974 Legislature considered but did not pass proposed legislation which would have required that a local school district obtain a certificate of need from the State Department of Education before being allowed to proceed with building plans. This legislation was advanced in response to concern that possibly some districts are unnecessarily building new schools while other schools are standing vacant in nearby districts.

We, too, are concerned about this problem, although we have not yet seen

evidence that the problem of over-building is so severe as to require a certificate-of-need.

Our recommendation is to proceed in stages. Under our proposal, the recommended education institute for the Twin Cities area would review and comment on proposals for new construction, with a provision that the institute's comment would have to be circulated in connection with any information distributed by the school district on its building plans. The institute would be charged with recommending to the Legislature whether such review and comment, with publication, is adequate, or if something more extensive such as suspension of local school building plans is needed.

COMMITTEE ASSIGNMENT

The Citizens League has had a deep and continuing interest in areawide questions affecting elementary-secondary education for several years. In July 1969 the League published "Stretching the School Salary Dollar", a report urging broader use of para-professional personnel in the schools plus other aspects of differentiated staffing.

In September 1970 the League published "New Formulas for Revenue Sharing in Minnesota" which included the League's first specific proposals with respect to the school aid formula.

In March 1971 the League's report "Resolving Teacher-School Board Disputes" helped the Legislature arrive at a new framework for collective bargaining. In November 1972 the League, in "Accountability in Schools: Not a Threat, but a Real Hope", called for improvements in the assessment process plus more citizen involvement at the local school level.

During 1973 the problems of enrollment decline were felt more and more by school districts in the metropolitan area. Earlier League reports, including a report "State Fiscal Crises Are Not Inevitable!", issued in June 1972, had drawn attention to the coming decline, statewide, in enrollment.

It was in this context, therefore, that the Citizens League Board of Directors in August 1973 authorized the formation of a new League committee on Fluctuating Enrollments, with the following assignment:

Dramatic changes in enrollment levels in elementary and secondary schools have been projected. In the aggregate, total enrollment is projected to decrease substantial, although, at the same time, enrollment will increase in some suburban fringe districts. One issue related to this pattern concerns adjustments needed in numbers of staff to accommodate more limited revenues. Another issue related to the utilization of school buildings to make sure that students and teachers are afforded opportunities to make the fullest use of the best buildings. In addition, declining enrollments may offer many opportunities, not now fully realized, whereby a school district can make improvements in education which would not otherwise have been possible. We would seek school-by-school projections of future enrollments to determine as accurately as possible the magnitude of the need to plan for substantial changes, up or down, in enrollments. We would review the inter-district implications of the projections, reach conclusions on their likelihood of being realized and make appropriate recommendations.

COMMITTEE MEMBERSHIP

A total of 34 persons participated actively in the deliberations of this committee. Chairman was Marvin Geisness, an investment officer with First Trust Company, St. Paul. Other members were:

Carol Berde
Michael E. Bress
Pat Bugenstein
Vincent Carlson
Jeanne Cummings
Carlyle Davidsen
Nicholas Duff
Thomas Dwight
James A. Fitzgerald
Neil Gustafson
Ruth Hauge
Paul W. Hetland
Shirley Holt
E. Gary Joselyn
Duane Krohnke
Ralph W. Laurens
J. M. Leadholm

Gene Mammenga
Thomas G. Mortenson
Maxine Nathanson
Robert D. Nelson
Douglas A. Olsen
John C. Parsons, Jr.
F. Warren Preeshl
Robert P. Provost
August Rivera
Eliot Schweitzer
B. Warner Shippee
Myrna ten Bensel
Donald Van Hulzen
Jean Ward
John L. Weaver
Donald J. Weiss

The committee was assisted by Paul A. Gilje, Citizens League associate director; Calvin W. Clark, Citizens League membership and finance director, and Paula Werner, Citizens League clerical staff.

COMMITTEE PROCEDURES

The committee met 29 times--a once-a-week schedule--from December 5, 1973, to June 19, 1974. The committee rotated its meeting locations among Minneapolis, St. Paul and suburbs to be as convenient as possible to committee members, who live throughout the metropolitan area.

From December through March the committee received background material and orientation to issues from a variety of sources, including a series of meetings with school board members and administrators from school districts throughout the metropolitan area. During this time, too, a League survey on enrollment projections was conducted of all school districts in and near the Twin Cities metropolitan area. Detailed minutes were prepared for all meetings and circulated widely to committee members and non-members interested in following the subject. A list of all resource persons who met with the committee appears below. In addition, the committee chairman and staff held more than 15 informal visits with other resource persons in an effort to receive the broadest possible exposure--in the limited time available--to various concerns and points of view.

Staff members of the Minnesota Department of Education, Higher Education Coordinating Commission, Educational Research and Development Council, and the Minnesota School Boards Association were extremely helpful in sharing their information.

From April until the committee completed its work in mid-June, the committee engaged primarily in internal discussion. Its first working document was a summary of information and issues presented to the committee. This was followed by three drafts of findings and conclusions and another four or five drafts of recommendations before committee consensus was reached and the report submitted to the Citizens League Board of Directors.

The following persons met with the committee as resource persons for one or more sessions.

Howard B. Casney, State Commissioner of Education

Gayle Anderson, division of planning and development, State Department of Education

S. Walter Harvey, director, research and statistics, State Department of Education

Arnold Jirik, former director, enrollments-manpower needs study, State Department of Education

Gary Dodge, State Planning Agency

State Sen. Nicholas Coleman, St. Paul, Senate Majority Leader

State Rep. Joseph Graba, Wadena, chairman, House Education Subcommittee on State Aids

State Sen. Jerald Anderson, North Branch, chairman, Senate Education Subcommittee on State Aids

Richard Wollin, executive director, Southwest and West Central Educational Service Area

William Knaak, superintendent, Ramsey-Washington Intermediate District 916

Michael Mumson and Robert Davis, staff members, development framework study, Metropolitan Council

Edward Bolstad, executive secretary, Minnesota Federation of Teachers

A. L. Gallop, executive secretary, Minnesota Education Association

Barney Palmer, staff member, Minnesota Education Association

W. A. Wettergren, executive secretary, Minnesota School Board Association

Charles Sederberg, director, bureau of field studies, University of Minnesota

Stanley Cowle, Hennepin County Administrator

Joel Torstenson, professor of sociology, Augsburg College

Brother Theodore Drahmann, superintendent of schools, Archdiocese of St. Paul and Minneapolis, and Robert Burke, research director

Curtis Fritze and Richard Conner, vice presidents, Control Data Corp.

