

CITIZENS LEAGUE REPORT

No. 146

**Minneapolis Board of Education
Proposed 6-Mill Increase**

September 1962

(146)

TO: Board of Directors

FROM: Special Citizens League School Millage Committee

SUBJECT: Findings and recommendations on the proposed 6-mill increase in the Minneapolis Board of Education's maximum tax levy.

At the November 6 general election the citizens of Minneapolis apparently will be asked to approve a 6-mill increase in the Minneapolis mill rate limitation for school purposes. If the proposal receives an affirmative vote by a majority of those voting at the election or by 53% of those voting on the issue, whichever is less, the mill rate limitation for school purposes in Minneapolis, exclusive of any levy for pensions, employee benefits and debt services, will be increased from 52.60 mills to 58.60 mills. If the issue is approved, the new limit will become permanent and will not be subject to further referendum.

The Minneapolis Board of Education has indicated that, if the 6-mill increase is approved, 3 mills, or half of the proposed increase, would be added to the school levy in 1963 and the second 3 mills would be added to the levy in 1964. The Board has stated that the additional funds are necessary to employ some additional teachers and to increase the salary schedule for Minneapolis teachers. The Board has said that the present salary schedule for teachers in Minneapolis schools is below the schedules in surrounding districts and it is necessary to increase the schedule in order to hold present personnel and to compete for additional teachers of high qualifications.

The Board has indicated that over 2 mills of the proposed 3-mill increase in 1963, and approximately 1 3/4 mills of the proposed 3-mill increase in 1964, would be used to raise the salaries of its professional personnel in accordance with a three-phase schedule of salary increases. The increases would be spread over a period of several years with the first phase starting in January 1963, the second phase in July 1963, and the third phase in July 1964. This schedule would also have the effect of making Minneapolis teachers salary adjustments at the start of the school year, instead of at the start of the calendar year, as has been done in the past.

In addition to the salary increases for professional personnel, the 6-mill increase would also be used to finance salary increases for other employees and to hire additional teachers. The School Board has indicated that it needs 85.3 new positions for professional personnel in 1963, including 23.9 additional elementary teachers and 44.7 additional secondary school teachers. The Board has stated that the additional personnel are needed to reduce the teacher load toward meeting state standards of 30 pupils per teacher and to provide for the demands of an increased enrollment and an expanded high school curriculum.

The Board of Education officially indicated its intention to increase the mill levy limitation by 6 mills with the passage of a resolution on June 19. After a public hearing concerning the proposed increase on July 24, the Board of Education on August 3 adopted a resolution to raise the tax ceiling by 6 mills. Under the procedures in the Special Minneapolis Independent School District Act, voters were allowed a period of 60 days to file a petition (containing the signatures of at least 5,000 registered voters) calling a popular referendum on the proposed raise. If a proper petition had not been filed within the specified time, the new limit of 58.60 mills would have gone into effect without a referendum. However, on October 2 - the last day of the 60-day petition-filing period - the School Board was presented with a petition to place the issue on the ballot.

RECOMMENDATION

We urge the approval of the proposed 6-mill increase in the Minneapolis school tax levy limit.

The Citizens League has often stated its belief that tax savings which jeopardize adequate schools or which discourage the attraction and retention of competent teachers are short-sighted economies indeed. The general health of a community can often be judged by an assessment of its schools and one of the most important ingredients of a successful school system is an adequate number of qualified teachers. Therefore, the Citizens League has consistently supported tax increases needed to recruit and retain highly qualified teachers. We are convinced that Minneapolis teachers' salaries need to be raised and that additional revenue is needed for this purpose, and we, therefore, urge the approval of the proposed 6-mill increase.

The Need for Higher Salaries

In support of the need for higher teachers' salaries, the school authorities have pointed to the higher salary schedules prevailing in the nearby suburban school districts and to the difficulties which the Minneapolis schools have been experiencing in attempting to obtain an adequate number of competent teachers.

