



FEDERAL RESERVE BANK OF MINNEAPOLIS

Pursuing an economy that works for all of us

March 5, 2021

The Honorable Ruth Richardson
Education Policy Committee
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd
403 State Office Building
St. Paul, MN 55155

The Honorable Sondra Erickson
Education Policy Committee
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd
403 State Office Building
St. Paul, MN 55155

Dear Chair Richardson, Republican Lead Erickson, and Members of the House Education Policy Committee:

Thank you for welcoming the Federal Reserve Bank of Minneapolis to speak on behalf of H.F. 874, a bill introduced by Vice Chair Hodan Hassan and Representative Ron Kresha that would amend the Minnesota Constitution to make a quality public education a fundamental right for all children.

Minnesota is home to some of the largest education disparities in the nation, and these gaps across race, ethnicity, and socioeconomic status have persisted for decades. If we do not close these gaps now, children impacted by education disparities may never fully participate in our economy, limiting Minnesota's economic competitiveness.

These documents are meant to supplement the information presented during today's hearing. Enclosed you will find the following documents on the Page amendment:

1. Why a constitutional amendment?
2. Proposed Minnesota Constitutional Amendment Explained
3. No Evidence that Education Amendments Increase Litigation
4. Education Clauses in State Constitutions Across the United States
5. A Statewide Crisis: Minnesota's Education Achievement Gaps

We at the Federal Reserve Bank of Minneapolis are pleased to work with you to share what we've learned, listen to your questions and concerns, and advance solutions that will address the education achievement gap in Minnesota. Should you have questions or need additional information, please do not hesitate to reach out. Thank you for your time and leadership on this issue.

Best wishes,

Neel Kashkari



FEDERAL RESERVE BANK OF MINNEAPOLIS

Closing Minnesota's achievement gaps: Why a constitutional amendment?

The State's duty toward its children is not satisfied unless it provides equal educational opportunities for all children.

—JUSTICE ALAN PAGE, DISSENTING, *SKEEN V. STATE*, MINNESOTA SUPREME COURT, 1993

Dissenting in *Skeen*, Justice Page, citing *Brown v. Board of Education*, the landmark U.S. Supreme Court case, noted the lack of equal opportunities for *all* Minnesota children. Twenty-seven years later, while Minnesota is a national leader in education on some dimensions—including equalizing school funding and promoting school choice via open enrollment and charter schools—its efforts have not translated into better outcomes for students of color and those from low- or moderate-income families, regardless of race or ethnicity. Instead, our achievement gaps are deep, persistent, and getting worse. This is a statewide crisis.

Our children deserve better. It is time to finally put children first.

Why a constitutional amendment?

A recent report by the Federal Reserve Bank of Minneapolis documents that Minnesota has some of the largest achievement gaps in the nation, and they are getting worse.¹ Children from low-income families and families of color have shockingly lower educational opportunities and outcomes in Minnesota. If we do not close these gaps, some of these children might never fully participate in our economy. It is unfair, and it will limit Minnesota's economic competitiveness.

Stronger constitutional guarantees help improve policy by putting power in the hands of families to ensure that their children receive a quality education. Under the proposed amendment, the state—through the legislature, executive branch, and judiciary—would be required to ensure that all students are afforded a quality education and that the state is held accountable to established standards.

It is time to shift the paradigm in Minnesota from focusing solely on education systems to focusing on children and the outcomes they need to thrive in society. We need to amend our constitution to establish that all Minnesota children have a fundamental right to a quality education. Focusing on children and educational outcomes will motivate legislators and policymakers to enact innovative policy changes that put children first.

How is our current constitution inadequate?

Having not substantively changed since it was first enacted in 1857, Minnesota's constitution reads:

UNIFORM SYSTEM OF PUBLIC SCHOOLS. 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.

Our Supreme Court interpreted this language to mean that students have a fundamental right to an *adequate* education system. No parent aspires for their child to have an *adequate* education. Under the current constitution, there is no mandate for *quality* education for *all* children and no accountability as measured by any objective standard.

How can we strengthen our children's right to a quality education?

We propose replacing the current constitutional provision (Art. XIII, Sec. 1) with new language that puts children first and holds the state accountable for outcomes:

EQUAL RIGHT TO QUALITY PUBLIC EDUCATION. All children have a fundamental right to a quality public education that fully prepares them with the skills necessary for participation in the economy, our democracy, and society, as measured against uniform achievement standards set forth by the state. It is a paramount duty of the state to ensure quality public schools that fulfill this fundamental right.

Rationale for proposed language

Overall, the intent of the proposed amendment is to put children first and to hold the state accountable for achieving outcomes, specifically that all children receive a quality education. We have looked at education provisions in constitutions across the country and have taken the strongest elements from them in crafting this proposal. In fact, by focusing on outcomes, we have gone even further and believe this proposal will put Minnesota first in the nation with the strongest constitutional education provision.

The proposed language does not prescribe a specific remedy or policy. Instead, it defines the rights of children, the duties of the state, and general goals of the citizenry. It provides a framework and catalyst for the legislature to enact education policies, but does not dictate what those policies should be. Ultimately, it puts power in the hands of families to ensure that their children are getting a quality education. We believe this amendment will lead to legislative and regulatory changes to improve educational outcomes, but if those changes prove insufficient, ultimately families will be able to turn to the courts to have their children's rights vindicated.

1. Title: "Equal right to a quality public education"

The goal of including a title to any clause in a constitution is to describe the objective of the provisions set forth in the clause. While the word "fundamental" in the body of the provision implies "equal," the title uses the latter to reflect more simply the objective of the proposed amendment: to establish that all children have an equal right to receive a quality education.

2. “all children”

The proposed amendment defines rights for the intended beneficiaries of public education: Minnesota’s children. By focusing on children rather than students, this proposed language includes the possibility of encompassing early childhood education, as needed by individual children, without extending to post-secondary education. Two of the strongest constitutional education clauses in the United States—Washington and Florida—emphasize “education of all children.”

3. “fundamental right to a quality public education”

The proposed language strengthens Minnesota’s constitutional guarantee of a fundamental right to education by making the fundamental right explicit and by adding the word “quality.” Public schools are the means by which the state ensures that Minnesotans are educated.² The word “public” is used in the proposed amendment to reflect the role of the state and the scope of its decision-making powers in the provision of education. “Quality” will be defined by the people of Minnesota via their elected representatives and the process of setting academic standards.

4. “fully prepares”

In *Skeen v. State*, Justice Page noted that “the state’s duty is not satisfied when some children receive an ‘adequate’ education while others receive a more-than-adequate education.” The proposed language “fully prepares” is included to reflect that all children should be provided with an equal opportunity to reach their full potential. This term is a guarantee of opportunity, knowing that each child’s results may differ.

5. “skills necessary for participation in the economy, our democracy, and society”

This language is included to emphasize outcomes and the role of education in a child’s development. In addition to providing knowledge, a quality education teaches critical thinking and decision-making skills. Collectively, these are necessary for the exercise of individual rights and for providing individuals the opportunity to contribute to the economy and society as a whole.

6. “as measured against uniform achievement standards set forth by the state”

The goal of this language is to provide for an objective standard in the constitution by which the state’s performance is measured. Minnesota’s current constitutional language does not provide such a tool. The proposed language will require the state to meet standards that are measurable, are based on outcomes, and are applied to all children equally. It is critical that children are actually learning, otherwise it would be easy to just graduate students who are unprepared. Minnesota has rigorous standards today, and this amendment does not propose to change those standards. It simply holds the state accountable for meeting its own standards, which it does not do today for all students. Ultimately, the standards are set by the people through their elected leaders.

7. “paramount duty of the state”

The purpose of using “paramount duty of the state” is to highlight the importance of education and to clarify the state’s duty to ensure quality education, consistent with the “fundamental right” of children. The Florida and Washington constitutions make public education a paramount duty. In addition, while our constitution currently focuses only on “the legislature,” this new proposal references “the state,” which gives the legislature, the executive branch, and the judiciary a role in making sure children’s rights to a quality education are fulfilled.

Summary

By putting children first, Minnesota’s constitution can give policymakers, educators, and families clearer objectives for reducing gaps in educational opportunity and achievement. Our constitution can reflect the importance we place on education and equity, our standards for excellence, our commitment to every child, and our knowledge that a quality public education is absolutely essential to prepare students to participate fully in the economy, our democracy, and society.

If these are truly our values, we should lead the nation by declaring them to be a right. We owe our children nothing less.

¹ See Grunewald and Nath (2019) for more details on the persistence and extent of Minnesota’s achievement gaps. <https://www.minneapolisfed.org/policy/education-achievement-gaps>

² We define a public school as any school that is provided at public expense, is required to meet state standards, and is accessible by all children.



PROPOSED MINNESOTA CONSTITUTION AMENDMENT

PROPOSED AMENDMENT

EQUAL RIGHT TO QUALITY
PUBLIC EDUCATION.

