

CITIZENS LEAGUE REPORT

No. 167

**Minneapolis Public Schools
5-Mill Increase**

June 1964

167
Citizens League
545 Mobil Oil Building
Minneapolis, Minnesota 55402

APPROVED
BOARD OF DIRECTORS
DATE JUN 8, 1964

STATEMENT ON THE PROPOSED 5-MILL INCREASE
IN THE MAXIMUM MINNEAPOLIS SCHOOL TAX

For Presentation to the Minneapolis Board
of Education at a Public Hearing on
June 9, 1964

After weighing many viewpoints, we are convinced that additional funds are urgently needed to finance improved education in Minneapolis. For example, additional funds are needed to:

1. Help attract and keep better qualified teachers in the classrooms
2. Reduce class size
3. Provide special incentives and special programs for schools serving the disadvantaged areas of our city.

However, we also are convinced that the proposed uses of the increased millage would do little more than continue the existing pattern of education in Minneapolis. Therefore, while we are convinced that additional funds are needed, we are not yet convinced that the proposed uses of the additional money justify the full 5-mill increase.

Faced with the lack of a forward-looking policy of school improvement, with uncertainties about possible savings in school building operation and maintenance costs, and with the unresolved question of restoration of state aids, we recommend as prudent policy that the Board of Education now adopt a 3-mill increase. In addition, we urge the Board of Education to reaffirm its previously stated pledge to not use that portion of the increase which was included to replace the 5% reduction in state school aids, if the reduction is restored. Had the proposed budget included more funds for advancements, such as those mentioned above, and had the School District provided more information about the areas of possible savings mentioned below, we would have been more willing to recommend a greater increase.

Within the limits of the time and information available to us, we have attempted to review the proposed 5-mill increase and the tentative 1965 budget upon which the proposed increase was based. Not only were there serious differences between the various committee members, but individual committee members also expressed very mixed feelings about the increase.

On the one hand is a strong desire to provide the Board of Education with enough to enable Minneapolis schools to provide an education second to none. On the other are concerns about an ever-increasing property tax rate (a concern which was recognized by every group that met with our committee) and, more importantly, serious misgivings about the proposed uses of the additional millage and whether or not this additional millage would indeed further the cause of better education in Minneapolis. Also, there is a belief that it may be possible to reduce school expenditures in some areas without impairing the educational program. Unfortunately, most of these are in areas which are only now being studied by the School District, and it is impossible for us to predict with any accuracy the amount of these possible savings.

TEACHERS' SALARY SCHEDULES

Much of the proposed increase would be devoted to increasing teachers' salaries, in order to "make Minneapolis teachers' salaries competitive with suburban teachers' salaries." We fully agree that the compensation of Minneapolis teachers should be equal to that received by suburban teachers -- and perhaps even higher. However, when comparing the compensation of the two groups of teachers, one must compare the total of all forms of compensation -- retirement and other fringe benefits, as well as direct salaries. This would appear to be self-evident, particularly when Minneapolis salary schedules and the requests for higher salaries for Minneapolis teachers are based on "keeping up with the suburbs."

We recognize fully the difficulties of estimating the value of the Minneapolis Teachers Retirement Program to the teachers. We also recognize that superior pension programs probably are of very little value in attracting competent new teachers into the Minneapolis school system. (This is particularly true if the prospective teacher can't be given a realistic estimate of the equivalent value of the pension in terms of annual salary.)

Yet, the pension program is an extremely large cost to the School District. Of the 74.14 mills levied for all Minneapolis school purposes in 1964, 8.11 mills, or 11% of the total, was levied for teachers' retirement! Therefore, it would appear to us that if the higher pensions are of little or no value in attracting the most highly qualified teachers to Minneapolis, and if Minneapolis salary increases are going to be set on the basis of equality with the suburbs, the Minneapolis Teachers Retirement Program should be changed to a program roughly equal to that which is offered in the suburbs -- perhaps, even by changing to the State Teachers Retirement Program.