In Table I we have presented the existing and proposed salary schedule for Minneapolis teachers, and in Table II we have presented the 1962-63 salary schedule in St. Paul and 33 suburban school districts. The data presented show the minimum and maximum salaries paid to teachers holding bachelor's degrees and master's degrees, and indicate that salaries of Minneapolis teachers are among the lowest in the metropolitan area. At the beginning level for teachers with bachelor's degrees, Minneapolis at \$4,700 per year is only \$150 below the highest salary paid in this grade and \$100 below the median salary, but it is still one of the lowest. Comparing the maximum salaries of teachers with bachelor's degrees, Minneapolis ranks 29th among the 35 school districts in the metropolitan area which were included in the survey. The maximum B.A. degree salary in Minneapolis, paid to teachers with 10 or more years of experience, is now \$7,775 per year, compared to a high of \$8,600 and a median of \$8,256. For beginning teachers with a master's degree, the Minneapolis salary is \$5,100 (29th), while the highest salary is \$5,578 and the median is \$5,300, and at the maximum the Minneapolis salary is \$8,275 (32nd) compared to a high of \$9,800 and a median salary of \$8,977.

TABLE I

MINNEAPOLIS TEACHERS' SALARIES

<u>Effective Date</u>		<u>B. A.</u> <u>Minimum</u>	<u>M. A.</u> <u>Minimum</u>	<u>B. A.</u> <u>Maximum</u>	<u>M. A.</u> <u>Maximum</u>
Existing		\$4,700	\$5,100	\$7,775	\$8,275
Proposed Phase 1	1/1/63	4,800	5,250	7,975	8,575
Proposed Phase 2	7/1/63	4,900	5,400	8,175	8,875
Proposed Phase 3	1/1/64	5,050	5,600	8,475	9,275

Clearly, in terms of actual salary alone, Minneapolis is not competitive with nearby school districts. Even with the proposed first phase increase shown

TABLE II
1962-63 TEACHERS SALARIES IN THE TWIN CITIES
METROPOLITAN AREA

	<u>Enrollment</u>	<u>Minimum Salaries</u>		<u>Maximum Salaries</u>	
		B.A.	M.A.	B.A.	M.A.
St. Paul	43,820	\$4,850	\$5,350	\$8,000	\$8,500
Robbinsdale	17,100	4,800	5,400	8,500	9,500
Bloomington	14,500	4,850	5,400	8,500	9,500
Anoka	13,750	4,800	5,376	8,256	8,832
Richfield	11,500	4,800	5,400	8,600	9,530
St. Louis Park	10,800	4,800	5,400	8,500	9,500
Roseville	9,600	4,800	5,376	8,256	9,408
Edina	8,400	4,850	5,400	8,600	9,800
Hopkins	7,979	4,800	5,400	8,550	9,500
Mounds View	7,900	4,800	5,350	8,600	9,500
North St. Paul	7,300	4,850	5,432	8,342	8,924
White Bear	7,000	4,800	5,350	8,256	9,362 $\frac{1}{2}$
Columbia Heights	5,000	4,800	5,376	8,256	8,832
Minnetonka	6,000	4,800	5,275	8,550	9,450
Osseo	6,512	4,825	5,225	8,150	8,550
Stillwater	4,850	4,850	5,250	8,250	8,950
South St. Paul	4,850	4,850	5,450	8,342	9,374
West St. Paul	4,355	4,775	5,348	8,404	8,977
Wayzata	3,824	4,800	5,088	8,400	9,552
Fridley	3,800	4,850	5,250	7,905 $\frac{1}{2}$	8,715
St. Paul Park	3,600	4,800	5,300	3,400	8,900
Mound	---	4,800	5,300	7,975	8,800
Circle Pines	2,700	4,800	5,370	7,704	8,538
Spring Lake Park	2,600	4,800	5,200	7,950	8,350
Forest Lake	2,400	4,800	5,200	7,500	8,150
Earle Brown	1,890	4,800	5,300	8,100	9,150
Inner Grove	1,700	4,800	5,380	7,820	9,250
Burnsville	1,660	4,800	5,280	7,440	8,290
Orono	1,378	4,700	5,200	8,000	8,800
Mantomedi	1,350	4,800	5,300	8,160	9,275
Rosemount	1,250	4,700	5,170	7,567	8,319
Golden Valley	1,200	4,750	5,225	8,217	8,977
St. Anthony	1,200	4,850	5,578	8,342	9,361
Eden Prairie	1,050	4,700	5,100	7,100	7,500