Tom O'Meara, St. Louis Park School financial advisory committee

Pat Buettner, parent, Bloomington public schools

Anoka

Erling O. Johnson, supt.
John L. Weaver, board member

St. Paul

George Young, supt.
Charlotte Mitau, school board member

Bloomington

Fred Atkinson, supt.
Kay Walker, school board member

West St. Paul

Robert Bonine, school board member

Burnsville

Hugh Holloway, supt.
Paul Hetland, school board member

Cambridge

Melvin W. Norsted, supt.
Raymond T. Hoheisel, asst. supt.
Morris M. Johnson, school board member

Eden Prairie

Robert A. Fallon, supt.
Margaret O'Ryan, school board member

Edina

John S. Hoyt, Jr., school board chairman

Elk River

George C. Zabee, supt.
Lloyd Cyr, school

Hopkins

George J. Greenwalt, supt.
Nancy MacGibbon, school board member

Minneapolis

August Rivera, information service director
Richard Allen, school board member

Richfield

Carlton Lytle, supt.

Robbinsdale

LeRoy Hood, supt.
Rev. Ronald Peterson, school board member

Roseville

Lloyd Nilsen, supt.
Howard Wallin, school board member

B A C K G R O U N D

I. Statewide enrollment projections

Scott Foster, a staff member of the Minnesota Higher Education Coordinating Commission (HECC), as part of his projections of high school graduates in coming years, completed in April 1974, county-by-county projections of enrollment, public and private, grades 1-12 by grade.

	<u>1973-74</u> <u>Metropolitan Area</u>	<u>Outstate</u>	<u>Total</u>
1972-73			
<u>Elementary</u>	226,424	240,486	466,910
<u>Secondary</u>	224,477	252,623	477,100
<u>Total</u>	450,901	493,623	944,010
1973-74			
<u>Elementary</u>	219,596	225,124	444,720
<u>Secondary</u>	229,441	253,379	482,820
<u>Total</u>	449,037	478,503	927,540
1978-79			
<u>Elementary</u>	200,379	176,341	376,720
<u>Secondary</u>	221,807	223,723	445,550
<u>Total</u>	422,186	400,084	822,270
1985-86			
<u>Elementary</u>	186,822	168,948	355,770
<u>Secondary</u>	191,431	161,349	352,780
<u>Total</u>	378,253	330,297	708,550

In 1973, the number of live births in Minnesota was 53,833, according to preliminary figures from the Minnesota Department of Health. This continued the decline which has occurred every year in Minnesota since 1959, when a record 88,294, live births were recorded in the state. The number of births in 1973 was the fewest number born in the state since before 1945.

II. District-by-District Enrollment Projections

A Citizens League survey of every school district in the 7-county metropolitan area, plus selected additional districts in outlying counties within the commuter zone of the Twin Cities area, was undertaken to arrive at district-by-district projections.

It was known that total enrollment changes within the metropolitan area fail to illustrate the magnitude of the impact on districts because some districts are growing and others are declining. After learning that district-by-district projections were not available from any other source, the League conducted the survey. School districts were asked to project their enrollments five years into the future, 1973-74 to 1978-79, a time period which covers persons already born.

The most dramatic finding of the survey was that a total of 25 close-in school districts, all contiguous, are projecting a drop, during the five-year period of some 44,000 pupils. Such a drop, of course, is much greater than that projected, in total, by Foster for the entire seven-county area. The reason lies in the increase in enrollment projected by other, outlying districts within the metropolitan area.

Following are the district-by-district projections for those 25 districts anticipating a decline:

<u>School District</u>	<u>1973-74</u> <u>Enrollment</u> <u>K-12</u>	<u>1978-79</u> <u>Projection</u> <u>K-12</u>	<u>Projected</u> <u>Decline</u>	<u>Projected %</u> <u>Decline</u>
Bloomington-271	22,940	16,609	6,331	27.6
Brooklyn Center-286	2,060	1,835	225	10.9
Circle Pines-12	3,314	3,289	25	.8
Columbia Hghts-13	6,939	6,007	932	13.4
Edina-273	10,587	10,131	456	4.3
Fridley-14	5,542	4,311	1,141	20.9
Golden Valley-275	1,534	1,193	341	22.2
Hopkins-274	9,595	7,942	1,653	17.2
Inver Grove-199	4,256	4,080	176	4.1
Mahtomedi-832	2,021	1,934	87	4.3
Minneapolis-1	58,187	47,499	10,688	18.3
Minnetonka-276	7,723	7,318	405	5.2
Mound-277	3,821	3,456	365	9.5
North St. Paul-622	11,637	10,614	1,023	8.7
Osseo-279	13,871	13,000	871	6.2
Richfield-280	9,001	6,451	2,550	28.3
Robbinsdale-281	25,732	22,860	2,872	11.1
Roseville-623	12,305	10,588	1,717	14.0
St. Anthony-282	2,067	1,907*	160	7.7
St. Louis Park-283	8,813	6,357	2,456	27.9
St. Paul-625	44,189	37,400	6,789	15.4
South St. Paul-6	5,423	4,797	625	11.5
Wayzata-284	6,482	6,320	162	2.4
West St. Paul-197	6,324	5,627	697	11.0
White Bear Lake-624	10,805	9,398	1,407	13.0

* Projection is for
year 1976-77

<u>Total, 25 close-in</u> <u>declining-enrollment</u> <u>districts</u>	295,078	250,923	44,155	15.0
--	---------	---------	--------	------

Many outlying districts project substantial increases in enrollment in coming years (districts whose headquarters are located outside the 7-county area are indicated by an asterisk):

