

THE COMPETITIVE EDGE

The Costs of Competing

Minnesotans want and expect world-class schools. The question is, are we willing to pay for them? Or will we choose the slippery slope of politics and tax revolts that precipitated the demise of California's public schools? Thirty years ago, California schools were consistently ranked at or near the top in the nation. They were where we are now. Then, voter-approved property tax limitations and reforms in the way the state funded schools began a decline that has placed California schools among the lowest in the nation. A recent Rand study examined test results, facility construction, teacher preparedness and education funding and found that California's per-pupil spending is near the bottom among the 50 states, and its student-to-teacher ratio is among the highest. According to Jack O'Connell, state of California superintendent of public instruction, California has world-class academic standards and an accountability system. He says "The table is set," but they're under-funded.

Question to ask: What can we learn from the California experience?

"For as far back as most of us can remember, Minnesotans have been smug about their schools - and for palpable reason, since education is invariably cited as a main reason this frozen prairie has fostered one of the nation's most robust state economies. But this long legacy of extraordinary investments in public education has been eroding steadily for more than a decade now." Britt Robson,

January 12, 2005, City Pages, January 12, 2005

The costs of preparing learners for a dynamic future continue to go up.

§ No Child Left Behind (NCLB) will likely bear significant new costs in future years for student assessments, sanctions for low-performing schools and compliance with stricter requirements, according to the Office of the Legislative Auditor. Fewer than three percent of Minnesota superintendents expect their school district's share of the increased federal revenues to cover the costs of new spending required by NCLB.

§ The cost of replacing technology (without new initiatives) for one Minnesota school district of about 12,000 learners is projected to consume about 50% of that district's capital costs for the next eight years. This district is representative of others around the state.

§ The gap between the funding made available to educate special needs students and the actual dollars required to do the job continues to grow. A "cross-subsidy," or diversion of resources from regular education, is required to cover special education costs. Within the state, that amount (not including inflation) has grown from \$322 million in 1999 to \$358 million in 2003. The number of special education learners had increased 55% since 1989.

§ Statewide, the number of students with unique learning needs continues to grow. The number of Limited English Proficiency (LEP) students has increased 426% since 1989.

§ Student mobility, a significant determinant of student success, is over 5% statewide, resulting in additional costs to school districts for processing, assessment, counseling, transportation, etc.

Question to ask: Where should Minnesota schools be heading, and what resources will be required to get there

"Minnesotans have always aspired to exceed other states, not resemble them." – Star Tribune editorial staff

The costs of competing continue to go up.

Public school districts have had to allocate more precious resources than in the past to compete within the increasingly diverse marketplace of school choice. School leaders are forced to invest increasing amounts of time on public relations and marketing activities.

Public school districts need to engage public relations specialists, political lobbyists, and promotional materials to share information about the vision, challenges, opportunities, and outcomes of public education in order to maintain a level playing field with competitors who are doing the same.

Traditional public schools and school districts operate under costly and restrictive standards, mandates, and oversights that competing schools do not.

Charter schools have received the benefit of political promotion even though, as a group, they have not demonstrated outcomes, accountability, or efficiencies equal to those of regular public schools.

Question to ask: What have been the practical outcomes of politically promoted competition within education?

Our investment has gone down.

Aid to school districts is projected to be lower in 2007 than it was in 2004. Minnesota schools have received among the smallest percentage increases in state funding in the nation.

From 2001 to 2002, per-student spending increased only 1.2%, compared to the national average increase of 4.9%. In comparison, Arkansas and Arizona increased per-student spending by 13% over the same year.

The cost of government in Minnesota has gone down from 17 percent to 16 percent and is scheduled to drop even more during the next five years.

Statewide, school district costs for administration have gone down each of the past four years. Dozens of the state's school superintendents will leave their jobs by June 30 of this year. Inadequate funding and resulting budget cuts, politics, stress and salary are given as reasons for leaving. – *Schools' chiefs lining up to leave*, Star Tribune, January 18, 2005

Minnesota spent just 3.9 percent of its personal income on elementary and secondary school education, placing it 38th among the 50 states.

For the first time in modern state history, \$185 million fewer were allocated to education than in the previous budget.

Based on the November 2004 forecast, and using the “unofficial” inflation index deployed by state economists, the total amount of early childhood-12 spending in Minnesota will decline by 5.2 percent in 2004-05 compared with the previous biennium.

Question to ask: What do data, research and history suggest will happen if our investment in public education is reduced?

Your past investments have paid off!

☆ Minneapolis ranks first and St. Paul fourth among 101 cities across the country in “intelligence” according to Men's Health magazine. Criteria include bachelor degrees per capita, inhabitants' SAT scores, the number of Nobel Prize winners for physics and medicine, and state creativity scores.

☆ Minnesota has outperformed most other states in income growth over the last 20 years, even though some critics say that high taxes have hurt the state's economy. – Star Tribune, December 12, 2004

☆ Minnesota learners' test scores are among the top eight in the nation in math and reading among both fourth- and eighth-graders.



These materials are provided by:
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