All children have a fundamental right to a **quality public education** that **fully prepares them with the skills necessary for participation in the economy, our democracy, and society, as measured against uniform achievement standards set forth by the state.**

It is a **paramount duty of the state to ensure quality public schools that fulfill this fundamental right.**

This clause establishes education as a civil right for all children in Minnesota. Black kids. Brown kids. Indigenous kids. Kids with disabilities. White, poor, wealthy, rural, and urban kids. Not just some kids. All kids.

Currently, our constitution guarantees access to an *adequate* education system. We have seen for decades that *adequate* produces some of the highest disparities in the nation. The new language shifts the focus from the system to children and guarantees a *quality* public education for all children.

This constitutional provision establishes the right, and then the people will define what quality means. What do we—Minnesota’s parents, families, students, educators, business and community leaders, and others—think children need to be successful in the economy, democracy, and society?

The people will also establish standards by which quality is judged. Whatever standards the people create must be applied equally to all students. We must set high expectations for all of Minnesota’s children regardless of race, socioeconomic status, or location.

Right now, only the Legislature has a constitutional role in education. The new language makes “the state”—that is, the legislative, executive, and judicial branches of state government—responsible for ensuring that all children receive a quality public education.

This clause, which includes the requirement to fund quality public schools, makes the public education of our children the highest priority of our state. Nothing would come before it. As a result, the state could not do anything at the expense of quality public education.



No evidence that education amendments increase litigation

FEBRUARY 3, 2021

Researchers at the Federal Reserve Bank of Minneapolis have documented patterns in education cases across the United States. In 2019, only about 0.16 percent of all cases reaching state appellate and Supreme Courts across the nation were related to education.¹ The vast majority of those cases relate to employment, very few are driven by state constitutional clauses, and that proportion did not significantly increase when states adopted constitutional amendments similar to the proposed Page amendment. Here are the main takeaways.

Fact 1: Three-quarters of all education cases are employment-related.

Composition of court cases in 1970–2020

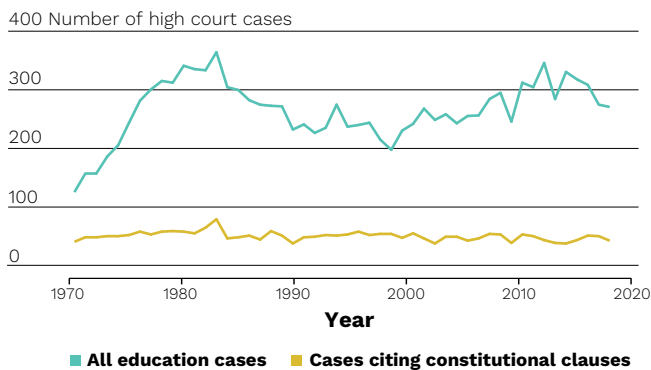
CASE TYPE	NUMBER OF CASES	PERCENTAGE OF TOTAL
Employee Compensation, Contract, or Unions	9,373	71.8
Finance	982	7.5
Accountability	899	6.9
School Choice and Desegregation	404	3.1
Employee - Other Issues	391	3.0
Other Education Issues	288	2.2
Discipline	233	1.8
School System	206	1.6
Privacy	167	1.3
Discrimination	106	0.8
TOTAL	13,049	100

Source: Authors' calculations based on cases in LexisNexis

Fact 2: Proportion of cases citing constitutional clauses is small and has remained relatively constant since 1970.²

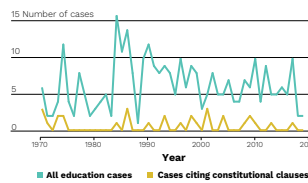
All states

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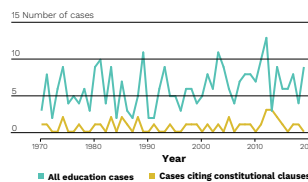


Source: Authors' calculations based on cases in LexisNexis

Minnesota

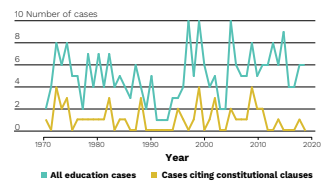


Louisiana

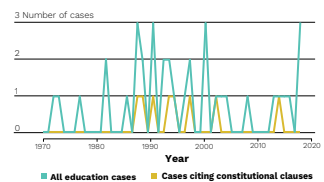


Source: Authors' calculations based on cases in LexisNexis

Washington



Virginia

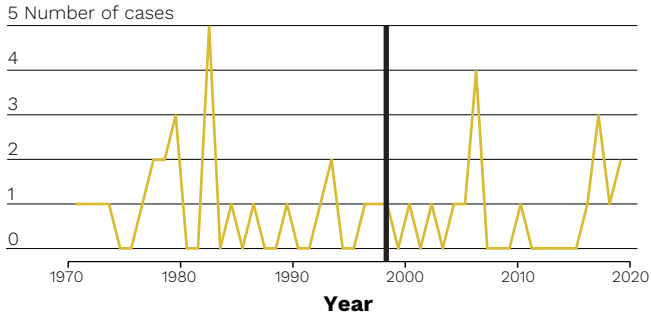


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Fact 3: There is no evidence that constitutional amendments increased litigation.

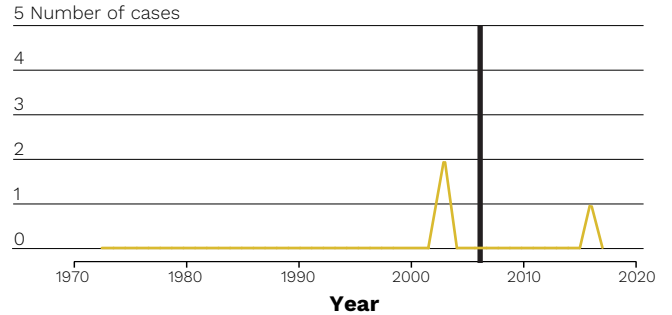
Litigation in states with amendments providing for high-quality education or education as a “paramount duty,” pre- and post-passage.

Florida



Nevada

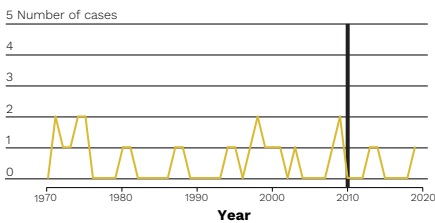
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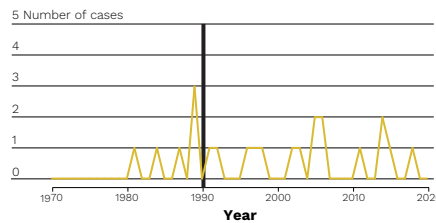
Source: Authors' calculations based on cases in LexisNexis

Litigation in states with amendments introducing antidiscrimination provisions and restricting affirmative action, pre- and post-passage.³

Arizona

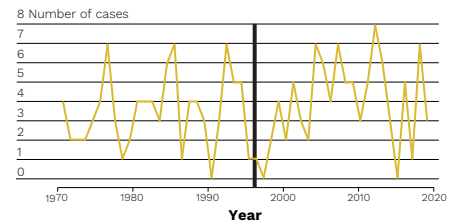


Arkansas

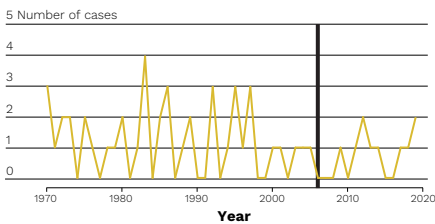


California

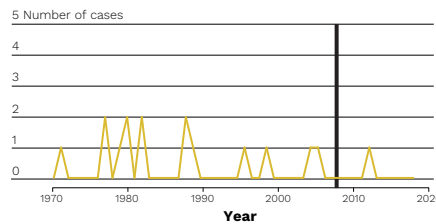
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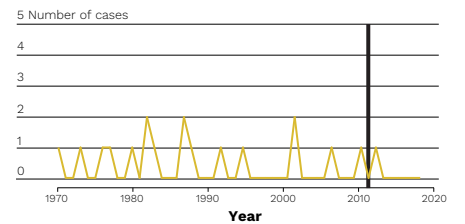
Michigan



Nebraska



Oklahoma



Source: Authors' calculations based on cases in LexisNexis

¹ The patterns described in this handout are excerpts from the forthcoming paper “The Effect of Constitutional Provisions on Education Policy and Outcomes” by Scott Dallman, Anusha Nath, and Filip Premik. The views expressed herein are those of the authors and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System. The authors thank Stephanie Chandler for invaluable feedback and Dasom Ham and Ji Sue Song for excellent research assistance.

