



April 6, 2017

Senator Carla Nelson and Representative Jenifer Loon, Co-Chairs
Conference Committee on HF 890/SF 718
537 State Office Building
St. Paul, MN 55155

Dear Senator Nelson and Representative Loon,

I am writing to you in regard to the House E-12 omnibus bill. Please note that this letter has been updated from my letter of March 31. In my years as commissioner, I don't think I have seen a bill that has so much potential for harm to our students, schools and hardworking teachers. Given the negative impacts to your districts, I feel an obligation to point out just how bad the funding and policy provisions are in this bill and how they undermine the bipartisan work we've done together.

The House bill claims to increase the formula by 1.25 percent each year of the biennium. However, if you look closely, those increases are not real. That 1.25 percent relies on shifts from delinking compensatory revenue and Early Childhood Family Education from the general education formula, and makes cuts to critical programs that serve underrepresented children through voluntary pre-K, Pathway II early learning scholarships, Adult Basic Education, the Regional Centers of Excellence and more.

After seeing the deep cuts to many districts, the bill was hastily amended to delay some of the fiscal impact of the elimination of existing voluntary pre-K funds to districts. However, the projections still did not show the impact of removing Pathway II early learning scholarships, which districts have had for years. Even with the addition of this amendment, some districts will still see cuts. This not only short changes the already-insufficient formula increase to all districts, it also eliminates high-quality pre-K next school year.

This proposal pushes 3,300 4-year-olds out of pre-K programs that our schools have invested in, and forces thousands of future families to pay out of pocket for high-quality preschool. It also ignores the 13,800 children waiting for voluntary pre-K that would be funded under the governor's budget. If we value parent choice, it would make more sense to support a program parents are demanding and provide pre-K in over 269 districts and charters in every county of this state. Instead this bill over-funds a scholarship program that currently has a waiting list of 821 children that would take only \$12 million to cover for the biennium.

The House bill establishes a new Office of Early Education, creating a new level of bureaucracy to perform work already being done by others, without any thoughtful discussion or input from stakeholders on the impacts of such a change. This is a decision that should be carefully considered for its broad implications on numerous important programs.

American Indian kids attending our tribal schools deserve an equal education. Thanks to a bipartisan effort two years ago, they currently receive the same amount for their education on average as any other Minnesota student. HF 890 rolls that progress back, delivering a significant blow to our efforts to improve outcomes for American Indian kids, including their graduation rates which are currently some of the lowest in the nation. These kids deserve our attention.

The House bill eliminates the requirement for high schools to provide the ACT to students, and establishes a system where students must request reimbursements for the test. This is a serious equity issue, as it leaves students and families to figure out how to pay for the test by themselves. Many of these kids may be first generation college attendees, and a barrier such as this will mean that some students will not even try. We don't make students pay upfront and seek reimbursement for Advanced Placement, International Baccalaureate tests, or for Postsecondary Enrollment Option classes. Why create that barrier for the ACT?

The House bill leaves out crucial support for many essential services. There is zero funding to increase the amount of student support staff in schools, when we know Minnesota has one of the worst school counselor-to-student ratios in the country.

Additionally, the bill provides no change in funding for special education services to 15 percent of our students, as our schools struggle to cover the increasing costs that are unfunded by the federal government.

The House bill undermines state capacity to support schools and families through cuts to the Minnesota Department of Education. The refusal to include the governor's recommendation to maintain MDE's current capacity (due to rising employee and IT costs)—on top of the bill's cuts to the agency—will result in a 13.5 percent reduction to the department. This will result in the elimination of 23 full time employees, including the School Safety Technical Assistance Center which helped more than 200 families address incidents of bullying last year. This bill also cuts the Regional Centers of Excellence whose staff work with leadership teams at 118 low-performing schools, providing crucial tools to improve academic achievement. These cuts will have real and devastating impacts.

Additionally, the bill unnecessarily tampers with the department's work as it pertains to federal law. The proposal first undercuts the department's ability to implement Minnesota's state plan for the Every Student Succeeds Act. The bill would require legislative approval before implementing our state ESSA plan. However, states are required to submit the plan to the U.S. Department of Education no later than September 18, and by law the U.S. Department of Education must inform states within 120 days if the plan is approved. If approved, the U.S. Department of Education is expecting states to implement the plan as submitted in order to receive the federal funds tied to ESSA. If the Minnesota Legislature does not approve the plan in a timely manner, it jeopardizes over \$230 million in federal funds that goes to serve students from low-income families.

