

Chapter 15

Minnesota, USA: Minnesota: Finance and Policy in a High Performing U.S. State



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Abstract The U.S. national policy pendulum tends to swing between devoting more resources to one set of value preferences over the other. Three key tensions have repeatedly emerged on the policy landscape of the United States: (1) choosing between equity and efficiency; (2) varying reliance on centralized versus decentralized structures; and (3) switching between “civic” and market-driven policy levers. We choose to highlight Minnesota because it illustrates many of the policy tensions and contradictions apparent on the national landscape. These trends exist in the context of an increasingly diverse student body, stable or shrinking school budgets, and expanding demands on the purpose of schools. In many ways, Minnesota’s educational governance system has much in common with other U.S. states: (1) its state agencies are the most powerful policy actors; (2) it faces pressures between equalizing funds versus maintaining local control; and (3) it has increased state legislative response to national discourses. Minnesota also represents our contention that there are 50 distinct structures and patterns of educational governance in the United States. While systemic reform has been the mantra for many US states, Minnesota legislators have tended to tinker around the edges and emphasize voluntary rather than mandated change.

15.1 Federalism, Funding, and Policy: An Intersection of Values

We begin this chapter with an important reminder for international readers. Although the United States is a large and complex country, its educational system is highly decentralized. The constitutional responsibility for public schools rests with each state, and the federal role, both in funding and oversight, is limited compared to most countries. The US Constitution makes no specific reference to education, and

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historically, federal investments in elementary and secondary schools are relatively small compared to contributions at the state and local level.

Since the early 1970s, federal financial support for primary and secondary education has rarely risen above 10% of the funding overall (Chingos 2017), which includes separate pre-school programs for economically disadvantaged students (Head Start) and federal subsidies of school lunches.¹ Most of the funding provided by the U.S. Department of Education is earmarked for special education programs and high poverty schools. While there was a temporary increase in allocations to states in 2009 and 2010 during the Obama administration, this was primarily in the form of incentive grants rather than allocations to permanent programs. Federal policymakers supported these increases as part of a package of economic stimuli to counter declines in state revenues tied to the dramatic 2008 recession. Increased federal investment in education did not represent a permanent philosophical shift among policymakers in the perceived responsibility of the federal government vis à vis schools.

To note that the federal government plays a relatively small role in the development of education policy in the United States is not to say that federal action has been inconsequential. There are important federal markers on the US policy landscape that help shape what occurs in states and localities. Key policy efforts include the Johnson administration's "War on Poverty" launched in the 1960s. This federal strategy included programs such as the Elementary and Secondary Education Act (ESEA), which focused on increasing opportunities for students from less affluent families and communities. The funding for these programs continues and the US Congress reauthorized these initiatives in 2001 as the No Child Left Behind Act and again in 2015 as Every Student Succeeds Act (ESSA).

Another notable marker is the Reagan administration's "New Federalism" in the 1980s, which called for devolving more power to the states and giving them more discretion in the use of federal funds (Fowler 2013). It was under this administration that the National Commission on Excellence in Education wrote its report, *A Nation at Risk*, which decried the lack of attention to excellence in education. To combat what it described as the nation's slide to educational mediocrity, it called for a more rigorous curriculum, more effective use of time in the school day, improved educational standards, advancing teaching, and promoting the importance of educational leadership (e.g., Goldberg 1984). This initiated a period of several decades in which exhortations about state responsibilities became an important federal role.

More recently, under the Obama administration, there was a return to a more active federal position in guiding states. The Race to the Top (RTT) grants, initiated in 2009, provided significant financial incentives to states to implement a rigorous curriculum, adopt internationally benchmarked standards and assessments, recruit, develop, retain, and reward effective educators and to build data systems that measure student success and inform instruction and leadership. A key part of these

¹ See <https://www2.ed.gov/about/overview/fed/role.html> for general information on the federal role in U.S. education.

initiatives was to encourage states to turn around their lowest-achieving schools. The RTT initiative prioritized the use of systems change and inducement policy levers over the more traditionally used mandates and capacity-building policy instruments (e.g., McDonnell and Elmore 1987). These policy strategies shifted authority in making key decisions from local public school boards and state departments of education to include agencies and individuals outside of the usual policy-making triangle. RTT funding was based on proposals from states, and was allocated in the form of four-year grants rather than permanent reallocations. Not all state proposals were successful, and not all states used the funding in the way that the federal government had hoped (Dragoset et al. 2016).