² A case is identified as “citing constitutional clauses” if any one of the following conditions holds: (a) the article and section numbers of education clauses of the respective state constitution are cited, (b) the equal protection clause of either the Constitution of the United States or the equal protection clauses of the state constitutions are cited, or (c) keywords related to “unconstitutional” are present.

³ While the exact wording of the antidiscrimination provisions introduced varies across states, it revolves around the following language: “shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”

Education Clauses in State Constitutions Across the United States*

Scott Dallman

Anusha Nath

January 8, 2020

Executive Summary

This article documents the variation in strength of education clauses in state constitutions across the United States. The U.S. Constitution is silent on the subject of education, but every state constitution includes language that mandates the establishment of a public education system. Some state constitutions include clauses that only stipulate that the state provide public education, while other states have taken more significant measures to ensure the provision of a high-quality public education system. Florida’s constitutional education clause is currently the strongest in the country – it recognizes education as a fundamental value, requires the state to provide high-quality education, and makes the provision of education a paramount duty of the state.

Minnesota can learn from the experience of other states. Most states have amended the education clause of their state constitutions over time to reflect the changing preferences of their citizens. Between 1990 and 2018, there were 312 proposed amendments on ballots across the country, and 193 passed. These amendments spanned various issues. Policymakers and voters in each state adopted the changes they deemed necessary for their education system. Minnesota has not amended its constitutional education clause since it was first established in 1857.

Constitutional language matters. We use Florida and Louisiana as case studies to illustrate that constitutional amendments can be drivers of change. Institutional changes to the education system that citizens of Florida and Louisiana helped create ultimately led to improved outcomes for their children. Minnesota can do the same. The first step is to amend the 1857 language to better reflect the preferences and needs of citizens in 2020.

*The views expressed herein are those of the authors and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System. The authors thank Dasom Ham and Ji Sue Song for excellent research assistance.

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1 Language in Constitutional Education Clauses

This section outlines the variation in the strength of education clauses in state constitutions across the United States. The U.S. Constitution is silent on the subject of education, but every state constitution includes some language that mandates the establishment of a public education system. There is large across-state variation in strength of the education clauses. Some state constitutions only require that a free, public or a common system of education be established and maintained. Other states are more specific and include language such as "uniform" or "thorough and efficient." These terms form the minimal constitutional mandates to which the legislature must conform in establishing a public school system.

Table 1 documents the specific provisions included in current state constitutions across the United States. We focus on terms used to specify the qualities of the system required. These terms ensure that education provisions go beyond just the establishment and maintenance of a free, public, or common system. For each of the following terms, Table 1 provides a list of states that include such provisions in their education clause: (1) "Uniform" (2) "Thorough"/"Efficient" (3) "Equal Rights" (4) "Paramount"/"Primary" Duty of the state (5) "High-Quality Education," and (6) "All Children."

In addition to defining the rights of citizens (or children), duties of the state, and the characteristics of the system to be provided, the education clauses also include specific provisions. Row 7 lists the states that include constitutional provisions requiring the legislative or executive body to define academic standards. For example, Section 8 in Article VIII of Oregon's constitution mandates that the Legislative Assembly appropriate sufficient funds to *"ensure that the state's system of public education meets quality goals established by law..."* Virginia's education clause is more explicit in its standards of quality:

Article VIII, Sec. 2. Standards of Quality; State and Local Support of Public Schools.

Standards of quality for the several school divisions shall be determined and prescribed from time to time by the Board of Education, subject to revision only by the General Assembly. The General Assembly shall determine the manner in which funds are to be provided for the cost of maintaining an educational program meeting the prescribed standards of quality, and shall provide for the apportionment of the cost of such program between the Commonwealth and the local units of government comprising such school divisions. Each unit of local government shall provide its portion of such cost by local taxes or from other available funds.

An important fact to note from Table 1 is that Florida's current education clause includes the strongest language in the country. The education clause states that *"education of children is a fundamental value of the people"* and requires adequate provision to be made by law for a *"uniform, efficient, safe, secure and high quality system of free public schools."* It is strong because it recognizes children's right to education and mandates that it is a *"paramount duty of the state"* to provide for high-quality education.

Table 1: Language in Education Clause of Current State Constitutions

	Provision	States
1	Uniform	Indiana, North Carolina, Florida, Minnesota, Nevada, Oregon, Wisconsin, Arizona, Colorado, Idaho, New Mexico, North Dakota, South Dakota, Washington, Wyoming
2	Thorough/Efficient	Delaware, Ohio, Pennsylvania, Arkansas, Florida, Illinois, Kentucky, Maryland, Minnesota, New Jersey, Texas, West Virginia, Colorado, Idaho, South Dakota, Wyoming
3	Equal Rights	Florida, Indiana, Illinois, Louisiana, Michigan, Montana, Washington
4	Paramount/Primary Duty	Florida, Washington
5	High-Quality Education	Florida, Illinois, Virginia
6	Provisions defined for “All Children”	Alaska, Florida, New Mexico, New York, North Carolina, North Dakota, Oklahoma, South Carolina, Utah, Virginia, Washington
7	Requires legislative or executive body to define academic standards	Oregon, Virginia
8	Includes a specific education policy prescription	
	Class size	Florida
	Charter schools	Georgia
	Early childhood education	Florida, Hawaii, Nebraska, Tennessee
	Compulsory attendance	Colorado, Delaware, Idaho, New Mexico, North Carolina, Oklahoma, Virginia
	State takeover of failing schools	Louisiana
	Unbiased textbook choice	Colorado, Oklahoma, Wyoming
	Teacher training	New Mexico

2 Amending Education Clauses in State Constitutions

The specific language from current state constitutions described in the previous section may not necessarily be the same as the original language. The language in constitutions evolves over time through the process of constitutional amendments, an option all state constitutions include. There are two main ways to initiate an amendment – through a legislative referral or through a direct initiative by the people.

The legislature-generated amendment process begins with the legislature passing an act proposing a change in the constitution. The proposed amendment must be approved by both chambers of the legislature.¹ Some states require a simple majority, while others require a super majority. Once approved, it is put to popular vote on the ballot. The threshold of votes required for passing an amendment varies across states. All states currently allow legislatures to generate amendments.

In the case of a direct initiative or a citizen-initiated amendment, once a sufficient number of signatures have been collected through a petition, the proposal is put to popular vote as a ballot measure. Currently, only 18 states permit citizens to initiate constitutional amendments, including Florida, Illinois, and Massachusetts.

In addition to legislature-generated and citizen-initiated methods, the 1968 Florida constitution was the first in the country to authorize an independent commission to directly submit recommended amendments to the electorate for a vote. By constitutional mandate, an automatic commission called the Constitution Revision Commission (CRC) is established every 20 years.²

Most education clauses have been amended several times over the past century. We collected and verified data from official sources on all recently proposed amendments that reached the ballot. Figure 1 shows the across-states distribution of proposed amendments related to education between 1990 and 2018. A total of 312 amendments were put on state ballots across the country in this time period. The number of amendments proposed varies across states. Colorado, Oregon, and Texas each have more than 20 proposed amendments, while New Jersey and Illinois had only one proposed amendment. Minnesota had none.

Figure 2 plots the frequency of proposed amendments by year for the time period 1990-2018. As expected, the number of amendments proposed spiked in major election years. The average number of proposed amendments on the ballot is higher in the 1990s compared to the late 2000s and 2010s.

These proposed amendments address various issues ranging from general management of

¹Nebraska is unicameral and requires three-fifths legislative approval.

²Florida is currently the only state in the country where a proposed amendment can be put on the ballot based on recommendations of an independent commission.

Figure 1: Proposed Educational Amendments on the Ballot by State, 1990-2018

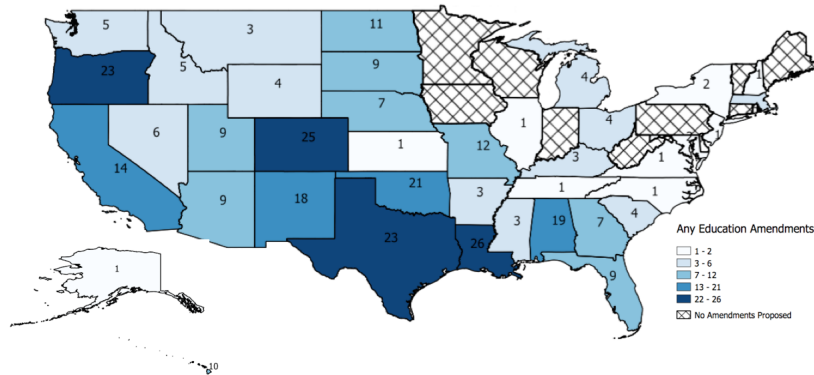
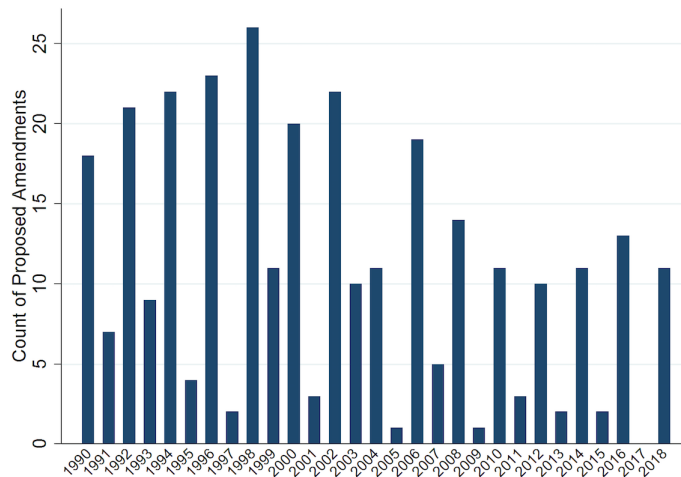