Source: Minnesota Education Association - Minnesota Salary Schedules, August 1962.

in Table I, the Minneapolis salary will be below the areawide median in three categories and at the median for beginning teachers with bachelor's degrees. Steps two and three of the proposed Minneapolis salary increases cannot be compared with existing suburban salaries but, instead, must be compared with estimates of future suburban salaries. According to data from the school administration, the average suburban salary for teachers with bachelor's degrees at the maximum level has increased approximately \$400 in each of the past seven years and the other categories have had similar increases. If suburban salaries continue to increase at the same rate, the proposed Minneapolis increases in steps two and three will not be adequate to keep pace with suburban competition in the school years of 1963-64 and 1964-65.

Teachers' Retirement Program

While it can be seen that in terms of salary alone Minneapolis does not compare very favorably with surrounding school districts, the Citizens League has consistently held that any meaningful comparative data on salary schedules among the various school districts must include the total compensation program. This would mean inclusion of the relative costs to the school district of the various fringe benefit programs, the largest of which is the retirement program. Unfortunately, no statistical data are available which assess the dollar cost of these fringe benefits so that total teachers' compensation can be compared and evaluated. However, a consultant to the Minneapolis Board of Education has computed the value of the retirement program for Minneapolis teachers and also the comparative value of the retirement program for teachers in surrounding suburban districts. This consultant estimates that the annual cost to the Minneapolis school district for the retirement program is \$533 more - for a teacher earning \$8,475 per year - than the cost to suburban school districts for their teachers' retirement programs for teachers in the same salary bracket. The retirement benefits in all the suburban school districts are equal, since all are covered by the same retirement program.

If the higher differential value of the Minneapolis retirement program is added to the Minneapolis salaries, the total compensation paid Minneapolis teachers is substantially more competitive with the salaries in the suburban districts. If the higher value of the Minneapolis retirement benefits are added to the salaries proposed in the first phase of the proposed salary schedule, total compensation for Minneapolis teachers, if the proposed first phase is implemented, would be above the suburban median as of January, 1963.

While the higher cost of the Minneapolis retirement benefits is clearly a cost to the Minneapolis taxpayer, there appears to be some doubt about the effectiveness of this factor in attracting new personnel to the Minneapolis school system. Mr. Loren Cahlander, the school district's director of personnel, has stated that the higher retirement benefits are an aid in retaining experienced teachers with over four years' experience in the Minneapolis system, but they do not appear to constitute much of an attraction for prospective new teachers.

Vacancies

We are told by Mr. Cahlander that at the start of the 1962-63 school year 135 Minneapolis teaching positions had to be filled with substitute teachers because the district had been unable to hire enough qualified fulltime teachers to meet its needs. According to the school system's personnel officers, the Minneapolis schools have been experiencing increasing difficulty in the past years in

their efforts to attract a sufficient number of highly qualified teachers to the system. To illustrate this, school officials have data which show that for the 1962-63 school year the school personnel office processed 2,157 applications in order to hire 359 new teachers, compared to 1952, when 1,296 applications were processed and 291 new teachers were hired. This information shows that an increasing number of qualified applicants refused offers from Minneapolis or terminated their application procedure before receiving an offer. Of the 2,157 applications processed for the 1962-63 school year, 1,024 qualified applicants indicated that they were no longer interested in a position with Minneapolis after they had first submitted their application. For the school year 1952-53, 1,296 applications were processed and of these only 233 qualified applicants withdrew their applications.

