

CITIZENS LEAGUE REPORT

No. 136

**Minneapolis Board of Education  
Proposed Mill Increase**

**July 1961**

Citizens League  
545 Mobil Oil Building  
Minneapolis 2, Minnesota

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APPROVED  
BOARD OF DIRECTORS  
DATE JUL 5 1961

STATEMENT BY THE CITIZENS LEAGUE OF MINNEAPOLIS AND HENNEPIN COUNTY FOR PRESENTATION AT THE BOARD OF EDUCATION PUBLIC HEARING ON PROPOSED 1-MILL INCREASE IN THE GENERAL FUND TAX LEVY LIMIT, JULY 11, 1961.

At its regular monthly meeting on July 5, 1961, the Citizens League Board of Directors voted to voice its objections at this public hearing to the Board of Education's proposal to increase its general fund authorized tax limit by one mill. Since that League Board meeting we have become cognizant of certain developments with respect to the School Board's revenue estimates for 1961 and 1962 which, we understand, will make unnecessary any further serious consideration of increasing the tax limit by one mill, starting in 1962. We refer to the receipt of \$201,000 from the State of Minnesota to make up a deficiency in the 1958-59 aid payment, and the likelihood now that bank excise tax receipts for 1961 and 1962 will be greater by about \$150,000 for each of the two years than the previous estimates indicated. Also, an upward revision of the expected percentage of property tax collections for 1961 and 1962 seems justified, which, estimating conservatively, would add a total of over \$100,000 in the two years.

These increases in anticipated receipts total about \$600,000, more than enough to offset the proposed one mill levy increase and possible over-estimation of the 1961 taxable valuation increase.

The Citizens League learned of these increases in the School Board's anticipated revenues through its own research subsequent to a presentation of background data on the millage request by school administration officials on June 29. It appears to us that careful revenue estimating by the school administration would have foreseen these increases and therefore would have obviated the need for even a tentative decision to ask for a one-mill tax authority increase. The essential facts on which the re-estimates are based could have been known at the time the administration recommended that the Board call for the public hearing.

These developments in connection with the School Board's revenue outlook serve to point up one of the basic reasons the League Board of Directors felt it was necessary to object to the proposed levy limit increase. The fact is that the timing of events in the current hearing gave too little time for the public to make an adequate analysis of the claimed needs and resources.

On June 29 our Education Committee and School Budget Subcommittee had the benefit of a presentation by Dr. Fred Hill and Adner Heggerston on the facts and policies behind the School Board's one mill request. The committees were impressed with the amount and detail of the data presented. However, because of the amount of information which the two officials presented, the committees did not have enough opportunity at the meeting to digest the information adequately, nor did they have time enough subsequently, and prior to the meeting of the League Board of Directors on July 5, to make a careful analysis on which a sound recommendation could be made.

As already noted, our own research led us to question some of the revenue estimates that have now been revised. This research was by no means exhaustive, nor was it able to get very far into the expenditure side of the budget.

Last year when the League Board of Directors supported the request for a five-mill increase in the School Board's tax limit, we reminded the School Board and administration of their particular obligation as a new independent school district to keep the public informed at all times of the school system's operations and needs. This obligation includes giving the public ample time to digest, analyze and discuss the full facts and implications of a proposal such as the one-mill tax limit increase.

We therefore respectfully urge the School Board, when contemplating future rises in the property tax limit, to give the public considerably more than three weeks' time within which to reach a studied conclusion.

To the extent that we have been able to analyze the program implications of the 1962 proposed budget, we note that almost all of the money is asked for maintaining the present program with too little attention given to improving the quality of the educational program.