<u>School District</u>	<u>1973-74</u> <u>Enrollment</u> <u>K-12</u>	<u>1978-79</u> <u>Projection</u> <u>K-12</u>	<u>Projected</u> <u>Increase</u>	<u>Projected %</u> <u>Increase</u>
Anoka-11	30,819	32,964	2,145	7.0%
Big Lake-727*	788	958	170	21.5
Buffalo-877*	3,056	4,308	1,252	41.0
Burnsville-191	10,289	12,809	2,520	24.4
Cambridge-911*	3,455	4,182	727	21.0
Chaska-112	3,104	6,233	3,129	100.8
Chisago Lakes-141*	2,054	2,310	256	12.4
Delano-879*	1,485	1,915	430	29.0
Eden Prairie-272	2,322	2,361	39	1.7
Elk River-728*	3,809	6,268	2,459	64.6
Forest Lake-831	5,696	7,647	1,951	34.3
Hastings-200	5,201	6,015	814	15.7
Jordan-717	1,233	1,448	215	17.4
Lakeville-194	707	3,245	538	19.8
Mounds View-621	14,392	14,691 ^y	299	2.1
New Prague-721	2,202	2,429	227	10.3
North Branch-138*	2,011	3,200	1,189	59.1
Norwood-Young America-108	1,032	1,129	97	9.3
Orono-278	2,623	3,462	839	31.9
Princeton-477*	2,572	2,639	67	2.6
Rockford-883	1,108	1,675	567	51.2
Rosemount-196	7,883	12,704	4,821	61.2
St. Francis-15	3,008	3,942	934	31.1
So. Wash. County-833	10,782	11,631	849	7.8
Shakopee-720	2,631	2,957	326	12.3
Spring Lake Park-16	5,117	5,310	193	3.7
Stillwater-834	8,188	8,980	792	9.7
Watertown-111	1,299	1,437	138	10.6

^y Projection is for
year 1976-77
Total, all
districts project-
ing growth

140,866 168,849 27,983 19.9

Total, districts
projecting growth
in 7-county area
only

121,636 143,069 21,433 17.6

The above tables cover almost all districts in and near the metropolitan area. A few outlying districts projected a decline. They are not included in either table above.

<u>School District</u>	<u>1973-74</u> <u>Enrollment</u> <u>K-12</u>	<u>1978-79</u> <u>Projection</u> <u>K-12</u>	<u>Projected</u> <u>Decline</u>	<u>Projected %</u> <u>Decline</u>
Belle Plaine-716	1,103	1,054	49	4.4
Cannon Falls-252*	1,657	1,588	69	4.2
Taylor Falls-140*	465	365	100	21.5

In addition a few school districts responded but did not make enrollment projections, including Monticello-882 and Becker-726. A few small districts also did not reply to the survey.

III. Advisory Commission on Fluctuating School Enrollments

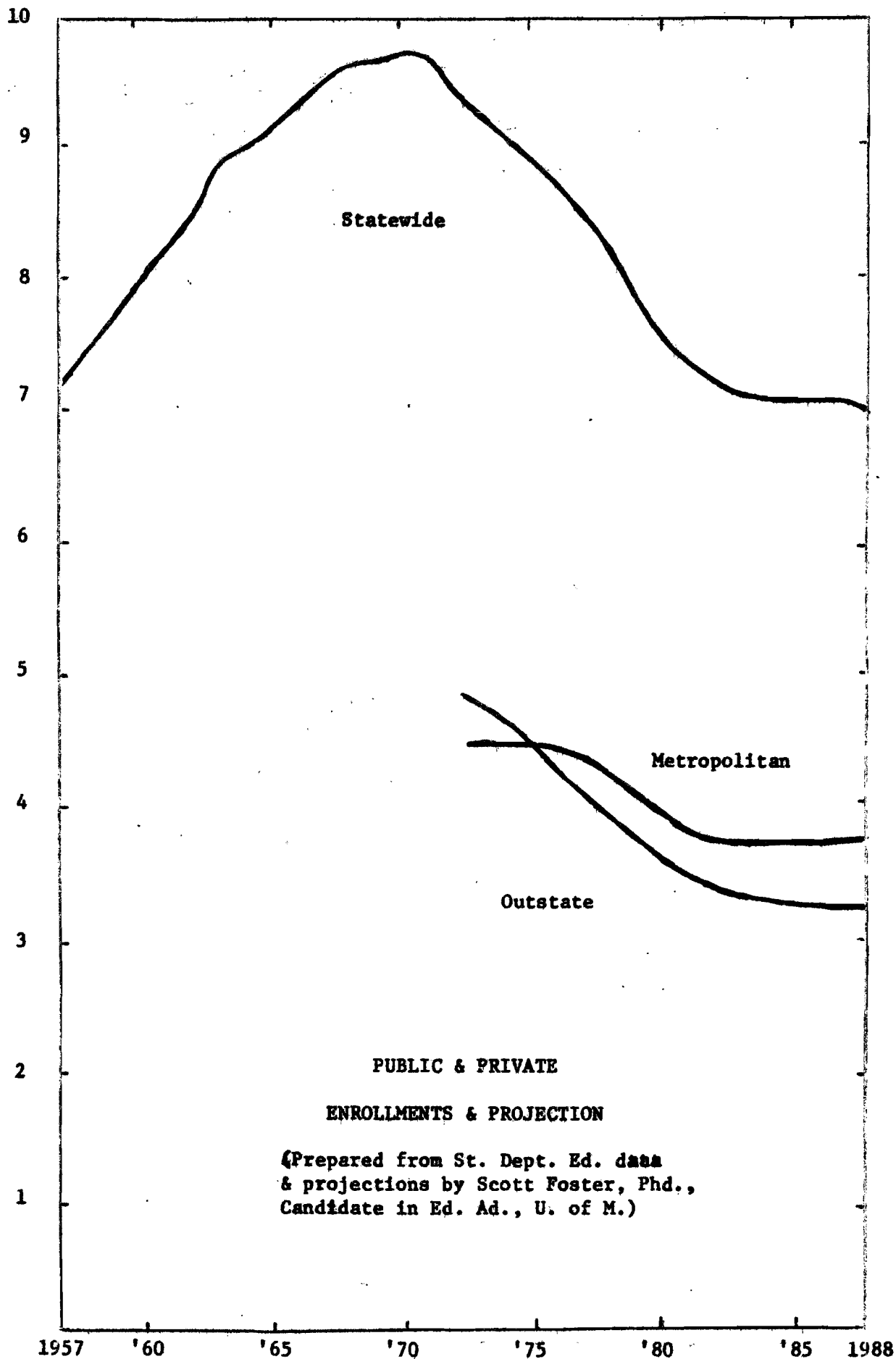
The 1974 Legislature established an Advisory Commission on Fluctuating School Enrollments, consisting of 11 voting members appointed by the Governor: five public members, two of whom must have demonstrated expertise in the field of school finance; one elementary or secondary education teacher; one special education teacher; one school administrator; one school superintendent; one representative of the Minnesota State High School League; and one school board member. Members were appointed in August 1974.

The Commission is to expire on June 30, 1977. It is to submit a preliminary report by January 15, 1976, and a final report by January 15, 1977. The Legislature provided it with a \$30,000 appropriation.