Mr. Cahlander informs us that many candidates will apply in the suburbs at the same time as they apply in Minneapolis, and that it is his belief that many of those who have withdrawn their application did so because they were able to obtain more desirable employment elsewhere. Mr. Cahlander also stated that Minneapolis has been forced to hire teachers with lesser qualifications than has been the case previously. Candidates for positions in the Minneapolis school system are rated on the basis of a subjective measure as either A, B, C or D candidates. D candidates are not hired, but an increasing number of B and C candidates have been given contracts, in recent years, according to Mr. Cahlander.

GENERAL COMMENTS

The Citizens League is very concerned about the growing number of unfilled teaching positions in the Minneapolis Public Schools. We have been told by the school system's Director of Personnel, Mr. Loren Cahlander, that there were 135 unfilled teaching positions in the system at the start of the 1962-63 school year, compared to 108 at the start of the previous year. We believe that the necessary steps should be taken which will enable Minneapolis to recruit and retain a sufficient number of qualified teachers to meet the educational needs of the City's children.

Certainly, salaries are a very important factor (probably the most important factor) in the attraction and retention of qualified teachers and, consequently, the Minneapolis salary schedule should be kept competitive with the prevailing salary schedules in nearby districts. Salaries are, however, only one of a number of important factors which influence teacher attraction and retention, and we, therefore, urge the Board of Education to undertake an intensive appraisal of all of these factors, including the teacher recruitment program.

Hopefully, such an appraisal will provide the Board with specific information about the factors which influence qualified teachers to come to Minneapolis and those which persuade them to stay. Such an appraisal would provide a basis for the establishment of salary objectives and for the formulation of a positive policy for the recruitment and retention of qualified teachers. We believe that such a policy is needed to help avoid the possibility of a deterioration in the Minneapolis educational program due to an inability to attract and retain good teachers.

One factor which should be given considerable attention in the formulation of teacher salary objectives is the question of fringe benefits. It has long been the Citizens League's position that the fringe benefits provided for public employees should be considered as a part of their total compensation.

There is a need for a clear School Board policy as to how the higher value of Minneapolis fringe benefits is to be considered in comparing Minneapolis teachers' salaries with those paid by other school districts and for detailed data which compare the total value of the compensation received by Minneapolis teachers with that granted to teachers in nearby school districts. Not only would such data help clarify the competitive position of Minneapolis salaries relative to suburban salaries, but they would also help the administration explain the value of the Minneapolis fringe benefits to prospective employees.

We consider the proposed change to make the teachers' salary adjustments on a school year basis a good one. This should tend to reduce much of the present confusion in attempting to compare Minneapolis salaries with those paid by other school districts.

Although we also generally applaud the idea of projecting costs several years into the future, as has been done by the development of the proposed 3-phase salary increase, we do have some questions regarding the wisdom of proposing a concrete salary schedule, and, in effect making promises, for several years into the future, in the absence of established salary objectives. Consequently, we hope that the proposed salary schedules will be considered as a guide for the future, rather than as a commitment.

Also, we believe that the School Board should give careful consideration to the following: Since it is apparent that both the proposed salary increases and the structure of the proposed salary schedules are based primarily upon the salary schedules of the nearby school districts and, since the proposed salary schedules are extended through the school year 1964-65, the School Board should carefully compare the proposed salary schedule with estimates of the salary schedules which these other school districts are expected to be using in school years 1963-64 and 1964-65, as well as comparing the proposed salary schedules with the present suburban schedules.

The League is pleased by the Board's apparent awareness of the importance of depending less heavily upon the property tax for school revenues, and we applaud the Board of Education's past leadership in attempting to develop other sources of revenue by exploring the possibility of a community-wide or area-wide study of the tax structure and by appearing before the Governor's Tax Committee to emphasize the problem of depending on the property tax and to urge greater state aid to large cities from the state income tax fund. Unfortunately, however, this problem of overdependence on the property tax as a source of local government revenue is still very much with us, and we must repeat the League's long-standing concern over this problem and our consistent plea for action to develop a major alternative to the property tax in Minneapolis by again urging the School Board to continue its cooperation with other public agencies in working for a new tax source.