We recognize that such a change would require legislative action and that it would take time. Therefore, for the immediate future the Board of Education should consider possible alternatives, such as salary increases designed to give maximum incentive to the attraction of competent new teachers, rather than blanket raises such as those included in the 1964 and 1965 budgets. One means of accomplishing this might be to increase substantially the salary of teachers in their first six to eight years in the system, while increasing very little, or not at all, the salaries of the more experienced teachers. In this way, salaries in the earlier years would be higher than those offered by the suburbs, and after the first six or eight years the higher value of the Minneapolis pension program would act as an incentive for teachers to stay in the Minneapolis system. Another possibility might be to couple such a salary schedule with a policy of excluding new teachers from the pension program for the first four or five years.

(Projections using the methodology and the factors contained in the report on comparative fringe benefits, which was done for the School District by Stanton-Pittelkow and Associates, indicate that, with the inclusion of an equivalent annual value of the higher Minneapolis retirement benefits, Minneapolis salaries may now be comparable to, or perhaps even higher than, the suburban salaries.)

SPECIAL INCENTIVES FOR DISADVANTAGED AREA SCHOOLS

In addition to the above, there are a number of other changes which we believe the Board of Education should consider seriously. These are changes which would require additional expenditures, but which we believe would be justified by improving education in our city. We would have been much more inclined to support increased school millage for increased expenditure to support such programs.

Chief among these is the strengthening of existing programs and the addition of new programs designed to improve education in what might be termed the disadvantaged areas of the city.

There appears to be general agreement that some schools in the city offer more attractive teaching opportunities than do others and that, generally, it is more difficult to teach in schools serving areas with concentrations of the city's less fortunate socio-economic groups. We had been told that, except for some truly dedicated teachers, positions in such schools are considered to be less desirable than positions in schools in other parts of the city. In contrast, it would appear that these schools have the greatest need for the best teachers in the city.

Therefore, the Board of Education should consider the possibility of offering premium salary schedules or bonus payments to teachers assigned to these schools, in order to attract more of the better, experienced teachers to the schools. Beyond their monetary value, the added payments might also serve to enhance the prestige of teaching at such schools, in that they would constitute official and public recognition of the more difficult task facing these teachers, as compared to teachers in schools where the desire to learn is more accepted. Such a program may even help in the recruitment of new teachers, since the chances that a new inexperienced teacher would be assigned to these schools would be greatly diminished, if not eliminated.

Another possibility in this area would be to strengthen the existing policy of assigning a larger number of teachers to these schools in order to reduce the pupil-teacher ratio even further, in recognition of the greater needs of the students and the greater difficulties of teaching at the schools. Yet another possibility would be to provide tuition-free summer school and night school classes at schools in such areas of the city, or, perhaps, other programs designed to meet the special needs of the students.

REDUCTION OF CLASS SIZE

Also, we believe that more funds should have been provided in the budget for further reduction of the pupil-teacher ratio, particularly in the elementary schools. We believe that reduction of the pupil-teacher ratio to the point where few, if any, classes exceed the 30-student maximum set by the State Department of Education rates a high priority. In addition to the educational values which would be obtained from such a reduction, teacher recruitment opportunities would be improved. It would appear to us that it is just as important to achieve equality with the suburbs in pupil-teacher ratios as in teachers' salaries.

POSSIBLE SAVINGS

While above we have advocated increased expenditures in some areas, in the interest of improved education, we also believe that there are other areas where it may be possible to reduce the School District's expenditures materially without weakening the educational program. Unfortunately, we do not have sufficient information to reach specific conclusions on how much money could be saved in these areas. Many of these expenditures have been questioned by others and, at the request of the Board of Education, they are now under study by the school administration.

To our minds the results of these studies have an important bearing on the question of whether or not the proposed millage increase is justified. Further, we believe that most of this information should have been available prior to the formulation and adoption of the 1965 school budget.