The federal role has shifted again during the current Trump administration, which has rejected grant-based funding to states (Brown 2017). This rapid turn away from an active federal stance highlights an enduring characteristic of educational policy in the U.S.: efforts to shape a national educational policy environment have been (and are likely to continue to be) episodic and based on unresolved but competing value preferences. Thus, this chapter grounds our description of US governance in a discussion of these tensions.

The national policy pendulum tends to swing between devoting more resources to one set of value preferences over the other (e.g., Boyd 1984; Fowler 2013). As suggested in our brief description of the last 50 years of federal educational policies, three key tensions have repeatedly emerged on the policy landscape of the United States: (1) choosing between equity and efficiency; (2) varying reliance on centralized versus decentralized structures; and (3) switching between “civic” and market-driven policy levers.

Each swing of the federal policy pendulum affects but does not determine the policy agenda in states (e.g., Kingdon 1995). The relatively weak interpretation of federalism in the United States often results in different state interpretations of national policy (e.g., Louis et al. 2008). Although commonalities among states emerge because of national conversations or “sermons” (Bemelmans-Videc et al. 2011), differences continue to be profound (Louis and van Velzen 2012). To understand educational governance in the U.S., it is therefore appropriate to begin with specific examples.

We choose to highlight Minnesota because it illustrates many of the policy tensions and contradictions apparent on the national landscape. For example, Minnesota is noted for its overall high achievement, but its students of color are among the lowest performers in the country as measured by standardized achievement tests. The state has a centralized accountability mechanism with a mandated planning, evaluation, and reporting process for all school districts, but it also is known for sponsoring bottom-up educational innovations (Mazzoni 1993).

We divide the remainder of this chapter into four sections. Section 15.2 provides a review of competing values framework to illustrate the concepts that guide our discussion of the policy context (e.g., Fowler 2013; Boyd 1984). We also incorporate school finance principles (e.g., Berne and Stiefel 1999; Alexander 2012). Section 15.3 describes the Minnesota context. Our description of Minnesota highlights both its unique features and those that reflect the structures and experiences

of other states. In our description of the Minnesotan context, we also point out how the tensions of the national stage play out in the state. Section 15.4 describes key legislative and governance authorities in the state. That section incorporates the insight of stakeholder analysis as espoused by Marshall et al. (1989). Section 15.5 closes the chapter with emerging trends in legislative and administrative oversight in the United States.

15.2 Competing Values Framework

Fowler (2013) indicates that a helpful way to analyze policy is to examine the relative importance of specific values over time. She and others have argued that only two or three values can be dominant at any given time and will influence the policies that emerge. We focus our discussion on potential tradeoffs between equity and efficiency; centralized and decentralized structures; and “civic” versus market-driven policy strategies.

Equity Versus Efficiency Equity refers to the fair distribution of resources in the achievement of established goals; efficiency entails the attainment of those goals using fewer resources. Okun (2015) postulated that there is a tradeoff between equality and efficiency, where policymakers could not maximize both values simultaneously. We adopt a more robust definition of equity than simple equality. We ground our discussion of equity in distributive justice, “where justice is defined as the ‘morally proper distribution of social benefits’” (as cited in Keddie 2015, p. 516). For instance, policymakers striving to have an equitable school finance system must balance several constraints. These constraints include individual needs (e.g., student poverty), programmatic costs (e.g., special education), and district attributes (e.g., population density).

Crenshaw (1988) distinguished between a restrictive and expansive view of equity. Policymakers with a *restrictive* vision of equity consider it their responsibility to “prevent future wrongdoing rather than to redress present manifestations of past injustice” (1341–1342). More restrictive education policy approaches call for funding that has a fiscally neutral impact so that where students live is not associated with how much is spent on their education (e.g., Berne and Stiefel 1999; Odden and Picus 2008). An *expansive* vision of equity is one where policymakers focus on equalizing results rather than equalizing the process (Crenshaw 1988; Rousseau and Tate 2003). Alexander (2012), for example, advocated that equity assessments of school finance systems should be based on ‘results neutrality,’ rather than fiscal neutrality. She argued that funding policies should diminish the predictable connections between identities such as race and outcomes.