Figure 2: Frequency of Proposals to Amend Education Clause of State Constitutions



Source: Authors' calculations

the school system to specific prescriptions such as state takeover of failing schools (Louisiana). Table 2 categorizes the ballot measures based on the main issue to be amended. Panel (a) provides the distribution of nonrevenue-based amendments. There were four amendments proposed to declare education as a fundamental right (or of "fundamental value"). Of these, only one passed – Florida’s 1998 amendment. Of the 12 proposed amendments that provide for equal access to education,³ eight were passed.

Panel (b) provides the count of ballot measures introduced and the proportion which were revenue-based amendments. The category with the largest number of amendments proposed is "Creating Dedicated Funds." This category includes creation of education funds using the revenue received by the state from special levies and lottery monies. The second-biggest category is to increase revenue through either raising taxes and debt limits or removing

³These are primarily antidiscriminatory provisions.

property tax exemptions. Panel (c) of Table 2 lists other miscellaneous amendments.

Table 2: Proposed Amendments by Category (1990-2018)

Category	Total Proposed	Total Passed
[a] Nonrevenue-Related Amendments		
Compulsory Attendance	1	0
Early Childhood Education	5	3
Education First - Paramount Issue	2	2
English Language Requirements	4	1
Equal Access	12	8
Fundamental Right to Education	4	1
Improving Quality of Education	1	0
Parental Rights	2	1
Reduce Class Size	2	2
Role of State in Funding	7	5
School Choice	8	1
School Oversight and Accountability	6	4
State Takeover of Failing Schools	2	1
Teacher Pay for Performance	3	1
Use of Public Facilities	2	2
[b] Revenue-Related Amendments		
Expenditure - Limitations or Requirements	6	2
Expenditure - Increase Per-pupil Amounts	2	0
Funding - Creating Dedicated Funds	66	48
Funding - Equitable Allocation of Funds	5	4
Funding - Increase in Revenue	47	27
Funding - Investing Public Funds	13	6
Funding - Tax or Debt Limits	14	10
[c] Other Amendments		
Higher Education	64	40
Other Miscellaneous Provisions	32	24
Total	312	193

Source: Authors' calculations

3 Constitutional Amendments As Drivers of Change

In this section, we illustrate that constitutions provide a framework for policymakers to make changes necessary for providing quality education services. We use Florida's 1998 amendment and Louisiana's 2003 amendment as case studies to illustrate that constitutional amendments can be drivers of change.

3.1 Case Study: Florida's 1998 Amendment

Florida's constitution stands out not only in the strength of the language of its education clause but also in allowing direct community involvement in amending the state constitution. When the members of the 1998 Constitution Revision Commission (CRC) held public hearings across Florida in their year-long tour, the issue of education was salient. At that time, Florida's educational achievement levels were among the worst in the country. One of the recommendations of the 1998 CRC was an amendment to the education clause of the constitution. The language added to the then-existing Article IX, Section 1 is underlined in the text below. The CRC's recommended amendment was put directly on the ballot, and it passed with 71 percent of the votes. It led to Florida's constitutional education clause becoming the strongest in the country.

Florida's 1998 Constitutional Amendment

ARTICLE IX EDUCATION

SECTION 1. ~~System of~~ Public education. The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require.

Following the amendment, a comprehensive set of legislative policies were adopted in June of 1999. To meet the state's constitutional duty to provide all children the opportunity to obtain a high-quality education, the state of Florida enacted the "School Readiness Act" to prepare at-risk children for school. It established an "Opportunity Scholarship Program," which would allow students from failing schools to attend a public school that is performing satisfactorily or to attend an eligible private school.⁴ To ensure improvements in quality of teaching across public schools, the state raised standards for certifying professional educators,

⁴Section 229.0537, *Florida Statutes*, was added to describe the eligibility, the obligations of school districts, and the funding requirements.

established a statewide system for inservice professional development, and increased accountability for postsecondary programs that prepare future educators.⁵ To ensure continuous and improved learning, the Legislature added requirements for public schools to monitor attendance, to reach out to families whose children display a pattern of nonattendance, and to find appropriate remedies to enforce school attendance.⁶

In addition to amending Section 1, other sections of the education clause in Florida's constitution were amended in 1998 to authorize the reorganization of Florida's education system. The objective was to centralize the structure of governance in order to align responsibility with accountability for academic success and funding efficiency. It required a new state board of education consisting of seven members appointed by the governor (subject to confirmation by the Senate), and it required that the State Board of Education appoint the Commissioner of Education. These changes were codified in 2000 as the Florida Education Governance Reorganization Act of 2000. The Florida Board of Education was granted the authority for education from pre-kindergarten through graduate school education (K-20), and it took over responsibilities from numerous commissions and boards that were eliminated.⁷

In 2002, the citizens of Florida initiated two more constitutional amendments with the objective of introducing specific prescriptions in the constitution to ensure that the goal of "high-quality" education is met. The first proposal required the legislature to restrict the number of students in a classroom and for the legislature to provide the funds to do so. It passed with 52.4 percent of the votes. The second citizen-initiated proposed amendment in 2002 required the establishment of free voluntary universal pre-kindergarten that would ensure a high quality learning opportunity for every four-year-old child in Florida. It passed with 59.2 percent of the votes.

Education outcomes have improved in Florida since the adoption of constitutional amendments and the resulting legislative policy changes in the early 2000s.⁸ Panel (a) in Figure 3 plots the Grade 4 reading scores on the National Assessment of Educational Progress (NAEP) in 2003 (x-axis) and 2019 (y-axis). States above the red 45-degree line have improved their test scores from 2003 to 2019, while scores for states below the 45-degree line have declined during the same time period. Florida's Grade 4 reading scores (circled in red) have improved over time, and its relative ranking has improved from 33rd in 2003 to 6th in 2019. Panel (b) in Figure 3 shows that while there was a significant increase in the level of average Grade 8 math scores, Florida made marginal relative gains – its ranking improved from 39th to 35th.

In addition to improvements in average test scores, Florida made substantial reductions

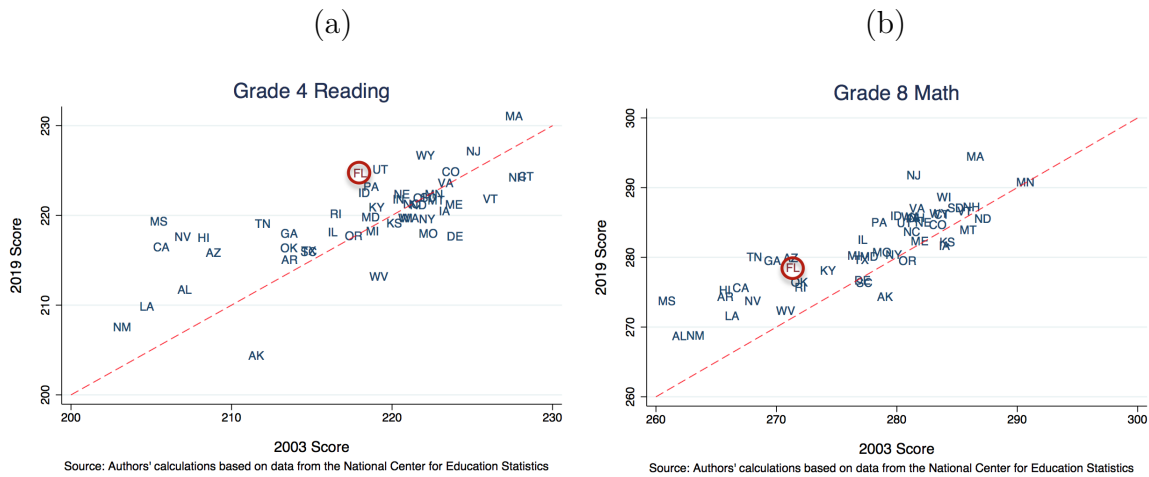
⁵See the following sections of the *Florida Statutes* (1999): Section 231.09, Section 231.145, Section 231.15, Section 231.29(3), Section 236.08106(2), Section 240.529, and Section 231.6135.