Furthermore, in dictating what the ESSA plan should look like, the amendment mandates which data would be reported in our state plan. However, some of these data are not even currently available. This represents an unfunded mandate to schools to collect. Adopted in committee with no public testimony, this provision completely undermines the stakeholder engagement central to the federal law, and is inconsistent with input we heard from stakeholders across Minnesota in more than 150 meetings over the course of the past year. Finally, I oppose the proposal directing the department to spend up to \$200,000 of Title II funds to support the Minnesota Principals Academy. The state should not be directing the flow of federal dollars.

Your bill proposes to close the Perpich Center for Arts Education and relies on the conveyance of Crosswinds Arts and Science School in order to raise funds. The governor has recently worked to reconstitute the Perpich Center's board and feels strongly that the school should have the time and opportunity to address the Office of the Legislative Auditor's findings. We are also concerned that the conveyance of the Crosswinds school at any cost is in conflict with previous practice. You are now asking for additional state funds to pay for a building the state already owns.

While I am appreciative that the House has adopted so many of the governor's policy proposals, I would like to reiterate the governor's strong stance that finance bills be free of policy. However, I will express concerns I have regarding several items. I find it troubling that when we should be focusing on supporting teachers, the House aims to reduce the bargaining positions that teachers have when it comes to negotiating layoffs. I also have serious concerns about changes to alternative teacher preparation programs. We should not eliminate the requirements that nonprofits seeking to start programs have to partner with higher education institutions, the minimum entry qualifications for candidates, and student teaching.

I am saddened for the message HF 890 sends to our kids, our families and our teachers—a message saying that at a time in which the state has a \$1.6 billion surplus it is preferable to cut resources for schools and students. I encourage you to go back to the drawing board and create a bill that values our children and their future.

As I said in my testimony before the House Education Finance Committee and House Ways and Means, I oppose this bill in the strongest possible terms. I believe it is insufficient in terms of providing the resources our students and schools need to be successful. Worse, it has the potential to do serious harm to our children.

Sincerely,



Dr. Brenda Cassellius
Commissioner

cc: HF 890/SF 718 Conference Committee Members



April 7, 2017

Senator Carla Nelson and Representative Jenifer Loon, Co-Chairs
MN Senate E-12 Finance Committee
95 University Avenue W., Room 3231
St. Paul, MN 55155

Dear Senator Nelson and Representative Loon,

I am writing you in regard to the Senate E-12 omnibus bill. I would first like to note that I believe the Senate bill is fair. However, our children need far more than a fair bill; they need and deserve a great one. I continue to hope that the conference committee will receive a larger target. Bipartisan stewardship of taxpayer resources for the past six years has left our state in the enviable position of having \$1.6 billion on the bottom line, making our mutual wish for a larger target entirely possible. Now isn't the time to shortchange kids who are counting on us to do what's right for them.

The Senate bill has a target of \$300 million, just a fraction of Governor Dayton's proposal to invest \$709 million. I commit to doing whatever I can to assist in increasing the target to better address the needs of students throughout the state. The low target also results in a number of missed opportunities.

Currently, 13,800 unserved 4-year-olds are waiting for voluntary prekindergarten in 269 school districts that applied for funding for the coming school year. The governor's budget would provide a total of 17,100 4-year-olds with high-quality prekindergarten across our state. Along with other proposals across his budget that focus on serving young children and their families, we could make significant strides to close opportunity gaps for more children.

School districts still need help with their bottom lines, and while a 1.5 percent increase to the formula is clearly better than a 1.25 percent increase, it simply does not meet the varied needs of our schools. I strongly encourage the Senate to push for a 2 percent increase.

Our American Indian kids deserve the same resources any other Minnesota student gets. In 2015, we provided extra funding for our Bureau of Indian Education schools for the first time since state funding started in 1989. However, this funding of \$3,230 per pupil was only for two years. Letting this crucial assistance lapse would be devastating for the students attending these schools. I urge the Senate to put it back in the base and not turn your back on American Indian students who need and deserve our urgent attention.

The Senate bill also misses an opportunity to slow down the growth of the unfunded costs that make up the special education cross-subsidy, which strains district budgets that must be tapped to fill in that gap. These costs are only projected to grow in the future, and I strongly urge the Senate to make an investment in special education.