Focusing on resource distribution points to a tradeoff between the values of equity and efficiency (Rolle 2004). Measuring technical efficiency in education

organizations is not new (e.g., Hanushek 1989), but the models used to measure technical efficiency oversimplify the relationship between educational inputs and outputs, and have not, therefore, resolved the value debates.

Centralized Versus Decentralized Structures Centralization refers to the concentration of governance and control in a single authority. The rationale for centralization is often to maintain certain standards (e.g. standardized statewide exams or state control of teacher credentials). Centralization can lead to economies of scale, where greater volumes can lead to lower per-unit cost per input. Advocates of greater centralization, particularly in school finance and governance, also argue that it can result in greater equity by reducing or eliminating disparities. This is one of the justifications offered for having states taking on the burden of financing its schools rather than sharing these costs with its localities.

For every rationale provided for increased centralization, there is a counter point for decentralization. We adopt Weiler's (1990) definition of decentralization, which incorporates both devolvement of authority to subunits of government (territorial decentralization) and outsourcing of responsibility (functional decentralization). This definition points to three major rationales for decentralized structures: (1) increased representation by distributing power; (2) greater efficiency by engaging those who implement policies in the design of policy; and (3) increased cohesion and acceptance by including different perspectives. Weiler (1990) noted global efforts to decentralize systems and structures have been predictably unsuccessful because the stated rhetoric of decentralization is not practically achievable. Rather, he argued that decentralization is primarily a politically useful tool to maximize the legitimacy of the governing authority and to minimize conflicts in society. Our analysis does not weigh in on this important question, but we again note that the tension between the interests of centralized and decentralized units remains unresolved.

“Civic” Versus Market-Driven Policy Tools A growing policy phenomenon is the rise of market-driven tools to effect social goals (Osborne 1993). The “theory” underlying New Public Management is that policies should reward the publicly defined outcome preferences of any agency (Hood 1995). One of the criticisms of these policies is that those organizations and individuals that the status quo already serves well remain better positioned when policymakers prioritize rewarding outputs over equalizing opportunities (cf. Hanushek 1989, 2003). An underlying assumption of market-driven strategies is that the current system does not have the right incentives to produce the outcomes desired by society. Historically, these strategies explicitly emphasized efficiency over equity, but in more recent repackaging, allowing consumer choice of public services, such as schools, is equated with equity (Hoxby 2003). Numerous quantitative and qualitative empirical studies (e.g., Goldhaber 1999; Lipman and Hursh 2007) challenge this perspective.

15.3 What Happens in Minnesota Does Not Stay in Minnesota

Minnesota is a medium-sized state with a population of approximately 5.5 million. It is notable for a varied economy ranging from high tech and medical devices to mining to agriculture (https://en.wikipedia.org/wiki/Economy_of_Minnesota). Its economic diversity creates opportunities for more stable social policies, including education, than in some states. In addition to a robust financial position, Minnesota appears among the top states on the longitudinal “snapshots” provided by the National Assessment of Educational Progress (<https://www.nationsreportcard.gov/>) and has an adult educational attainment level that is among the highest in the U.S.

Like all other states, Minnesota’s constitution requires that the state’s legislature provide for the operation of its public elementary and secondary schools. Article XIII, Section I of Minnesota’s constitution asserts that “The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state” (Minnesota Office of the Revisor of Statutes 2018). The organization of school authorities in Minnesota is designed to fulfill that charge.

Equity Versus Efficiency A staple of economic theory is the assumption that, in practice, there will always be tradeoffs or an imbalance between the two goals of social policy, equity and efficiency. Minnesota’s education clause emphasizes efficiency, but equity has tended to dominate policy (and media) debates over the last 50 years, and it is usually the equity implications of its educational system on which plaintiffs base their court challenges.

As with all other states nationwide, Minnesota has largely relied on a restrictive view of equity that focuses on equalizing inputs (see Verstegen 2017). The difficult balance between efficiency and equity means that resources allocated to increasing equity often focus on additional relatively low-cost resources rather than more costly (but more effective) resources targeted toward schools and students who are performing less well. For example, Alexander and Jang’s (2017) analysis of Minnesota’s funding for students whose native family language was not English (ELL students) showed that the efficient use of those resources was relatively consistent from 2003 to 2011, but resources tied to support of English learners remained low. Moreover, recent lawsuits argue that the efficient distribution of state desegregation funding to support districts with children in a “protected class” (minority and immigrant students) has failed to constrain the emergence of racially isolated schools and the provision of the constitutionally required “adequate education”.

