

INTEGRATION REVENUE RESEARCH SUMMARY

SEPTEMBER, 2010

Teresa M. Graham, MSW, LICSW

Pursuant to a data practices request submitted to the Minnesota Department of Education in August, 2010, the author reviewed all school district integration revenue files maintained by the Minnesota Department of Education. The reviews were conducted at the Minnesota Department of Education in August, 2010. The oversight of this \$100 million program has deteriorated dramatically since the author submitted a previous report to the legislature in February, 2009.

There were **133** integration revenue files provided for review by the Minnesota Department of Education. Since there has been no staff person working in the integration revenue program for nearly a year, the files reflect a pattern of neglect and statutory abuse of the integration revenue program. In fact, many files failed to provide any budget detail for fiscal year 2010, including St. Paul, Spring Lake Park, Buffalo, Duluth, Red Rock Central, Fergus Falls, Perham-Dent, Underwood, Edina, Rosemount-Apple Valley-Eagan, Eden Prairie, and Northwest Suburban Integration School District. The Hopkins School District submitted a budget for fiscal year 2011 of 1.208 million dollars with no budget detail. The Minneapolis School District still does not have a budget for fiscal year 2011; MDE stated in August, 2010 that it was still “in process”.

Many districts simply copied their 2010 budgets and submitted them for 2011, even if the total proposed budget increased or decreased. The Minnesota Department of Education instructed numerous districts who had listed “Spanish teachers” as an expenditure in 2010 to list the Spanish teachers as “cultural awareness instructors” or similar verbiage in their 2011 budgets.

The Minnesota Department of Education maintains files for four Joint Power independent integration school districts, **East Metro Integration District**, **West Metro Education Program**, **Northwest Suburban Integration School District** and **Nobles County Integration Collaborative**. Many of the rural school districts that receive integration revenue funds have formed formal or informal partner collaboratives; membership in these collaboratives is fluid.

The review focused on fiscal years 2010 and 2011 budgets and the budget items submitted for that budget.. The attached appendix outlines the FY10 and FY11 budget requests and the major line items submitted for approval.

The statute exempts the Minneapolis, St. Paul, and Duluth School Districts from approval by the Minnesota Department of Education for their budgetary items. However, all school districts are required to submit a plan every three years for a racially identified school and every four years for a racially identified school district. MDE has the authority to exercise a line item veto of budget items for all school districts except Minneapolis, St. Paul, and Duluth.

The 2005 Report on School District Integration Revenue by the Office of the Legislative Auditor identified several problems with the integration revenue program, including lack of clarity and purpose, insufficient oversight, and funding formula problems. The Legislative Auditor recommended legislative action to clarify the purpose of the program, revising the funding formula to address integration needs, and increasing the authority of the Minnesota Department of Education to oversee the program.

INTEGRATION REVENUE RESEARCH SUMMARY
SEPTEMBER, 2010
Teresa M. Graham, MSW, LICSW

Unfortunately, the 2005 Legislative Auditor's Report significantly understated the problems with the School District Integration Revenue Program. The Legislature has failed to take any substantive action regarding the 2005 Legislative Auditor's recommendations. In fact, the 2009-2010 session of the legislature decided to delay any reform, establishing yet another committee in 2011 composed solely of legislators and school district personnel who benefit financially from the program. The number of districts participating in the program has risen from 52 in 2002 to 98 in 2009 to 114 in 2010. The most recent budget forecast from February, 2010 estimates the price tag at approximately \$89 million with significant additional expenditures for integration transportation.

The file review indicated that most school districts are using the integration revenue income in an arbitrary manner. Many files contain budget items that are vague and general. When the Minnesota Department of Education does exercise their veto on line budget items, most of the school districts involved simply file an appeal and are granted the full amount that was originally requested.

Although the statute requires community involvement, many files lack any documentation of ongoing community input in integration efforts. Not only are the standards inconsistent, but also there is very limited oversight by the Minnesota Department of Education. In fact, the Department has not had a staff person during the past year, with the exception of an employee hired in February, 2010, who was on the payroll for two weeks.

The School District Integration Revenue program has failed by almost any measure available. The school districts involved have become more segregated, in spite of the revenue provided in the last ten years. The statute is so vague that virtually any expenditure can be justified, even though it may have a remote relationship to integration.

Very few files contained any evaluations of their efforts and outcomes were rarely measured nor even mentioned. It was difficult to ascertain the effectiveness of the programs, since the Department didn't require nor measure progress.

The file review is replete with numerous examples of blatant violations of the intent of the Legislature in passing this law. It has become a cheap fix for the economic woes of both urban and rural districts. It is clear that the Legislature needs to take prompt action to rectify this program, which is not only wasting precious public resources, but is insulting to the communities of color that it purports to serve.

Recommendations:

1) The integration revenue statute needs to be repealed or rewritten to accommodate the current needs of Minnesota's students of color.

INTEGRATION REVENUE RESEARCH SUMMARY

SEPTEMBER, 2010

Teresa M. Graham, MSW, LICSW

- 2) If communities continue to reject the notion of racial integration, integration revenue funds would be more appropriately targeted to address the widening academic achievement gap between children of color and white students.
- 3) All Minnesota school districts should be subject to the same oversight by the Minnesota Department of Education. The Department needs to adequately staff their compliance divisions and exercise their statutory authority.
- 4) The Minnesota Department of Education needs to develop some system to evaluate the effectiveness of the programs that it is funding. This data should be measurable and mandatory. Funding should depend on progress toward the integration goals contemplated by the statute.
- 5) The Minnesota Department of Education should be required to issue an annual report to the Legislature to summarize and review the progress of all school districts that receive integration revenue funds toward the goals and objectives of the program.
- 6) Teacher training programs should be encouraged to require courses related to cultural diversity before teachers are certified by the Minnesota Department of Education. Existing staff development programs should routinely address cultural diversity issues, as should the selection of curriculum materials.
- 7) Funding should be allocated equitably to all districts with a disproportionate percentage of children of color.