In this connection you will recall that the Citizens League in March, 1960, presented to the Board of Education a report of a survey of problems of educating high ability students in the senior high schools of Hennepin County school districts. We are gratified that the School Board has taken action to implement the recommendation calling for an increase in the number of counselors. However, we are quite disappointed that action on the other three recommendations has not met our expectations. The school administration has not published an annual "Report on Educational Progress" which could be regarded as meeting the standards we suggested. There has been no action on centralizing responsibility for coordinating and promoting experiments in curriculum for high ability students. Finally, the Board of Education has not appointed a lay-professional Advisory Committee on Education of the High Ability Students.

As the League stressed in the above-cited report, the improvement of educational quality should be a matter of highest concern to the citizens of Minneapolis and their School Board and administration. We are certain that the Board has this concern, but we believe that its proposed budget and its reports to the public might communicate this concern more effectively.

The League Board of Directors is also concerned about the major factor affecting the proposed budgetary increase, that is, the salary schedule increase for employees.

The Citizens League acknowledges the important progress the School Board has made in adopting a five-year policy of equalizing the compensation package of its building trades employees and those of outside industry, although we believe the School Board's equalization program is defective in not taking account of pension costs in the public-private compensation comparison.

However, we are particularly concerned that the School Board has not undertaken to establish salary policy objectives with respect to the biggest group of school employees, the teachers. What are the School Board's long-range objectives in its proposals to change teacher salaries? Is the bigger problem the retention of the present teaching force or the attraction of new teachers? What recognition should be given to fringe benefits in considering future salary increases?

The implications of the answers to these and other questions involved in setting salary policy objectives are obviously far reaching, but it is difficult

for the citizen to appraise the direction of year-to-year salary schedule increases unless such objectives are established. The large dollar significance of salary decisions, as well as the profound effect on the quality of the teaching faculty, argue strongly for the Board's early development of such salary policy objectives, based on studies in depth by the administration staff.

Another aspect of employee compensation that concerns the Citizens League about the proposed millage limit increase is that the Board of Education seems to be moving irrevocably toward adopting a hospitalization and medical care program for its employees, estimated to cost the taxpayer about \$500,000 a year, or another 1.2 mills, which is outside any existing limits. We are concerned about three aspects of this program:

(1) There are no firm details available about the program, and we have seen no indication that the Board plans to have a public discussion about the details in advance of committing itself to the program.

(2) Adoption of the program clearly would move Minneapolis teachers ahead of the general level of other local school districts in this category of fringe benefits. This is in the face of the fact that Minneapolis teachers already are more than \$350 per year better off than suburban teachers with respect to the value of their pension program.

(3) Adoption of the program probably would set off pressure for adoption of a similar program by the other agencies of the city government, without benefit of consultation among all the agencies concerned to see whether this is the type of program to enact and the time to do it.

Obviously, the \$120 per employee per year value of this proposed health and welfare program must be evaluated as a part of the employee's total compensation package. In that light, and in view of the other points mentioned above, we would suggest that the School Board solicit public reaction to the details of any proposal for a hospitalization and medical care program before it moves to adopt any such program.

A final matter of League concern about the proposed millage limit increase is the familiar problem of the over-use of the property tax in Minneapolis. Statistics are frequently cited to show that the school tax rate is much smaller in Minneapolis than in the suburban school districts, and that even the overall property tax rate is lighter in Minneapolis than the average in the rest of Hennepin County. Considering the burden of the property tax, these comments miss the point, for under the present law and administration of the property tax in Minneapolis there can be no denial of the fact that the tax bears heavily on commercial and industrial property and on the pocketbooks of residential property owners on fixed income.

For this reason the Citizens League has consistently urged action to achieve a major alternative to the property tax in Minneapolis. Such action has been unsuccessful so far and will continue to be unsuccessful until there is much more of a coordinated drive among groups in the community, official and unofficial, for legislation to achieve such a property tax supplement.

We have urged in the past that the School Board assume its responsibility as a major independent taxing body to cooperate with other public agencies in working for a new tax source. We take this occasion again to urge the School Board, in anticipation of continuing needs for increase revenues, to act now in concert with other public bodies to work for a solution to the local revenue problem.