Centralized Versus Decentralized Structures Minnesota’s educational governance system is a complex but unequal partnership among three jurisdictions-- federal, state, and local, with the state as the primary agent with responsibility for legislative

statutes and the design of administrative rules. Thus, while federal oversight is limited and shifting, Minnesota, like other states has relatively more dependable centralized structures to oversee local districts. Minnesota not only has established its leadership in the educational arena by formulating policy and procedures, but also by the investment it has made in the local education agencies (districts) in its jurisdiction. When compared to other states, Minnesota's funding is more centralized than some (e.g., New Hampshire) and less than others (e.g., California). The state provides the bulk of funding (70%) of the revenues received by local districts and other public schools (Maciag 2017; U.S. NCES 2017). Like most states, publicly funded schools predominate: Only 8% of the children attended private schools in 2017, most of which are small, with a religious affiliation.² However, the state is known for its public school choice options, and enrollment in charter schools, which are subject to most of the same legal requirements as other public schools, is growing.

As in all but a handful of states, Minnesota distributes most of its educational dollars to local school districts and charter schools through its legislated school finance formula, whose purpose is to ensure adequate and equitable funding across all districts (<https://apps.urban.org/features/funding-formulas>). In addition, 35 of the 50 states have funding formulas that include funding that is targeted at low income students, in addition to federal funds that are earmarked for this purpose. Only four states' formulas (Louisiana, Georgia, Utah and Minnesota) currently result in funding equality between districts with larger and smaller numbers of poor students (Chingos 2017).

In general, each component in Minnesota's funding formula reflects the state's legislative perspective on school district funding needs (Alexander 2019). Components cover differential costs tied to *economies of scale* (e.g., small schools revenue, transportation sparsity revenue, both of which support rural schools), *differences in the needs of students served* (e.g., English language learner revenue, compensatory revenue based on family poverty), *programmatic costs* (e.g., gifted and talented student revenue) and the *status of enrollment* (e.g., temporary compensation for declining pupil revenue). The Minnesota school finance system thus reflects many of the equity principles surrounding distribution of funds described in school finance scholarship (Berne and Stiefel 1999; Alexander 2012), as well as a consensus that values stability in funding.

Broad and largely stable funding formulas are only one aspect of efforts by the state to fulfill its constitutional obligation to ensure a solid education for all children. As with their federal counterparts, state policymakers frequently revisit the appropriate level of centralization necessary for the improvement of schools, and these typically produce a backlash that challenges state control. For example, in

²The U.S. constitution prevents public funding of religious schools except for support for special education. Most private schools in the U.S. are Catholic. The state enrolling the largest percentage in private schools is Louisiana (slightly more than 15%), while 9 states enroll fewer than 8% in private schools.

1973, Minnesota lawmakers increased the centralization of their control of teacher certification with establishment of a state Teacher Standards and Certification Commission whose goal was to ensure teacher quality (e.g., Mazzoni 1993). However, by 2018, the now renamed Board of Teaching (and recently again renamed the Professional Licensing and Standards Board) was governed with a participatory structure that increased the influence of the higher education teacher preparation programs and professional associations, as well as introducing a variety of license options. This slow and gradual erosion in centralized control contrasts with the more rapid and visible fate of a state initiative that required local districts to submit equity plans to the Department of Education (the Multicultural and Gender Fair Curriculum Rule). Slow submissions and weak local plans resulted in increased state pressure that, along with media-stoked controversy about state policy intrusiveness, led to legislative elimination of the agency that was responsible for compliance (Stout and Stevens 2000).

“Civic” Versus Market-Driven Policy Tools A major share of education costs is teacher compensation, which in Minnesota is controlled locally through agreements between the school district and the teacher union. One frequently espoused policy in Minnesota and other states is redesigning the compensation of teachers so that their evaluation is at least partly reliant on outputs. In 2005, Minnesota passed the Quality Compensation program (Q Comp), designed to introduce incentives in the compensation of teachers who were “effective”. While this policy theoretically combined capacity building and inducements, it did not seem to change the practices of teaching (Darling-Hammond 2010, 2015). Instead, when implemented at the local level, many of the added salary benefits of Q Comp were directed toward other local goals, largely by creating incentives for teachers to take on additional responsibilities. This may account for the negligible impact of Q Comp and similar initiatives on the intended goal of improved student test scores (Choi 2015) as well as the persistence of significant variations in teacher pay among districts.³ These findings are consistent with those from other states (Alexander et al. 2017), suggesting that changes in teacher salary structures that are acceptable to the state and local teacher unions provide a weak lever to create change.