The Commission is charged to examine the impact of fluctuating school enrollments and their consequential effect on the quality and cost of education. The Commission's reports are to include findings and recommendations on incentives for additional cooperation among school districts, the optimal size of regional units of cooperation and appropriate teacher-pupil ratios.

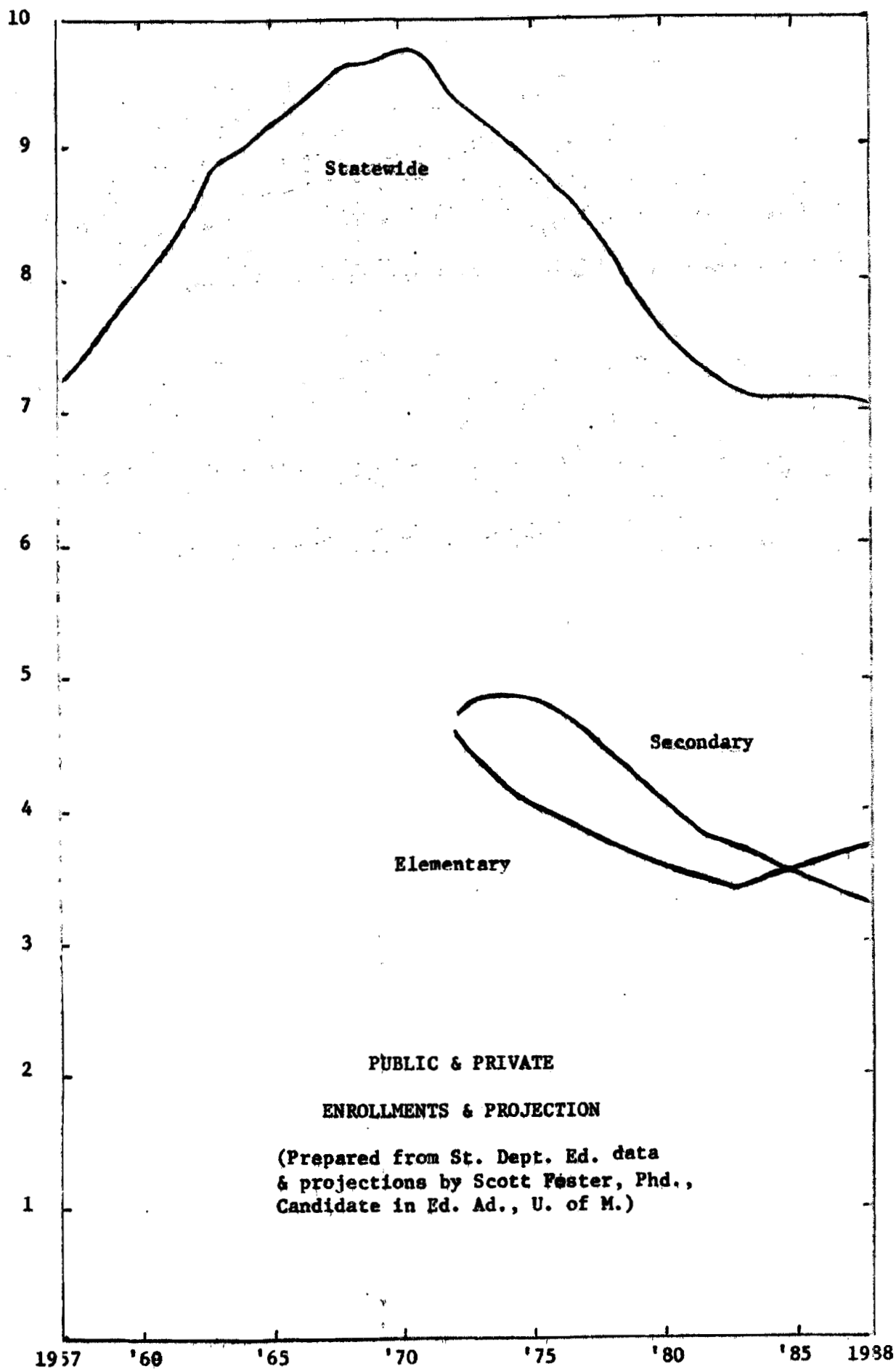
students
(000,000)

-47-



students
(000,000)

-48-



IV. Instructional Staff

Instructional salaries represent approximately 70% of the school operating expenditures which are covered by the foundation aid formula. (Such expenditures, expressed in the language of the State Department of Education, are the adjusted maintenance expenditures.) Considering all expenditures, including capital outlay, debt service, transportation and federally-sided expenditures, instructional salaries are about 51% of the total, according to annual financial reports prepared by the State Department of Education.

The expenditures for instructional salaries per pupil unit will vary considerably from district to district, depending upon (a) the pupil-teacher ratio, (b) teacher experience and (c) teacher training.

In the 1972-73 the range, within the metropolitan area alone, in instructional salaries per pupil unit, was from a low of \$431 to a high of \$773, according to the Educational Research and Development Council.

Each district adopts a salary schedule for teacher compensation. This schedule provides for different compensation based on various combinations of teacher training and experience. A typical salary schedule in the metropolitan area, for example, provides for incremental pay, year-by-year, for the first 12 years of experience, and for additional incremental pay based on additional training (usually college credits, beyond a bachelor's degree. For example, a teacher will receive so much extra pay for 15 credits beyond the bachelor's degree, so much more for 30 credits, for 45 credits, and an MA, and so on.

Here is the framework of a typical salary schedule:

<u>Years of Experience</u>	<u>B.A.</u>	<u>B.A. + 15 cr.</u>	<u>B.A. + 30 cr.</u>	<u>B.A. + 45 cr.</u>	<u>M.A.</u>	<u>M.A. + 15 cr.</u>	<u>M.A. + 30 cr.</u>	<u>M.A. + 45 cr.</u>
1	_____	_____	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____	_____	_____	_____
9	_____	_____	_____	_____	_____	_____	_____	_____
10	_____	_____	_____	_____	_____	_____	_____	_____
11	_____	_____	_____	_____	_____	_____	_____	_____
12	_____	_____	_____	_____	_____	_____	_____	_____

Different salaries are determined for each step (years of experience) and lane (training). The salary figures are readjusted yearly, almost without exception, in negotiations between teachers and school boards.