⁶See Section 232.17, *Florida Statutes* (1999).

⁷The "Florida K-20 Education Code" was enacted in 2002. See Ch. 2002-387, Florida Laws.

⁸The changes documented in this section are illustrative and should not be interpreted as causal. Without rigorous empirical analysis, it is not possible to assess the contributions of specific policies in accounting for the observed patterns.

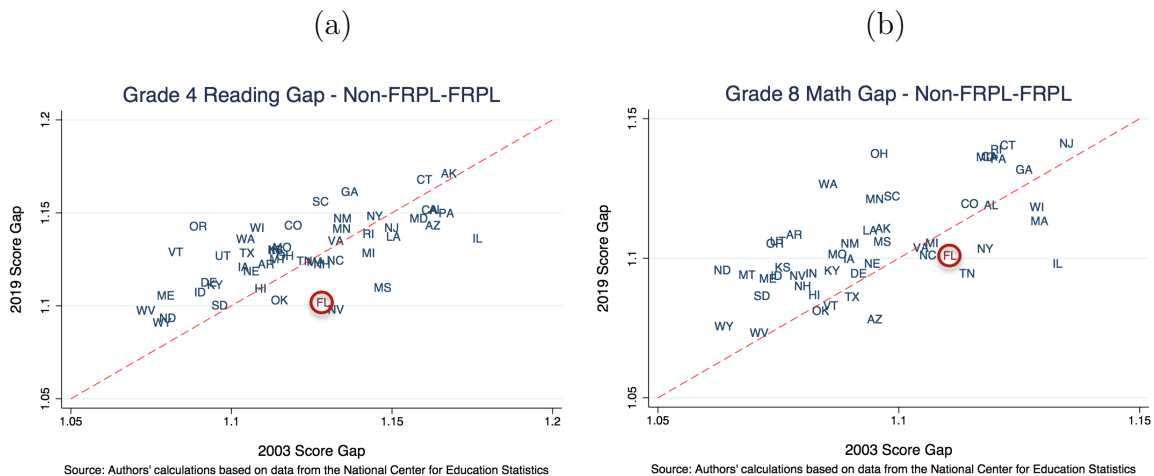
Figure 3: Across-states Comparison of Average NAEP Scores



in test score gaps across socioeconomic status. Students' socioeconomic status is proxied by whether they are eligible for free or reduced price lunch (FRPL). Figure 4 shows the ratio of Non-FRPL-FRPL students' NAEP scores in 2003 (x-axis) and 2019 (y-axis). Florida lies below the 45-degree line for both reading and math, indicating that gaps across socioeconomic status declined over time. Panel (a) plots the gaps in Grade 4 reading scores. Florida had the 30th lowest gaps in 2003 and 6th lowest gaps in 2019. For Grade 8 math NAEP scores (panel (b)), Florida had the 37th lowest gaps in 2003 and 23rd lowest gaps in 2019.

In 2003, Florida had the lowest White-Hispanic gap in the country for both Grade 4 reading scores and Grade 8 math scores, and it remains one of the states with the lowest gaps. While the White-Black gaps in NAEP scores have declined over time in Florida, they remain much higher than the White-Hispanic gap.

Figure 4: Across-states Comparison of Gaps in NAEP Scores Across Socioeconomic Status



3.2 Case Study: Louisiana's 2003 Amendment

We now chronicle the case of a legislature-generated amendment adopted by the state of Louisiana and argue that it led to major policy changes in New Orleans following Hurricane Katrina. Recent research has documented that these major policy changes in turn had positive effects on educational outcomes. Table 4 outlines the major events described in this section.

In May 2003, Louisiana's legislature passed Act 9, which led to a legislature-initiated proposed constitutional amendment to allow state takeover of failing schools. In October 2003, the amendment passed on the ballot with 59.8 percent of the votes. It provided the Louisiana Board of Elementary and Secondary Education (BESE) the legal right to take over chronically low-performing schools. Schools identified as failing due to low test scores and other performance measures were eligible for takeover by BESE and could be handed over to the newly created, state-run Recovery School District (RSD).

In the first year after the amendment was passed, 17 schools statewide were deemed eligible for takeover. Of these, 16 were in New Orleans. Moreover, 34 more schools in New Orleans (roughly a third) were labeled as academically unacceptable (AUS) and thus likely eligible for takeover in subsequent years. At the end of the 2004-05 school year, over 63 percent of public schools in New Orleans had been deemed AUS, compared to 13 percent of public schools across the state. The state took control of four more of the lowest-performing schools in Orleans Parish, handing them over to the RSD to be reopened under new management.

The takeover of a handful of failing schools, however, did little to solve the problems facing public education in New Orleans. The severity of the system's problems was well understood by public officials at the local, state, and federal levels. The Orleans Parish School Board (OPSB) and the district central office continued to be considered ineffective and corrupt, so much so that in 2004 a special FBI task force was assigned to investigate the school system, and 11 district employees were indicted (Vaughan et al. (2011)).

In August 2005, Hurricane Katrina struck New Orleans. Approximately 65,000 New Orleans public school students and their families were forced to evacuate the city. District leadership and teaching staff were similarly displaced. The city was in a state of turmoil. The destruction caused by Katrina drove a need to take over the majority of public schools in New Orleans.

It was Louisiana's constitutional amendment and creation of the RSD that acted as a vehicle for state intervention. In mid-November 2005, in a special session of the Louisiana Legislature, legislators approved Act 35, which redefined the performance threshold by which schools and districts were identified as failing and increased the state's power to intervene in school districts. Based on Act 35, a district became "academically in crisis" if it had at least 30 failing schools and/or 50 percent or more of its students enrolled in failing schools. As a

result, entire districts could be labeled “academically in crisis.” Schools in a district labeled “academically in crisis” would be deemed failing schools based on their performance relative to the state average, rather than the constant performance threshold previously used. This was a significant change. Schools in a district labeled “academically in crisis” were considered failing if their school performance score (SPS) fell below the state average of 87.4, while schools in other districts were considered failing if their SPS fell below 60 (Vaughan et al. (2011)).

Under this new benchmark, Orleans Parish was considered a district “academically in crisis” based on school performance. This allowed the state to intervene on a large scale. As a result, 114 low-performing OPSB schools were moved into the state-run RSD, which was charged with opening and operating the schools under its control for an initial period of five years. The OPSB retained control of only 17 of the schools it operated before Katrina. Students enrolled in state takeover schools were guaranteed seats in the RSD.

Abdulkadiroğlu et al. (2016) evaluated the causal effects of the RSD on students’ achievement using an instrumental variables strategy based on the grandfathering provisions used initially to fill student enrollment. They found that school takeovers in the RSD generated substantial achievement gains for the low-income student population. The takeover effects were larger in Grade 7 and Grade 8 compared to earlier grades and were larger in the first two years following a school takeover compared to later.

Table 4: Constitutional Amendments Can Be Conducive to Major Policy Changes

2003	<ul style="list-style-type: none"> ● May – Act 9 adopted in the legislature authorizing Louisiana’s Board of Elementary and Secondary Education (BESE) to provide for operation of failed schools and establishing the Recovery School District (RSD). ● November 6 – Constitutional amendment passed on the ballot with 59.8 percent of the votes. It provided BESE the legal right to take over chronically low-performing schools.
2004	<ul style="list-style-type: none"> ● Under the constitutional provisions, 17 schools statewide were deemed eligible for takeover. Of these, 16 were in New Orleans. Only five school takeovers completed prior to Katrina. ● At the end of the 2004-05 school year, over 63 percent of public schools in New Orleans had been deemed academically unacceptable (AUS), compared to 13 percent of public schools across the state.
2005	<ul style="list-style-type: none"> ● August 29 – Hurricane Katrina hit New Orleans. Orleans Parish School Board (OPSB) was unable to re-open schools for the next school year, while private and charter schools re-opened for the fall semester. ● September 15 – All OPSB employees were placed on disaster leave without pay. ● November 30 – Louisiana’s 2003 constitutional amendment and creation of the RSD acted as a vehicle for state intervention. Governor Blanco signed Act 35 under which a district became “academically in crisis” if it met certain criteria, under which New Orleans qualified.
2006	<ul style="list-style-type: none"> ● March 24 – OPSB officially terminated all remaining employee contracts as school governance and operations were transferred to the RSD.

4 Education Clause in Minnesota's Constitution

The current education clause in Minnesota's constitution has its origins in the 1857 constitution. The provisions for public education in the 1857 Minnesota constitution were outlined in Sections 1 and 3 of Article VIII. Section 2 (omitted below) outlined the use of proceeds from land.