Minnesota’s policies supporting parental choice have often been “sold” to the legislature using both market and civic arguments (Junge 2012). On the market side, prominent Minnesotans argued that parent choice of charter schools or transferring their child to another district would create incentives for increased innovation and improvement because it would break up a monopoly (Kolderie 1990). On the civic side, proponents have staunchly defended the role of charter schools in giving increased voice and access to minority families (Wilson and Nathan 2014). The tension between these two arguments is unresolved and bi-partisan, with “left wing”

³There are no easily available comparisons of starting teacher salaries in Minnesota because the salary schedule changes frequently due to locally negotiated union agreements. In 2018, the average elementary teacher salary in Minnesota varied between \$48,000 and \$62,000 per year according to the website salary.com

lawsuits arguing that choice is part of a broader pattern that has resulted in more racially isolated schools (Orfield 2015), while others continue to see it as an instrument of innovative grass-roots democracy. Recent legislation (2017) extended the ability of both charter and district schools to partner and develop an “innovation zone” that includes variance from state regulations (<https://education.mn.gov/MDE/dse/zone/>).

15.4 Policy Implications for Stakeholders Outside the Legislature and State Agencies

Marshall et al. (1989) identified five spheres of influence among stakeholders: (1) insiders, (2) near circle players, (3) far circle players; (4) sometimes players; and (5) forgotten players. As Heck (2004) and others have noted, the level of influence on the policy agenda decreases the further away stakeholders are from insiders. By contrast, the direct and tangible impacts of the enacted policy decrease the further away one is from the forgotten players. Thus, those characterized as forgotten players often have the least influence on how policy is designed but bear the brunt of the change. Firestone (1989) argues that perceived inefficiencies of policymaking processes have less to do with the ineffectiveness of key players and more to do with the different incentives that exist at each stage of the policymaking process. Thus, legislators may be incentivized by the demands of their constituents and the likelihood of getting bills passed; by contrast, the incentives for teachers may look different. The latter incentives may simply be getting through the school day or seeing their students succeed.

In Minnesota, educational oversight is vested in the state’s legislature and department of education. Minnesota’s PK-12 education policy is established in state statutes by elected members of the state legislature. This legislative body is bicameral, as in all states but Nebraska, and comprises the House of Representatives and the Senate. Each house has two standing committees focusing on primary-secondary (E-12)⁴ educational issues. The Minnesota House of Representatives has the Education Finance Committee and the Education Innovation Policy Committee. The Minnesota Senate has the E-12 Finance Committee and E-12 Policy Committee. Administration and the specification of legislative intent as regulations or rules are carried out by the Department of Education. For Minnesota, as with many other states, legislative committee members and executive leaders are insiders and have a lot of influence on the definition of the policy problem (Fowler 2013), the formulation of policy, and its ultimate enactment.

⁴We use PK-12, P-12, and E-12 interchangeably. PK-12 and P-12 both stand for pre-Kindergarten through 12th grade; E-12 stand for early childhood programs through 12th grade. While the nomenclature varies, they typically represent the same set of programs.

The Minnesota Department of Education is the main state agency responsible for overseeing E-12 schools and their influence on the policy agenda suggests they are near circle players. A Commissioner of Education, appointed by the governor and approved by the state's senate, leads the department.