INSTRUCTIONAL SALARIES PER PUPIL UNIT, SELECTED SCHOOL
DISTRICTS IN THE METROPOLITAN AREA

1972-73

<u>School District</u>	<u>Expenditures per pupil unit instructional salaries</u>	<u>Inst. salaries as percent of net current expenditures *</u>	<u>Inst. salaries as percent of total expenditures **</u>
St. Louis Park	\$773	69.99	58.43
Minneapolis	710	61.63	50.86
Hopkins	702	66.01	53.11
Richfield	667	57.72	56.59
St. Paul	647	56.43	48.35
South St. Paul	645	63.47	57.61
Golden Valley	633	61.90	45.02
Brooklyn Center	633	69.30	57.88
Robbinsdale	636	72.36	59.12
Roseville	633	66.40	53.25
St. Anthony	620	63.17	48.89
Orono	609	65.29	50.18
North St. Paul	609	67.86	52.94
Moundsview	608	68.11	54.60
Edina	606	64.73	51.67
Mahtomedi	593	61.72	47.38
Stillwater	586	64.86	52.47
Wayzata	585	66.26	52.35
Mound	585	63.28	46.72
Minnetonka	578	66.69	52.21
Centennial	577	63.51	49.18
White Bear Lake	572	65.24	50.87
Spring Lake Park	570	65.19	50.34
Bloomington	569	61.31	47.54
Chaska	559	65.40	48.42
Eden Prairie	554	62.61	44.73
Shakopee	554	66.73	48.53
Columbia Heights	543	65.92	52.80
West St. Paul	540	64.87	47.35
Fridley	523	67.72	51.08
Waconia	521	63.22	46.08
Osseo	517	65.36	50.70
New Prague	516	71.04	56.08
Burnsville	515	62.15	46.14
Watertown	500	68.55	51.77
Anoka	498	69.76	51.60
Inver Grove	487	66.45	48.87
Lakeville	478	66.49	47.97
Rosemount	465	60.75	42.73
Belle Plain	456	67.30	49.73
St. Francis	443	67.37	49.02
North Branch	438	66.87	52.84
Forest Lake	434	64.34	45.76
Farmington	431	65.48	53.59
Delano	426	63.10	48.10

* Closely approximates adjusted maintenance expenditure as determined by the State Department of Education, which excludes capital outlay debt service, transportation, and federally-financed operating expenditures.

DISTRIBUTION OF TEACHERS BY EXPERIENCE IN SELECTED METROPOLITAN AREA DISTRICTS

<u>District</u>	<u>Number of teachers 1973-74</u>	<u>% with more than 10 years experience</u>	<u>% in first year of teaching</u>	<u>% of certificated staff age 55 and over, 1972-73</u>
Bloomington-271	1,079	46%	3%	7%
Brooklyn Center-286	106	56	2	19
Burnsville-191	474	15	11	3
Centennial-12	158	38	11	3
Chaska-112	164	24	9	10
Columbia Hghts.-13	336	41	2	9
Eden Prairie-272	116	20	3	13
Edina-273	451	32	5	10
Farmington-192	94	36	11	12
Fridley-14	270	26	10	5
Hopkins-274	543	36	4	5
Hastings-200	244	25	6	3
Inver Grove-199	199	22	8	8
Jordan-717	67	16	12	12
Lakeville-194	130	23	7	7
Mahtomedi-832	98	44	5	10
Minneapolis-1	3,442	48	2	20
Minnetonka-276	389	45	2	8
Mound-277	175	46	2	9
New Prague-721	103	33	17	13
Norwood Yng Am.-108	52	29	6	10
No. St. Paul-622	585	41	2	10
Orono-278	132	42	3	10
Osseo-279	639	21	5	5
Prior Lake-719	110	23	9	7
Randolph-195	26	1	12	21
Richfield-280	235	16	5	16
Robbinsdale-281	1,238	38	1	6
St. Anthony-282	116	38	less than 1	5
St. Francis-15	142	15	12	10
St. Louis Park-283	511	53	2	11
St. Paul-625	2,639	47	3	15
So. St. Paul-6	270	63	3	12
Spring Lk. Pk.-16	191	27	6	9
So. Wash. County-833	505	23	4	5
Stillwater-834	391	42	7	15
Watertown-111	80	19	13	9
Wayzata-284	296	36	5	9
Total of above named districts	16,809	37%	4%	13%

Most of the information above was obtained through the cooperation of the Minnesota School Boards Association. In a few cases school districts made the information available directly to the Citizens League. The last column, % of certificated staff age 55 or over, was taken from a report on file in the Minnesota Department of Education.

DISTRIBUTION OF TEACHERS BY EXPERIENCE IN SELECTED OUTSTATE DISTRICTS

<u>District</u>	<u>Number of teachers 1973-74</u>	<u>% with more than 10 years experience</u>	<u>% in first year of teaching</u>
Albert Lea-241	350	53%	3%
Aurora-691	139	47	4
Barnum-91	43	19	14
Bemidji-31	232	45	7
Brainerd-181	422	41	7
Duluth-709	1,183	45	5
East Grand Forks-595	114	46	10
Elk River-728	182	30	10
Ellsworth-514	21	10	5
Fergus Falls-544	207	47	9
Floodwood-698	27	22	15
Graceville-60	29	7	21
Grand Rapids-318	284	53	2
Hibbing-701	290	57	0
Int'l Falls-361	162	67	1
Jasper-582	31	32	10
Mankato-77	502	53	6
Middle River-440	21	19	19
N. Y. Mills-553	45	44	9
Pipestone-583	109	56	6
Stornden-Jeffers- 178	37	28	8
St. Peter-508	121	38	8
Willow River-577	29	14	3
Wrenshall-100	25	28	4
	<u>4,604</u>	average <u>42%</u>	<u>7.5%</u>

Most of the information above was obtained through the cooperation of the Minnesota School Boards Association. In a few cases school districts made the information available directly to the Citizens League.