Education Clause in Minnesota's 1857 Constitution

ARTICLE VIII School Funds, Education And Science

Section 1. The stability of a republican form of government depending mainly upon the intelligence of the people, it shall be the duty of the Legislature to establish a general and uniform system of public schools.

Section 3. The Legislature shall make such provisions by taxation or otherwise as with the income arising from the School fund, will secure a thorough and efficient system of Public Schools in each township in the State.

In Minnesota's 1962 constitution, various sections of the education clause were moved into separate articles. In particular, Sections 1 and 3 of Article VIII in the 1857 Minnesota constitution were combined and remain as such today. The current provision for public education in Minnesota's constitution is as follows.

Current Education Clause in Minnesota's Constitution

ARTICLE XIII MISCELLANEOUS SUBJECTS

Section 1. Uniform system of public schools. 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.

5 Concluding Remarks: Lessons for Minnesota

In 1968, Florida became the first state in the country to set up a commission that would recommend amendments to the constitution directly to the citizens of the state. The idea was to allow the citizens and communities to directly define the scope of policies adopted by the state. In 1998, the commission recommended and the citizens approved changes to Florida's constitutional education clause that would make it the strongest education clause in the country – it recognized education as a fundamental value, it required the state to provide high-quality education, and it mandated that the provision of education is a paramount duty of the state. Following the amendment, a comprehensive set of legislative policies were adopted to execute the new provisions.

This article shows that most states across the country have amended the education clause in their state constitutions over time to reflect the changing preferences of their citizens. Between 1990 and 2018, there were 312 proposed amendments on state ballots across the country, of which 193 passed. These amendments spanned various issues from declaring education as a fundamental right to provisions for charter schools. Each state adopted changes it deemed necessary for its education system. Minnesota has not amended its constitutional education clause since 1857.

The case study of Louisiana further illustrates that constitutional language matters and that constitutional amendments can be drivers of change. The institutional change to the education system that the citizens of Louisiana helped create ultimately led to improvements in outcomes for their children.

What worked in Florida and Louisiana may not work for Minnesota. However, Minnesota can learn from the experience of other states. Minnesota currently has one of the largest disparities in educational outcomes across race and socioeconomic status. These outcome gaps have persisted over the past two decades. It is time to re-evaluate the framework within which education policies are chosen. The first step is to amend the 1857 language to better reflect the preferences and needs of citizens in 2020.

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A Statewide Crisis:
Minnesota's Education
Achievement Gaps

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Anusha Nath, Research Economist
OCTOBER 11, 2019



FEDERAL RESERVE BANK
OF MINNEAPOLIS

ABSTRACT

While Minnesota’s educational disparities are well-known, this report shows that these disparities are evident across race, ethnicity, and socioeconomic status. They are equally deep statewide and between school types. That is, disparities are not limited to Twin Cities metro area schools or to traditional public schools. This is a challenge for all of Minnesota.

This report documents patterns of disparities for three main outcomes—performance on standardized tests, graduation rates, and indicators of college readiness. Across these measures, achievement gaps have persisted for decades despite policies implemented to promote equal opportunity for education, including school choice, changes in teacher evaluation systems and compensation, and equalizing per capita funding across districts.

Still, despite Minnesota’s failing track record on closing education achievement gaps, there is hope. Based on recent research studies, we discuss examples in the United States where outcomes for minority and low-income students have significantly improved.



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1 | Minnesota's Challenges and Opportunities

On average, Minnesota schools do well. The state ranks relatively high on standardized tests, graduation rates, and college readiness. But hidden beneath these aggregates are huge disparities. In fact, Minnesota has some of the largest achievement gaps by race, ethnicity, and socioeconomic status in the nation.

Minnesota's education achievement gaps have persisted for decades despite implementing policies designed to close them. Historically, Minnesota has been a leader in adopting policies that promote equal opportunity for education, especially when it comes to school choice. In 1988, Minnesota became the first state in the United States to approve mandatory interdistrict open enrollment. In 1991, it became the first state to approve charter schools. Other reforms include school desegregation in Minneapolis and St. Paul public schools, changes in teacher evaluation systems and compensation, and state-level funding equalization across school districts.

In this report, we examine patterns for three main outcomes—performance on standardized tests, graduation rates, and indicators of college readiness. Standardized test scores and graduation rates are used to measure outcome gaps for urban and rural school districts, across race, and by socioeconomic status. College readiness assessments are used to measure outcome gaps across race and income.

KEY PATTERNS ARE AS FOLLOWS:

- On average, Minnesota performs well compared with all other states on standardized test scores, graduation rates, and college readiness. However, it has some of the largest gaps in the nation on these measures by race and socioeconomic status.
- Racial and income gaps in standardized test scores and college readiness have increased over time, while gaps in graduation rates have decreased.
- Even as graduation rates overall have increased in recent years, college readiness indicators have declined. This demonstrates that Minnesota is graduating an increasing proportion of students who are unprepared for college.
- On average, there is no gap between urban and rural school districts on standardized test scores and graduation rates in recent years. However, there is a large variation in achievement gaps across schools within rural districts and across schools within urban districts.

- These gaps are not only racial; low-income white students significantly trail higher-income white students across Minnesota.
- Variation in outcome gaps across schools also exist within the charter school system and across schools within traditional public school districts.
- Minnesota has successfully reduced variation in education inputs, such as per capita expenditures across districts and class sizes across schools. However, achievement gaps across race and socioeconomic status have persisted for decades.

Despite Minnesota's failure to close its education achievement gaps, there is hope—other places in the nation have improved outcomes for minority and low-income students. In 2003, policymakers in Louisiana took bold steps to make changes to the then failing system in New Orleans, which led to gains in student achievement. In 2004, a high-poverty community in New York introduced comprehensive approaches to education that improved outcomes for students. These examples indicate that closing achievement gaps is challenging, but possible.

2 | Background: School Districts and Demographic Characteristics

Minnesota currently has 2,064 schools across 327 public operating elementary and secondary independent districts and 164 charter schools. These school districts differ in their demographic and socioeconomic characteristics.

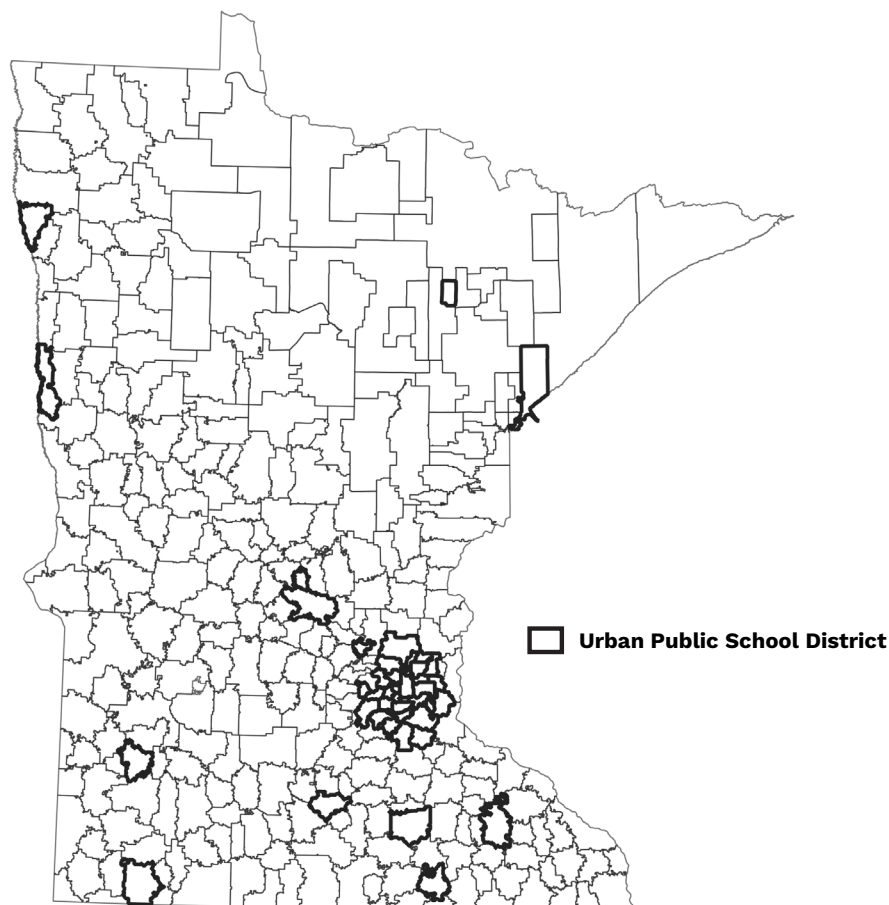
CREATING DEMOGRAPHIC CHARACTERISTICS AT THE SCHOOL DISTRICT LEVEL. The main source of data for population characteristics, demographics, and income and earnings is the annual American Community Survey (ACS) conducted by the U.S. Census Bureau. Each year, more than 3.5 million households across the country participate in the survey.