Licensure of Teachers We revisit the issue of state licenses for teachers because it provides a clear illustration of the inside-outside issues at the state level. In this case, far circle players influenced the implementation of enacted policies and the development of state regulations. As noted above, the responsibility for teacher licensure has been contested for over 20 years, and the name and functioning of the state agency with that responsibility has shifted. Currently called the Professional Educator Licensing and Standards Board (PELSB), it replaced Board of Teaching after years of controversy and complaints regarding the standards used to license teachers, especially experienced teachers who moved from another state.⁵ The emergence of this licensing body coincided with the introduction of a multi-tiered licensing system, which followed the recommendations from both the Office of the Legislative Auditor (2016) and the [Legislative Study Group on Educator Licensing \(2016\)](#). A first-tier license lasts 1 year and may be renewed for an unlimited number of times. A tier 4 license lasts 5 years and can be renewed for an unlimited number of times. Kaput (2017) indicates that the rationale behind Tier 1 was to provide districts with teacher shortages with an uncomplicated route to get teachers, especially teachers of career and technical education (CTE). She continues that Tiers 2 and 3 are for teachers who are working towards obtaining the more permanent Minnesota licensure found in Tier 4. Tier 3 specifically mentions out-of-state teachers; after budget cuts and staff reductions in the Board of Teaching, there was not an easy alternate route for granting licensure for out-of-state teachers. Another challenge of the previous single-tier licensing system was the overlapping of licensure responsibilities between the Department of Education and the now-defunct Board of Teaching (Hinrichs 2017). Since January 1, 2018, these responsibilities were consolidated into PELSB, which has a semi-autonomous status. This allowed for a streamlining of the licensure process, but as noted previously, is not part of the Department of Education.⁶

Licensure of Administrators With some exceptions, school administrators must be recommended for licensure after completing a university-based preparation program that is authorized by the state. The granting of the license is through the

⁵One of the peculiarities of the U.S. system is that teachers are licensed by individual states, with no national standards or system to ensure easy movement of a qualified teacher from one state to another. Gitomer (2007) concludes, based on a study of 20 states, that an unpredictable confluence of state and federal policy changes, along with program innovations in higher education, has resulted in an overall pattern of more qualified teachers.

⁶PELSB is responsible for (1) developing the teacher's code of ethics; (2) adopting rules to license public school teachers; (3) adopting rules for and approving teacher preparation programs; (4) issuing or denying license applications (5) suspending, revoking, or denying a license based on qualifying grounds; and (6) verification of district and charter school licensure compliance.

Minnesota Board of School Administrators (BOSA), which was created by the Legislature in 2001 with the support of Minnesota educational administration organizations. It is an autonomous governing body; its purpose is “(a) to establish and maintain high standards for a quality administrator licensing system for Minnesota public schools, and (b) to ensure that the highest quality administrators serve the needs of Minnesota citizens” (<https://bosa.mn.gov/BOSA/AboutUs/index.html>). What is significant about BOSA is that it is autonomous – a feature that was important to “quasi-insiders” that included universities that prepare administrators and the state administrator professional associations – and its governing board consists of local stakeholders (school administrators, universities, and school board members) rather than state employees.

Regional Centers of Excellence Most states have some form of regional coordinating and service bodies, but both their functions and auspices vary (Christiansen and Talbott 2016).⁷ In Minnesota, Regional Centers of Excellence are a collaboration between the Minnesota Department of Education and Minnesota’s Service Cooperatives. The Minnesota Service Cooperatives, established by legislative statute in 2001, is a Joint Powers organization comprised of nine educational service agencies. The Minnesota Service Cooperatives, governed by a board comprised of representatives of the elected school boards in the region served, performs planning on a regional basis and assists in meeting specific needs of clients in participating governmental units that could be provided more efficiently by a Service Cooperative than by members themselves. While authorized by the state, the Service Cooperatives are, as in many states, funded by participating districts, fee-for-service activities, and grants.⁸ As providers of essential services, particularly for smaller districts, the regional centers reinforce local stakeholder’s assumption that “you don’t have to go to St. Paul (the state capital) to get what you need”.

Local School District Boards An overview of the key governance structures in Minnesota must acknowledge the historical tension between state and local control (Timar 1997), which is vested in over 12,000 locally elected school boards nationwide. Although efforts to consolidate small districts have been on state policy agendas for more than 50 years, the number of districts has been stable for several decades. There is little relationship between the number of autonomous school boards and the state’s population. States vary widely in the number of school boards, ranging from one in Hawai’i (a single board for the state), to Texas (over 1000 boards). Minnesota has over 300 autonomous local boards.