DISTRIBUTION OF TEACHERS ON SALARY SCHEDULE, TOTAL OF 129 MINNESOTA SCHOOL DISTRICTS,

1973 - 74

Year of Teaching	Below B. A.		B. A.		B. A.+		M. A.		M. A.+		Totals	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	6	.02	1304	4.4	101	.34	45	1.5	5	.01	1461	4.9
2	0	0	1381	4.6	281	.95	79	2.6	21	.07	1762	5.9
3	0	0	1189	4.0	494	1.6	103	3.4	36	.12	1822	6.1
4	5	.01	1251	4.2	743	2.5	168	5.6	51	.17	2218	7.5
5	2	0	1006	3.4	868	2.9	181	6.1	71	.24	2128	7.1
6	16	.05	748	2.5	843	2.8	214	7.2	129	.43	1950	6.5
7	43	.15	533	1.8	736	2.4	236	7.9	119	.40	1667	5.6
8	23	.07	477	1.6	696	2.3	266	8.9	144	.48	1606	5.4
9	26	.08	475	1.6	652	2.2	272	9.1	225	.76	1650	5.5
10	64	.21	419	1.4	711	2.4	365	1.2	270	.91	1829	6.1
10+	131	.44	1969	6.6	4038	13.6	2370	8.0	2955	9.9	11463	38.7
	316	1.0%	10,752	36.3%	10,163	34.3%	4299	14.5%	4026	13.6%	29,556	

Below B. A. = teachers with training less than B. A. standards (non-degree)

B. A. = teachers with a B. A. degree

B. A.+ = teachers on salary lanes above B. A. - but less than M. A. (B. A.+ 15, B. A.+ 45 etc.)

M. A. = teachers with a M. A. degree

M. A.+ = teachers on salary lanes with more than M. A. credit (M. A.+ 15 etc.) this includes Phd's

step 10+ = is for teachers with 11 or more years of service and is a rough figure for the salary maximum

The information on this chart was assembled by the Citizens League through the cooperation of the Minnesota School Boards Association. It represents 129 school districts, out of 435 in the state, totaling 29,556 teachers or about 56% of the state total. The districts we used were the ones that we had available with the greatest number of teachers. A complete listing is given opposite.

SCHOOL DISTRICTS COVERED IN SURVEY ON PREVIOUS PAGE

METROPOLITAN

--Hennepin County

1 Minneapolis
271 Bloomington
272 Eden Prairie
273 Edina
274 Hopkins
275 Golden Valley
276 Minnetonka
277 Mound
278 Orono
279 Osseo
280 Richfield
281 Robbinsdale
282 St. Anthony
283 St. Louis Park
284 Wayzata
286 Brooklyn Center

--Ramsey County

625 St. Paul
622 Maplewood

--Anoka County

12 Centennial
13 Columbia Heights
14 Fridley
15 St. Francis
16 Spring Lake Park

--Dakota County

6 South St. Paul
191 Burnsville
192 Farmington
194 Lakeville
195 Randolph
196 Rosemount
199 Inver Grove Heights
200 Hastings

--Carver County

108 Norwood
111 Watertown
112 Chaska

--Scott County

717 Jordan
719 Prior Lake
720 Shakopee
721 New Prague

--Washington County

832 Mahtomedi
833 So. Wash. Co.
834 Stillwater

OUTSTATE

2 Hill City
4 McGregor
24 Lake Park
31 Bemidji
36 Kelliher
47 Sauk Rapids
57 Beardsley
60 Graceville
70 Crystal
72 Mapleton
75 St. Clair
77 Mankato
88 Hanska
94 Cloquet
115 Cass Lake
125 Montevideo
138 No. Branch
141 Chisago Lakes
173 Mt. Lake
177 Windom
181 Brainerd
182 Crosby
201 Claremount
203 Hayfield
206 Alexandria
224 Wells
241 Albert Lea
299 Caleclonia
314 Brahm
914 Cambridge
316 Coleraine
318 Grand Rapids
347 Willmar

880 Howard Lake
882 Monticello
883 Rockford
891 Canby

361 Int. Falls
393 Le Sueur
395 Waterville
413 Marshall
422 Glencoe
423 Hutchinson
435 Waubun
454 Fairmont
466 Cokato
484 Pierz
492 Austin
500 Southland
504 Slayton
505 Fulda
508 St. Peter
518 Worthington
531 Byron
534 Stewartville
535 Rochester
544 Fergus Falls
548 Pelican Rapids
564 Thief River Falls
578 Pine City
583 Pipestone
593 Crookston
595 East Grand Forks
637 Redwood Falls
646 Bird Island
670 Luverne
682 Roseau
691 Aurora
697 Eveleth
701 Hibbing
704 Proctor
706 Virginia
709 Duluth
728 Elk River
731 Arlington
741 Paynesville
743 Sauk Centre
745 Albany
750 Cold Spring
761 Owatonna
769 Morris
793 Staples
803 Wheaton
813 Lake City
819 Wadena
837 Madelia
861 Winona
876 Annandale

V. State Aid to School Districts

For the fiscal year ending June 30, 1973, school district revenue sources in Minnesota, according to the State Department of Education, were:

local property tax:	35.5%
state aid:	55.1%
federal aid:	5.7%
other:	3.7%

This distribution represents a significant shift from several years ago, when the local property tax was the dominant source of school district revenue.

This distribution of revenues from district to district is likely to vary considerably. Some school districts, which have a substantial amount of assessed valuation--say, from major commercial and industrial installations or expensive homes--will receive a much greater portion of their revenues from the local property tax than school districts which are low in assessed valuation. The low valuation districts receive much more in state aid than the high valuation districts.

Most state aid is distributed to school districts via the foundation aid formula. State aid also is given, through separate formulas, for (a) transportation, (b) special education and (c) vocational education.

For the regular, on-going operating expenditures of the school districts, however, the foundation aid formula is key. The foundation aid formula applies to instructional, administration, building maintenance and other operational expenditures.

Under the foundation aid formula, the state provides that up to a point, which is approximately the average statewide operating expenditure per pupil unit, the property tax wealth of a local school district is an irrelevant consideration. The state simply provides aid for the difference between whatever a certain uniform property tax raises and the average statewide operating expenditure per pupil unit.

For the 1974-75 school year, the basis for foundation aid will be \$825 per pupil unit. The state will pay the difference between that figure and what a local property tax levy of approximately 30 mills will raise.

That is somewhat of an over-simplified explanation, but other details of the formula are not essential to a general understanding. (For example, special adjustments are made for school districts with historical expenditure patterns below or above the statewide average. Also, adjustments are made in the property tax levy to reflect difference in tax assessment practices from school district to school district.)

School districts also are restricted by the state in how much additional funds they can raise locally above that provided in the foundation aid formula. Currently, a school district may exceed the state-prescribed limits by any amount as may be approved by local voters in a referendum.

The terms "pupil units", as discussed above, does not mean enrollment. Pupil units are derived from enrollment. Pupils enrolled in school each receive a "weighting", depending upon their characteristics: pre-kindergarten (only handicapped pupils are eligible, .5; kindergarten, .5; elementary, 1.0, secondary, 1.4; post-

secondary vocational, 1.5. Thus 10 pupils enrolled in secondary school count the same, from a pupil-unit standpoint, as 14 pupils in elementary school. In addition to these weightings, pupils from AFDC families count from .5 to .85 more, depending upon the concentration of AFDC families the school system. If the number of AFDC pupils is less than 5% of the elementary and secondary pupil units, the extra weighting is 15. If from 5-8%, .6%; 8-9%, .7, and over 9%, .85.