Like the Senate, I was troubled by the recent findings the Office of the Legislative Auditor reported about the Perpich Center for Arts Education. I appreciate that the Senate bill does not close the school and, in fact, takes steps to improve funding for arts education. The governor has recently worked to reconstitute the Perpich board and feels strongly that the school should be allowed time to address the audit findings. Additionally, I believe that the capacity and specialized expertise to run the federal arts integration grant effectively lies with Perpich, not the Department of Administration. Furthermore, I am concerned that the conveyance of Crosswinds school is in conflict with the way the state dealt with similar transfers in prior

years. The conveyance of the Fair School to Minneapolis and Robbinsdale, Harambee to Roseville, and the most recent conveyance of Crosswinds to Perpich did not involve charging taxpayers a second time for buildings they already financed. To deviate from established precedent and make a district, with taxpayer funds, purchase a building already paid for makes no sense. I believe if the target were higher this wouldn't even have been proposed.

I am disappointed that you propose requiring students to seek reimbursement for taking the ACT college entrance exam, rather than having high schools provide the test and pay for its costs up front. Students are not charged for AP and IB tests, so it is not fair to expect kids to pay up front for the ACT either. I hope we can continue to work on this provision so that all students, especially those who come from economic disadvantage and who may be the first in their family to aspire to college, can have the same fair and equitable opportunity to take this important exam.

It is troubling to see that the bill unduly tampers with the department's work as it pertains to federal law. The requirement for legislative approval of the state's plan under the federal Every Student Succeeds Act (ESSA) is unacceptable as written. It will prevent the allocation of hundreds of millions of dollars in Title funding to schools, and the risk of non-compliance in implementing an approved plan under the law jeopardizes millions more in other federal funding streams.

Guidance to states from U.S. Secretary of Education Betsy DeVos clearly requires states to submit their plan to the U.S. Department of Education no later than September 18. ESSA requires the U.S. Department of Education to inform states within 120 days if the plan is approved. If approved, the U.S. Department of Education expects states to implement the plan as submitted in order to receive the federal funds tied to ESSA. If the Minnesota Legislature does not approve the plan in a timely manner, \$230 million in federal funds that goes to serve students from low-income families could be forfeited.

Additionally, while it is laudable to emphasize more access to STEM programming, encouraging districts to use federal Title IV funds for particular STEM programs conflicts with federal language and ignores the value of the needs assessment that is currently suggested under federal law. This may conflict with the specified percentages to be allocated to well-rounded education, safety and healthy students, and effective use of technology.

Although it is heartening to see so many of the governor's policy proposals in the bill, Governor Dayton has been clear that finance bills should be clear of policy proposals. However, I must express some concerns I have with the policy proposals in the bill. First, the language around personal learning plans for those that do not read proficiently in third grade is unnecessary. Additionally, I strongly oppose any language that emphasizes grade retention as a tool. We should not be punishing 8-year-olds for the failure of adults. Second, while I want to thank members for their hard work to restructure teacher licensing, I have many concerns, a few of which I will detail here. The consolidated board, which is a move the governor supports, should be housed somewhere other than MDE so the public sees it as clearly independent from the department. I oppose the current licensing of Tier 1 and Tier 2 being at the school board level. We cannot ensure teacher quality with over 325 districts and 150 charters issuing licenses. I also strongly oppose that Tier 1 licenses would be renewable without limit. This would severely threaten teacher quality.

Finally, it is disappointing that the Senate bill does not make necessary investments to assist the department's efforts to deliver timely, effective and critical support to our students, teachers, schools and families. In fact, the bill makes damaging reductions that cause serious harm to the agency. A cut of \$2 million would be devastating, resulting in the loss of 10 full-time employees from the cuts in the Senate file alone, on top of 15 full-time employees the department will lose without the governor's proposed operating increase that accounts for compensation increases and rising IT costs. This could have serious implications for the services we provide to schools, including school support, school safety, data analysis, technical assistance on assessments, and school finance. The agency's losses could be even greater

without funding for the legal costs we have incurred from several large lawsuits the department is required to defend. Furthermore, the absence of funding for the critical mainframe fix seriously erodes our confidence that we can safely secure student data and deliver funds to our schools on a timely and consistent schedule. I urge you to please reconsider your disinvestment in the staff and infrastructure the department needs to carry out our important work on behalf of Minnesotans.

Again, thank you for your work on this bill; it is a decent place from which to start. Moving forward, it is my hope that we can work together to improve the target and sharpen our priorities in order to give Minnesota kids the best chance at the great education they all deserve.

Sincerely,

A handwritten signature in cursive script that reads "Brenda Cassellius".

Dr. Brenda Cassellius
Commissioner of Education

CC: HF 890/SF 718 Conference Committee Members