While much attention is currently paid to epistemic national discourses, the educational policy instruments available to federal and state government are quite

⁷In spite of their ubiquity, there is little information comparing the role of these agencies among states. An unpublished report for the mid-west region is available (Garcia et al. 2011)

⁸Funding arrangements vary widely by state. For example, in Texas the service agencies are regional offices of the state’s education department.

limited, in part because there is no coherent nested relationship between federal, state, and local policy actors (Howlett 2009). Thus, in all but a small number of large and highly centralized states, local boards (and their administrative officer, a superintendent) have considerable independence.⁹ Variations between districts within a state are common, particularly in states like Minnesota that have many small districts. There is increasing speculation (and some evidence) that local boards, supported by the superintendents, have a greater impact on the work of school-based professionals than state policy initiatives to improve educational performance (Louis and Robinson 2012; Ford and Ihrke 2016). Thus, in states like Minnesota, where inspection and mandates are infrequently used policy instruments, the engagement of stakeholders through committees created within or endorsed by formal state governance structures is viewed as a key strategy to create support for change.

Perhaps not surprisingly, the lay school boards are responsive both to the constituencies that elect them and to the expertise of the superintendent, who is hired by and reports directly to them. Superintendents view themselves as setting the agenda for board policy and “managing” local educational politics rather than just implementing them (Carpenter 1987). The inherently political nature of local electoral politics undoubtedly contributes to the high turnover in both board members and superintendents, which, in turn, creates local policy churn (Ford and Ihrke 2016; Hackett 2015).

15.5 Emerging Trends in Educational Policy and Oversight

Minnesota educational policy context reflects a blend of the tensions noted in the opening section: equity versus efficiency; centralization versus decentralization; and civic versus market-driven foci. Four key legislative trends will likely lead to additional changes in the structure of educational agencies created to support school districts and schools. These trends exist in the context of an increasingly diverse student body, stable or shrinking school budgets, and expanding demands on the purpose of schools. We group these state legislative trends as focusing on (1) equity; (2) accountability; (3) choice; and (4) costs. Equity considerations revolve around a major concern – how do educational organizations treat marginalized students, whether due to racial background, poverty, or English as a second language. Accountability considerations usually require the gathering of information and the establishment of assessment standards via testing or curriculum reform. Choice considerations typically focus on expanding state aid to individuals so that private school attendance can be included. Cost considerations often focus on ways that the

⁹Most states have the right to take over districts where boards overlook egregious violations of state policy or fail to provide adequate education. This is, however, uncommon.

state can stabilize costs, especially the costs associated with teacher retirement funds and meeting federal directives.

15.5.1 Equity Trends

The focus on disciplinary action partially stems from increased national attention to the disproportionate temporary or permanent exclusion of minority students from schools. There is renewed policy emphasis on the adoption of positive behavioral interventions and supports before removing a student from class or beginning dismissal proceedings. Changes in these processes will require additional professional development for teachers, with questions of who should pay for and deliver the training. In the past, the balance between responsiveness and perceptions of safety have created fault lines between teachers and principals as front-line workers and district leadership, which bears the responsibility for ensuring due process and equitable outcomes. In addition, none of the policy “solutions” to minimizing expulsion are cost-free but, to date, no permanent adjustments in state funding support this goal.

Another major legislative concern is the ability of schools to withhold student opportunities due to unpaid fees, including outstanding school lunch balances, book fines and school-sponsored student activity fees. Increasingly, responsibility is placed on districts to ensure that student from low income families are not denied opportunities available to affluent students. Distinguishing between scofflaws and needy families poses new administrative burdens (in addition to costs).

Finally, because of the rapid increase in immigrant populations and their unequal distribution among districts, more attention is paid to the needs of children in families where the home language is not English. There have been rapid increases in permanent immigrant residences outside of the urban core, which creates significant pressures for increasing the school’s role in easing immigrant transitions. There are already growing demands on limited state “desegregation funds” as well as pending lawsuits that will inevitably increase pressure on the legislature to increase targeted funding.

15.5.2 Accountability Trends

The Minnesota Legislature is interested in collecting data to ensure that districts and schools are meeting standards and complying with the expectations of state policy-makers. For example, the most recent legislative session proposed that schools provide the State Department of Education with information regarding the number of students who withdraw from school rather than face expulsion as a way to close informal loopholes in reporting on exclusionary practices.

State policymakers often tie accountability with academic standards, which has led to various updates in graduation requirements and curriculum. In 2016, Minnesota policymakers updated assessment standards to include requirements for standards related to civics education and physical education. (*Laws of Minnesota* 2016, chapter 189, article 25). In keeping with recent headlines and the pervasiveness of sexual harassment in the workplace, there is a movement for making sexual harassment part of the health curriculum. As currently envisioned these standards are expected to be permissive rather than mandated. The responsibility for fulfilling this responsibility will likely lie jointly with the Department of Education and the Department of Health.