School district boundaries change over time. In order to establish patterns for the most recent school district boundaries, we construct the data by overlaying school district boundary maps on census tract boundary maps. For each school district, we calculate demographic characteristics by taking an average across all census tracts that lie within the school district boundary. To map the census tract boundaries into school district boundaries, we obtained school district boundary data (shapefiles) from the Minnesota Department of Education (MDE) and the census tract boundaries from the Census Bureau. For census tracts that overlap across two district boundaries, we assign the census tract level data into the two districts by using population weights.

DEFINING URBAN SCHOOL DISTRICTS. For each census tract, we define proportion urban as the number of persons in an urban area divided by the total number of persons in the 2010 census tract. The percentage urban is proportion urban multiplied by 100. We aggregate this number to the school district level using frequency weights. A school district is defined as urban if 80 percent of its population lives in urban census tracts. Figure 1 highlights the urban school district boundaries; the boundaries in bold depict urban school districts. By this definition, “urban” school districts include those in the Twin Cities area and a few in Greater Minnesota.

Defining urban school districts

1

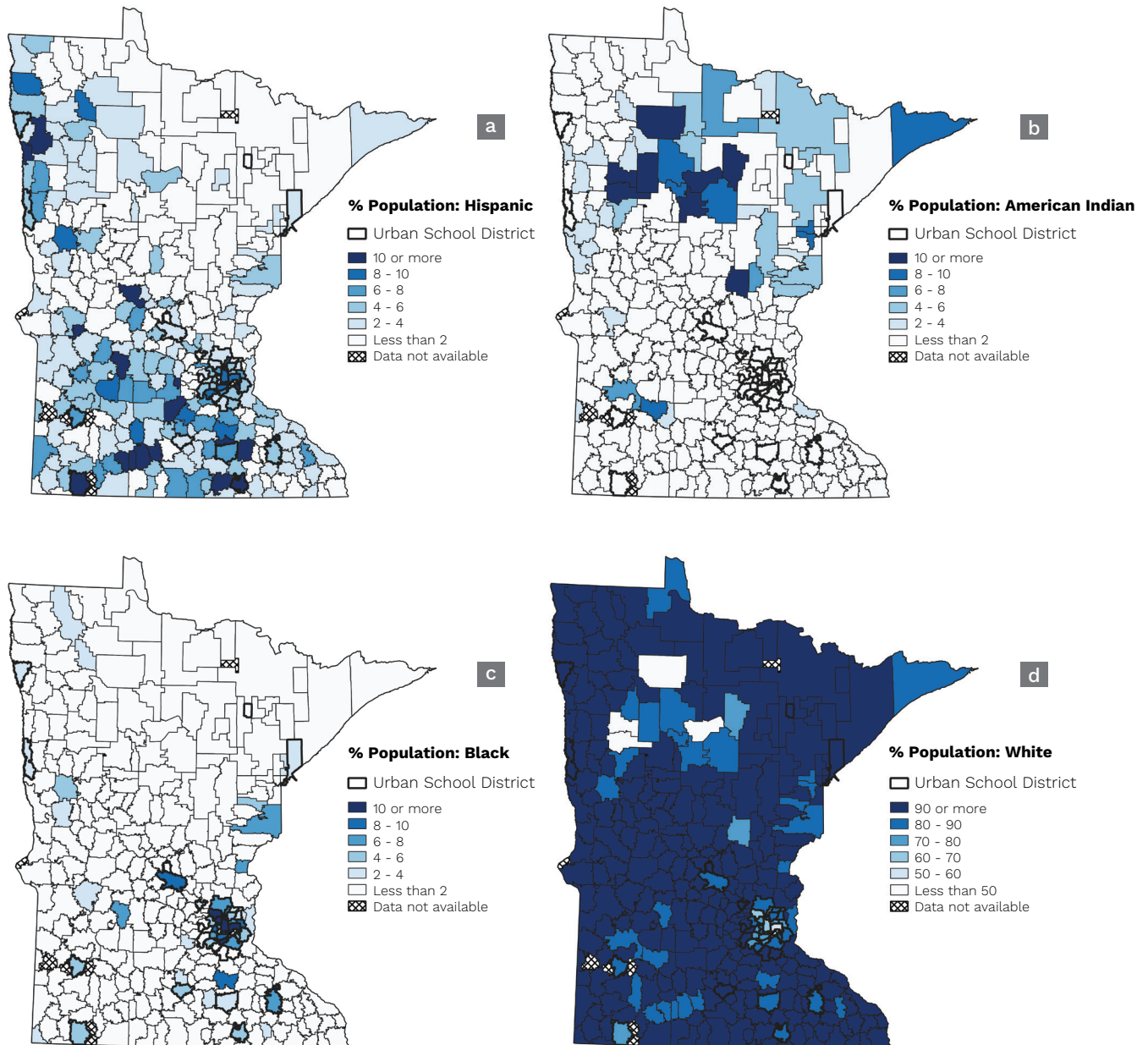


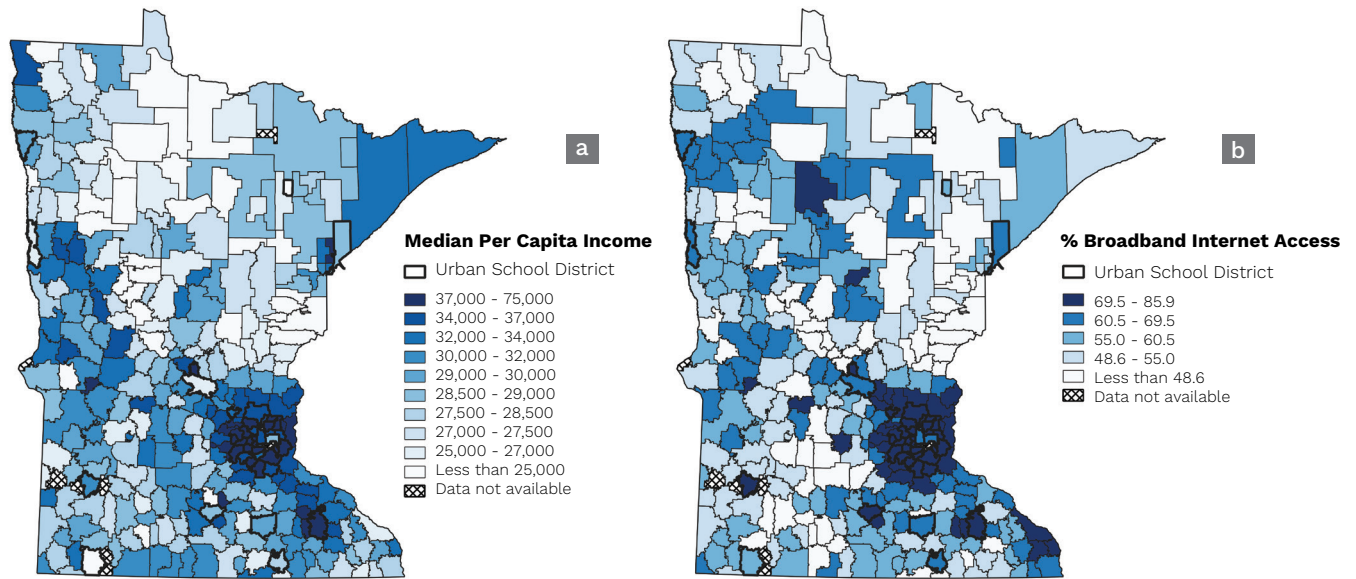
DEMOGRAPHIC CHARACTERISTICS ACROSS SCHOOL DISTRICTS. Figure 2 maps the racial composition of school districts using data from the ACS. Panels (a)-(c) map the proportion of minority population, with darker shades indicating a higher proportion of minority population. The highest proportion of Hispanic population is in the school districts in southern Minnesota, while the highest proportion of American Indian population is in northern Minnesota. In contrast, the highest proportion of African American population is in the Twin Cities metro area. Panel (d) maps the proportion of white population across school districts in Minnesota, with darker shaded districts depicting higher white population.

Panel (a) of Figure 3 depicts the median per capita income across school districts, and panel (b) maps the percentage of population with access to broadband internet access. The latter is a measure of infrastructure access and is a proxy for learning resources available to students outside the classroom. School districts in the Twin Cities metro area have the highest median per capita incomes, while districts in rural northern Minnesota have among the lowest. Access to broadband connection is positively correlated to median per capita income—in school districts where incomes are higher, access to broadband connections is higher.

Racial concentration across school districts

2





3 | Outcome Gaps: Where and Who

Student outcomes are measured using three indicators, and each captures a different dimension of a student’s ability. Test scores are proxies for how well students are learning in classrooms, while graduation rates are more indicative of schools’ success in providing basic competencies to their students. Indicators of college readiness capture how well schools prepare their students for higher learning and careers. This section documents the patterns for these three outcomes. The focus is on establishing trends, geographical variation, and disparities across racial groups and incomes in Minnesota.