Once the number of pupil units is calculated, further adjustments also are made under present law:

- * If the number of pupil units in the current year has *declined* from the previous year, the pupil unit figure used is an average of the two years, meaning, in effect, adding more pupil units, and more aid, to such a district than otherwise would be received. The objective of this approach is to cushion the impact of enrollment decline on a school district's financed. This provision was first placed in the state aid formula in 1971.
- * If the number of pupil units in the current year represents more than a 3% *increase* over the previous year, one-fourth of the pupil unit increase is added in to reflect assumed higher costs attached to rapid increase in enrollment. This provision was first placed in the state aid formula in 1973. Initially, the additional pupil units could not be added unless pupil units went up by 4% or more. The 1974 Legislature reduced this to 3%.
- * If pupils go through an early graduation program, thereby leaving school early, they still are counted as if they had attended all year.

* * * * *

As explained earlier, the basic foundation aid formula for 1974-75 is \$825 per pupil unit less what a local levy of approximately 30 mills will raise. Some of the more detailed exceptions to this formula are of major significance. For the last three years, it has been state policy to relate the basic foundation aid formula to the approximate average operating expenditure per pupil units statewide.

The 1974-75 school year will be the second of a six-year program, begun by the 1973 Legislature, to bring school districts with historically-low expenditure patterns up to the statewide average. Such districts, under the present formula are entitled to bigger annual increases in expenditures than are the higher-expenditure districts.

School districts with expenditure patterns above the statewide average have been restricted, since 1971, from further increasing the gap between them and the low-expenditure districts. For the 1971-72, and 1973-74 school years, the higher-expenditure districts were entitled to an extra local property tax levy to reflect the extent to which they exceeded the statewide average expenditure per pupil unit in 1970-71. However, in an effort to bring the higher expenditure districts closer to the statewide average, the Legislature is requiring, for the levy applicable to levy of 2½%. (The impact of this reduction has been offset by another change relating to handicapped aid.)

As was noted earlier, any district may exceed these limits by referendum approved by local voters. The election may be held at any time, but not more than one a year. A simple majority of those voting is needed to approve. Any such increase is subject to repeal by referendum called by petition of 15% of the

average number of voters at the two most recent district-wide school elections, or, if these elections were in conjunction with a general election, the requirement is reduced to 10%.

* * * * *

No direct state aid is provided for school district capital outlay or debt service, although such property tax levies are covered by the homestead credit provision, under which the state pays approximately 45% of the homeowner's property tax bill, to a maximum of \$325.

With respect to transportation, the state pays all expenditures for school district transportation above the amount raised by a one mill local property tax levy, with the exception of Minneapolis and St. Paul, in which case the state pays 80% of transportation costs. To control excessive increases in 1974-75 may not be more than 115% of the expenditures per pupil unit in 1972-73.

For special education, the state reimburses school districts, in 1974-75, at the rate of \$5,600 extra aid, beyond foundation aid, for every special education teacher. For secondary vocational education, the extra aid is 40% of an instructor's salary, plus equipment.

VI. Teacher Training and Experience Aid in Other States

Although not part of Minnesota's formula, state aid formulas which reflect training and experience of instructional staff are not uncommon. At least 21 states in a recent report from the U. S. Office of Education, titled "public School Finance Programs, 1971-72", used teacher training and experience as the basis for part of their aid to local school districts.

Eighteen of the states provided a direct state aid for salaries, with a limit on the number of teachers or "teacher units" for which the aid would apply. Usually, this limit was in the range of one teacher per 27-30 students. The other three states provided an indirect aid by adjusting a "pupil unit" weighting to account for training and experience of the instructional staff.

VII. Teachers Retirement

All but three school districts in the state (Minneapolis, St. Paul, and Duluth) plus the state college and junior college systems are covered by the same teachers retirement plan, the Teachers Retirement Association (TRA). TRA is a state plan. Teachers contribute a portion of their salary and the state government pay the employer's share. Local school districts make no contribution to TRA.

A teacher can transfer between any school district in the state (except Minneapolis, St. Paul and Duluth) and continue his membership in TRA automatically. A teacher also can transfer between such school districts and the state and junior colleges and continue his TRA membership without change or interruption in benefits.

(Since 1960, TRA and social security have been co-ordinated.) A teacher under the co-ordinated plan pays 4% of salary to TRA, which the state matches. The teacher also contributes to social security which, of course, is matched (but in this case the local school district, not the state, provides the matching funds.) A teacher under the TRA-social security co-ordinated plan will be entitled an annual TRA pension after 30 years (provided he is at least 62 years old) of 40% of the average of his five consecutive high years of salary *plus*, of course, social security.

Before 1960, TRA members were not covered by social security. In that year a few TRA members exercised the option to remain exclusively on TRA, without social security. For these persons the contribution is 8% of salary, which is matched by the state. Such an individual will be entitled to an annual TRA pension after 30 years of 70% of the average of his five consecutive high years of salary, but *without* social security. Only about 5,000 of TRA's active members out of a total of (59,000) active members still are on the non-coordinated plan.

The 1973 Legislature substantially increased TRA benefits. Prior to that time benefits were based on a members' *career* average salary, rather than the average of his five best consecutive years.

Retirement age for a TRA member, without incurring a discount in benefits is 65 (except a teacher with 30 years experience can retire with full benefits at age 62). (Each school district determines its own mandatory retirement age.) Benefits keep rising with years of teaching. For example, a teacher on the co-ordinated plan who retires with 40 years experience will receive 55% of the average of the five best consecutive years, plus social security.

Minneapolis, St. Paul and Duluth each have their own separate retirement associations for teachers. These plans were in existence before the TRA plan was established for other teachers in the state. Until 1973, benefits received by teachers under the Minneapolis, St. Paul and Duluth plans were much better than those of TRA. Now benefits are very close to the state plan, although Minneapolis, St. Paul and Duluth teachers are *not* covered by social security.

For example, a Minneapolis teacher with 30 years experience can retire with an annual pension of 50% of the average of his five best years. Normal retirement age with full benefits is 65, although a teacher can retire earlier with 30 years experience. Mandatory retirement age is 68.

In St. Paul a teacher with 30 years experience can retire with an annual pension of 54% of the average of his five best years. Normal retirement age with full benefits is 65. Mandatory retirement age is 68. In St. Paul it is possible for a teacher with as few as 25 years experience to retire at age 60 with full benefits.