As in previous decades, there is increased interest among some legislators in creating simple-to-read ratings of schools. The most recent iteration in the legislative session was a proposed mandate that requires the commissioner to develop an academic achievement rating system using “star ratings.” Many educator groups opposed this measure, which had strong support from privately funded advocacy groups. For their part, the Department of Education is working with a committee of educators and parents to develop a dashboard report card that would include test scores, graduation rates and other data families can use to evaluate schools (c.f., Editorial Board 2018; Pringle 2018).

The legislative oversight of the newly formed quasi-state agency, the Professional Educators Licensing and Standards Board (PELSB), will likely continue especially as policymakers seek to expand the pathways by which individuals can earn their license to teach in the state. This represents a shift away from the traditional reliance on the Department of Education to take full responsibility for rulemaking. Along with the fully autonomous Board of Supervision and Administration (BOSA) and the authorized-but-not-funded Regional Centers of Excellence, there appears to be an increasing trend to outsource functions previously carried out by state agencies.

School safety will continue to be an important issue requiring legislative action especially given the deadly year of school shootings in other parts of the U.S. Legislative measures to increase security has often been in the form of additional funding for security with no prescribed mandates on how schools should accomplish that goal.

15.5.3 Choice Trends

Minnesota is often viewed as the national legislative epicenter for public school choice. In addition to existing state-paid programs that allow students to attend charter schools or district schools outside their attendance zone, there is periodically a push for the state to pay for non-public schools. Most recently, there was an effort on the part of some state policymakers to allow tax credits for individual and corporate taxpayers that donated money to a qualified education foundation. The donated money was to be used by foundations for scholarships that would pay for student tuition at a qualified K-12 nonpublic or charter school or at a public or

private preschool. Policies on tax credits for education have been the latest incarnation of voucher proposals in the state, but none has passed, and it seems unlikely that the market-focused arguments will dominate in the near future.

15.5.4 Efficiency/Cost Trends

Compared with many other states (Louis et al. 2010), Minnesota policy has been more concerned with quality and equity than efficiency. Minnesota policymakers have tried to stabilize their educational costs by increasing employer contributions to the teacher retirement accounts and by limiting cost-of-living adjustments to teacher retirement benefits. In addition, there is the continued challenge of federalism, where the state tries to balance the costs of federal directives with the flexibility it accords to its local education agencies, especially in the area of special education. In the past, the state would reimburse 67% of district expenditures on special education programs. The state now has moved towards a census system. That is, the state no longer partially reimburses expenditures but now accounts for a wider range of cost factors like overall district average daily membership served, poverty concentration, district size, and the average costs of educating students with different primary disabilities (Education Commission of the States 2015; Minnesota House of Representatives, Fiscal Analysis Department 2016; Versteegen 2017).

15.6 Conclusion

In this chapter, we have provided an overview of the policy values and governance roles of state agencies in Minnesota, focusing on the relationships among different agencies. In many ways, Minnesota's educational governance system has much in common with other U.S. states. It is typical in four ways:

1. In spite of the attention to national discourses about educational reform, state agencies are the most powerful policy actors.
2. Although Minnesota's state funding formulas are more focused on equalizing expenditures than many other states, they also do not visibly undermine the principle of local control that is fundamental to the US view of the structure of education.
3. Over the last few decades, there is evidence of increasing legislative attention to respond to national discourses. In Minnesota, as in many other states, this diminishes the autonomy and even the independence of the civil service/education department in rulemaking and oversight (while increasing their workload).
4. Minnesota has focused on improving and measuring standardized test-based outcomes, clinging to the hope that state-based accountability will improve schools.

In other ways, Minnesota represents our contention that there are 50 distinct structures and patterns of educational governance in the United States. Many U.S. states have embraced the idea (if not the practices) of “systemic reform.” However, we see no evidence within the Minnesota system that the language or the aspiration for increasing policy coordination among units is a goal. Minnesota legislators have tended to tinker around the edges and emphasize voluntary rather than mandated change. In addition, educational funding remains a priority, even when the legislature has a strong anti-tax bent. Finally, conflicts over E-12 education funding are more likely to revolve around expectations of local control and to conflicting interests between the more rural areas and urban centers than around major initiatives to restructure the state’s role.

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