SCHOOL MAINTENANCE COSTS

First, there is the matter of school maintenance costs. Based on comparison of expenditures for this purpose in Minneapolis and in other large city school districts, it would seem that a thorough study of Minneapolis school maintenance costs has been long overdue.

If the findings of the recent Minneapolis School Maintenance Survey are valid, it would appear that Minneapolis taxpayers have long been paying excessive costs for maintenance of their schools. In the survey, which was conducted by a private management firm with an impressive record of savings in the cost of maintaining privately-owned buildings, the consultants claim that after a period of five to six years savings of \$1 million per year would accrue from reductions in the number of school maintenance personnel and changes in their working hours, together with improvements in work assignments. Further, they claim that such financial savings would not result in reducing the maintenance standards at the schools but, instead, they indicate that as a result of the program they recommend building maintenance would be improved.

While we do not know whether or not they are actually obtainable, potential savings of this magnitude cannot be overlooked or passed off lightly. The School District, if it expects to persuade Minneapolis taxpayers that their money is being well spent, must consider these recommendations carefully and either refute the above contentions or inaugurate the recommended program as soon as possible, at least on a pilot study basis.

REPAIR AND REMODELING

The extensive use of school employees to do repair and remodeling work is another area of expenditures where more information is needed. At the request of the Board of Education, the school administration is now studying this and, hopefully, the study will be completed and the results made public in the not-too-distant future.

While we do not know how much, if any, money would be saved by doing more work by contract with private firms, we believe that accurate information on the comparative costs of the two methods is essential to making sound decisions about which method to use in a particular instance. It is most unfortunate that information of this type was not available prior to the preparation of the budget. Again, as in the case of the maintenance survey, clear and impartial findings on this matter, together with the institution of changes if the study shows that they would lead to savings, are essential if the School District is to enjoy the confidence of the Minneapolis taxpayers.

CLOSING UNDERUSED SCHOOLS

Yet another area of potential savings which we believe should be studied is the possibility of starting to close some of the schools which are scheduled to be "phased out" in the School District's long-range building program. At some of these schools, enrollments continue to decline. The outstanding example is Washington Elementary School which has fewer than 100 students (including kindergarten and special classes) -- a total enrollment which is well below the minimum sizes most frequently recommended.

Certainly, any study of the possibility of closing these schools should stress the educational benefits which might be lost or gained by transferring the

students to other schools, as well as developing information on how much, if any, net savings could be realized. As in the previous two instances, we do not know what the results of such a study would indicate. However, it is possible that such a study would lead to decisions which would affect budgets for 1965 and future years. Clearly, such information should be developed and available.

TUITION PROGRAMS

The last area of possible savings we will mention in this statement is the matter of fee- or tuition-supported programs. The cost of these programs and the extent to which they actually are self-supporting are now being studied by the school administration. Actually, we were rather amazed to learn that accurate information on the total cost (including fringe benefits and all other costs, as well as the cost of the direct salaries of the instructors) of various programs, such as adult education, summer school and driver training, was not readily available. It would appear to us that such information would be essential in setting tuition rates for the programs and in making many other decisions, including budgeting decisions.

While we do not take a position on whether all, or any, of these programs should be completely self-supporting, we do believe that, in the absence of any clearly demonstrated benefit to Minneapolis students, tuition rates for non-residents should be set high enough to cover the complete cost of providing the service to the non-residents. This can hardly be done with any great accuracy unless the full cost of the program is known. (Actually, in at least one tuition program which operates at a loss - adult education - non-residents pay the same low fees as city residents.)

Again, information on the costs of these programs is needed for a thorough review of the tentative 1965 budget and the proposed 5-mill increase.

RESTORATION OF STATE AIDS

While we believe that the 5% reduction in state school aids will be restored eventually, we do not believe that it would be prudent to count on this. However, the Board of Education should continue to stand on its announced commitment that the total tax levy would be reduced by an amount equal to the amount of aids restored, if restoration comes prior to the time when taxes are levied, and if they are restored after that time the amount restored would be carried over for use in the following year.