A teacher in Minneapolis contributes 6½% of salary, with, of course, no contribution to social security. This is matched by a combined school district-state contribution which totals 14% of salary. A teacher in St. Paul contributes 8% of salary, also with no contribution to social security. This is matched by a combined school district-state contribution which totals 13½% of salary.

In recognition of the fact that state taxes are going to pay the employer's costs of teachers' pensions throughout the rest of the state, the state makes a special payment annually to the Minneapolis, St. Paul and Duluth pension plans which, on a per teacher basis, is equal to the average state payment per teacher on the TRA plan. In 1973, the state contribution to the Minneapolis plan was approximately \$4.3 million; the contribution by the Minneapolis School District, from local property taxes, was approximately \$3.9 million. In 1973, the state contribution to the St. Paul plan was approximately \$3.3 million; the contribution by the St. Paul School District, from local property taxes, was approximately \$1.8 million. School districts under TRA incur no property tax levy for the TRA pension. They do levy property taxes, however, for the employer's share of social security.

A teacher from Minneapolis, St. Paul or Duluth who takes a job in any other school district in the state, including any transfer among these three districts, will not be able to receive credit in his new pension plan for pension contributions made in the plan he leaves. Nor will a TRA teacher who transfers to Minneapolis, St. Paul or Duluth receive credit in his new pension plan for his TRA contributions. However, all pension plans provide that after a certain number of years, a teacher has some vested benefits, meaning that he will be eligible, at retirement, for a pension based on contributions made while a member of the plan. A Minneapolis teacher's pension is vested after 7 years; a St. Paul teacher's pension, after 10 years, and a TRA teachers, after 10 years.

VIII. Broader Than-School-District Education Organizations in the Twin Cities Area

A. Educational Research and Development Council (ERDC)

While none of the broader-than-school-district educational organizations in the Twin Cities metropolitan area encompasses all school districts, the ERDC comes closest. It includes Minneapolis, St. Paul and the vast majority of suburban districts, a total of 43 or 49 school districts headquartered in the seven-county area.

The ERDC is a voluntary organization whose members are the chief school executives (superintendents) of the districts which choose to belong. Annual dues range from \$500 to \$2,500 per district, based on annual expenditures of the districts. It also receives funds from research and evaluation contracts. The ERDC is based at the University of Minnesota and receives, from the University, office space, equipment and other forms of in-kind contributions. The executive secretary of the ERDC holds a faculty position at the University of Minnesota.

The ERDC describes itself as a union of school districts to improve education by conducting needed research and providing needed staff development activities.

An 8-member Board of Directors is elected by the member superintendents.

Annually the ERDC conducts several workshops for school administrators, in such areas as the future, program budgeting, evaluation, and communication skills. It has assisted in the start-up of certain new inter-district efforts, but does not--because of its research and development orientation--undertake long term operational responsibilities. For example the ERDC was the father of The Minnesota School Districts Data Processing Joint Board, also called "TIES", for Total Information Educational Systems, which is discussed in greater detail below. ERDC in 1971 began operation of a Social Studies Service Center, with the help of federal funding. ERDC now is withdrawing from its operational responsibilities, and handing them over to a group of school districts.

For several years ERDC has, annually, published two major research reports with data on individual school districts in the metropolitan area, one on staffing and the other on finance. These reports, which identify each school district only by a confidential code, provide detailed information on comparative staffing levels and expenditure and revenue patterns, so that individual districts, knowing their own codes, can see how they compare with other districts in the metropolitan area.

In the fall of 1973 the ERDC made available to each of its member districts, confidential projections of each district's enrollment for the next four years.

The ERDC, whose membership, as noted above, is from superintendents, not elected school board members, has chosen to stay out of making policy recommendations on issues of areawide concern in the metropolitan area.

B. Minnesota School Districts Data Processing Joint Board

The Minnesota School Districts Data Processing Joint Board, more popularly called TIES, for Total Information Educational Systems, is an organization of some 31 school districts, all but one in the metropolitan area, for co-operative computer services. All member districts in the metropolitan area are suburban. TIES is organ-

ized under the state joint powers act, which allows a local governmental unit to exercise, with like agencies, powers granted to it under state law. Each school district is represented on the Joint Board by two delegates. The Joint Board elects an eight-member Executive Committee, composed of four school superintendents and four school board members, which holds regular meetings, establishes policy and acts on behalf of the Joint Board.

TIES provides a wide variety of computer services to its member districts from cost accounting and class scheduling, to field research, problem solving and achievement monitoring. TIES serves each individual school district. It is not set up to make recommendations or policy on areawide education problems of the Twin Cities area. According to its own publication, the TIES "integrated data base information system is designed to respond to information needs at various levels of government, while maintaining appropriate control and authority by local decision-makers."

C. Metro II

Metro II is a joint powers agreement among Minneapolis, Mounds View, Robbinsdale and St. Paul to cooperatively provide for systems analysis development and utilization of computers. It functions for these four school districts much as TIES, mentioned above, functions for some 31 other districts in the metropolitan area.

D. Intermediate school districts

Three intermediate school districts suburban Hennepin (District 287), Dakota County (District 917) and suburban Ramsey-Washington (District 916) have been created under special state laws. District 287 and District 916 are permitted to provide special education and vocational education programs. District 917, at this time, is limited to vocational education but this may change.

The governing boards of these districts are made up of one appointee from each of the school districts within the areas of the intermediate school districts. Each intermediate district has limited taxing authority. The districts are able to provide a breadth of program which would not be possible, economically, if each local school district acted independently. From a financial standpoint, a participating school district does not have the expenditures charged against its own state-limited local operating budget.

E. Co-operative organizations for special education

School districts in the eastern half of the metropolitan area work through a voluntary East Metropolitan Special Education Council (EMSEC) and, in the western half of the area, through a voluntary West Metropolitan Special Education Council (WMSEC). Both organizations are designed to help districts provide for those special education programs for which no school district by itself has though students to provide programs. School districts send their handicapped pupils to the "host" district or the "host" district provides itinerant teachers who serve pupils in their home school. School districts are charged an amount per pupil by the host district. EMSEC and WMSEC mainly provide education for the trainable mentally retarded, hearing and visual impaired, and the crippled. St. Paul and Suburban Ramsey-Washington Intermediate District 916 are host districts for EMSEC, depending upon the program. Minneapolis and Suburban Hennepin Intermediate District 287 are host districts for WMSEC.