

Past Funding for Minnesota Education

Deferred payments long term impact

To balance the budget in 2009, the Pawlenty administration withheld state aid to local school districts. Pawlenty's unprecedented executive order withheld \$1.2 billion in state aid and had no legislative support from the DFL-controlled House and Senate. Pawlenty left office in 2010, handing the problem to his successor. Governor Mark Dayton started his term with a \$6.2 billion budget deficit in addition to this \$1.2 billion IOU.

By the time Dayton took office, the schools were in the hole by an unprecedented amount. To mitigate financial pressures, many school districts increased their local levies, laid off teachers and increased class sizes, among other cost-cutting measures. Because of these local actions and the inequities in school funding, the precise financial impact is hard to measure, but the evidence is significant. Governor Dayton said that "From 2003 to 2012, our state's public school aid decreased, in real dollars, by almost \$2,000 per student. Since then, we have reversed that trend, increasing per-pupil aid by more than \$1,000 in real dollars and investing \$2 billion overall in K-12 education."

Under the Dayton administration, the monies began to be repaid, but the school districts have taken a long time to get out of the hole they were put in nine years ago. When the state delayed payments in 1983, it took 15 years to pay it all back.

Sources

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<https://www.mprnews.org/story/2009/10/22/education-payment-cuts>

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Inequitable and inadequate education funding by the MN Legislature

Minnesota's complex school funding system has created inequities between school districts and frustrations for the schools and taxpayers. These inequities have created disparities among school districts across Minnesota in graduation rates, achievement levels, early childhood programs, discipline rates and diversity of teachers.

Local property taxes, a significant source of funding, must be approved by voters through referendums. There is significant difference in property tax revenue across property-rich and property-poor rural, urban and agricultural districts.

The 2017 spending plan includes no new money for special education, while the need continues to rise. Minnesota schools already cover a gap of more than \$600 million annually between special education services mandated by state and federal rules and the funding those entities provide.

Money is also siphoned from public schools by giving tax credits to businesses who provide scholarships to private and religious schools.

School safety

Dayton blamed the Republicans for failing to work out a deal on funding school safety. He said they used the school safety package as a bartering chip. The \$25 million Republicans were willing to allocate would fund building security but do nothing to address the need for additional counselors and mental health workers. The money also could not be used for maintenance or training, leaving another huge funding gap for the local districts to fill.

Sources

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<https://www.minnpost.com/education/2018/05/minnesota-school-funding-what-just-happened/>

Current situation

House Republicans have repeatedly voted for bills that would weaken education at both the K-12 and higher education levels. (HF 890/SF 718 in 2017 and HF 947/SF 945 in 2018). These bills were vetoed by Governor Dayton because they would have resulted in teacher layoffs, larger class sizes and less financial aid for college students. Republicans also voted to ease teacher licensing requirements, which would result in less qualified teachers in the classroom (HF 140/SF 4).

The 2018 legislative session started with budget negotiations, with Governor Dayton requesting \$138 million in school funding. At the end of the session, Dayton vetoed the school funding bill because 80% of the provisional education funding had previously been allocated to two specific purposes: staff training, which is critical to instructing teachers in school safety, and community education which is crucial to meet the need of our most at-risk preschoolers. Most of the rest of the money came from cash reserves. With a budget surplus, the Republican Legislature could choose to spend money on tax cuts or choose to respond to Dayton's request for school aid. They chose tax cuts.

At least 59 school districts are facing budget deficits that will likely result in cuts to teachers and staff, draw down district reserves, defer building maintenance and require program reductions.

The agenda of the Republican-led legislature has been to cut taxes and to throw the problem back to the local districts to fix. Republicans call this "flexibility."

The solution to the inequity in funding public schools lies with the Minnesota Legislature. It alone determines how to fund public schools. Not only that, it has largely ignored the 2014 School Facilities Financing Working Group Report which recommended "funding should be adequate, equitable and sustainable and all districts should have access to comparable funding for comparable needs based on uniform procedures and eligibility criteria."

Sources

<https://www.twincities.com/2017/06/17/new-money-from-capitol-but-minnesota-schools-still-cant-meet-their-budgets/>

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