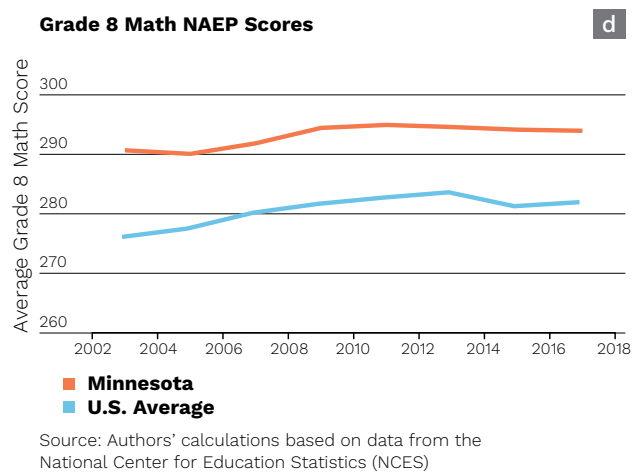
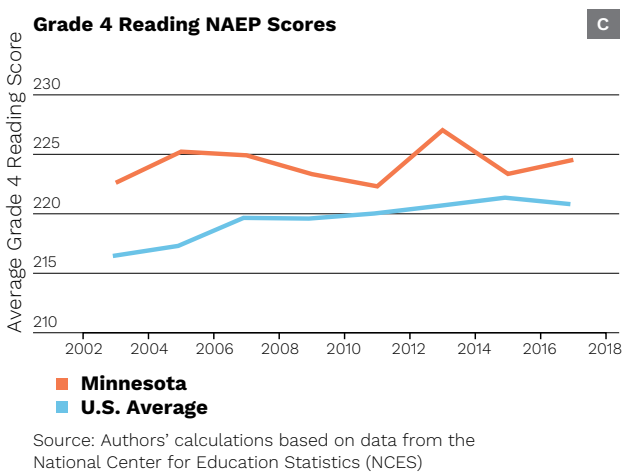
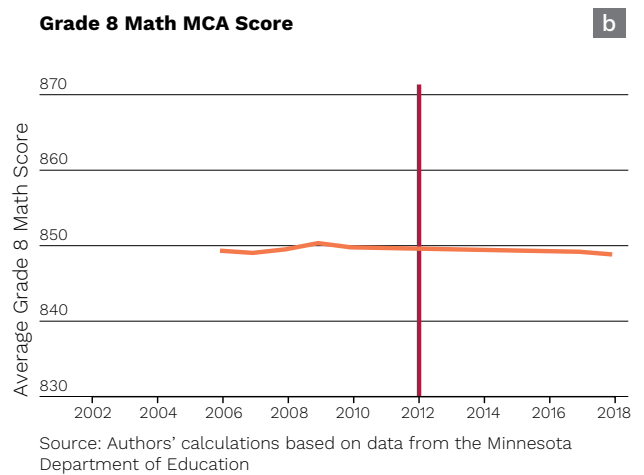
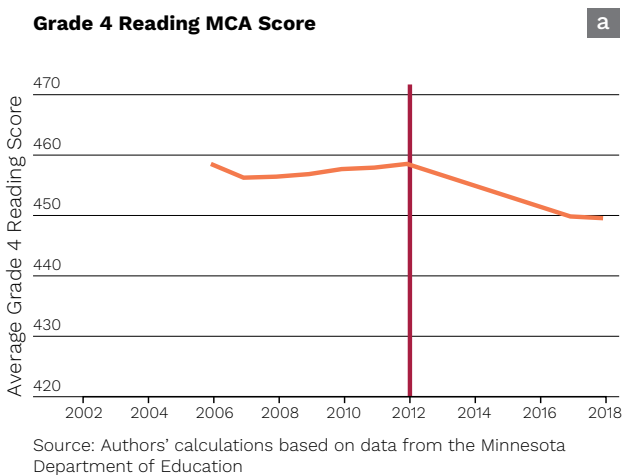
3.1 | Test Scores

The Minnesota Comprehensive Assessments (MCA) and the Minnesota Test of Academic Skills (MTAS) are statewide tests that help districts measure student progress toward Minnesota’s academic standards and also meet federal and state requirements for student assessments. According to the MDE, most students who take a standardized test take the MCA, while students who receive special education services and meet eligibility requirements may instead take the MTAS. In addition to MCA scores, we use data from the National Assessment of Educational Progress (NAEP) to compare Minnesota with other states. NAEP is a congressionally mandated project administered by the National Center for Education Statistics (NCES) within the U.S. Department of Education.

Our analysis focuses on test scores for Grade 4 reading and Grade 8 math. We choose Grade 4 reading scores because reading proficiency at this stage is a key factor in students' ability to learn and achieve in subsequent grades. In terms of math, Grade 8 scores are a better predictor of college and career readiness than Grade 4 scores. Figure 4 shows the time series for changes in test scores in Minnesota. Panel (a) shows a sharp decline in MCA test scores after 2012. (This could be due to a change in the testing system itself denoted by the red lines in panels (a) and (b) and should not be taken as an indicator of worse performance.) In contrast, the NAEP testing system was more homogenous during this period. Results from NAEP scores in panels (c) and (d) of Figure 4 show that Minnesota students perform much better than the national average. Although the national average is catching up to the Minnesota average in reading, math scores in Minnesota have trended consistently higher.

Minnesota test scores persistently higher than the national average

4



RACIAL DISPARITIES IN MINNESOTA. Figure 5 documents the NAEP scores for whites, African Americans, Hispanics, and American Indians in Minnesota. Panel (a) shows that Grade 4 reading test scores for whites are about 20 percent higher than those of African Americans and 18 percent higher than those of Hispanics. These gaps have been persistent since 2002 (earliest available data). However, the gap between whites and American Indians has increased by about 19 percent over time. Similar patterns are observed for Grade 8 math scores as shown in panel (b). Panels (c) and (d) plot average MCA III test scores across schools in Minnesota where schools are classified by the percentage of minority students. The results show that for both Grade 4 reading and Grade 8 math, the average test scores are significantly lower in schools with higher proportions of minority students.

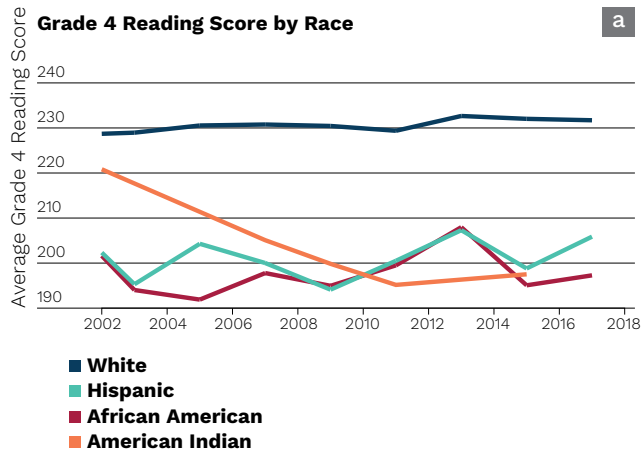
In addition to average scores on state standardized tests, another measure of gaps in student performance is the proportion of students who meet grade level proficiency standards. The accompanying table shows large gaps on this measure between white and minority students on the 2018 MCA III tests.¹

Proportion of students proficient at grade level on MCA III tests in 2018

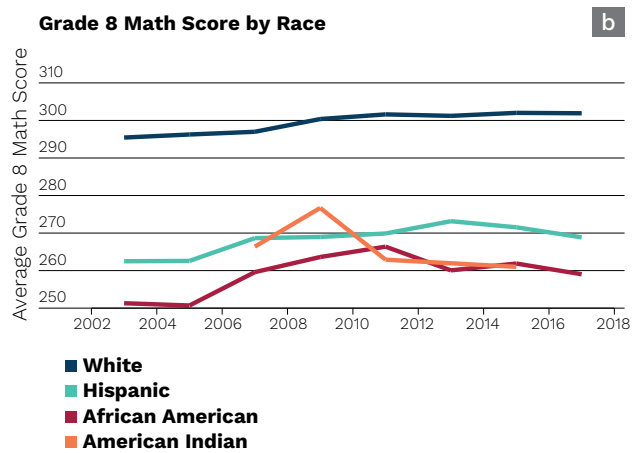
	Grade 4 Reading	Grade 8 Math
White students	65%	65%
American Indian/Alaska Native students	31%	25%
Asian students	48%	63%
Black students	31%	29%
Hispanic students	32%	35%
Students eligible for free/reduced-price meals	36%	36%
All students	56%	57%

¹ While the MDE recently reported achievement test score data for 2018-19, we use 2017-18 as the endpoint to remain consistent with the most recent data available for NAEP scores, high school graduation rates, and college readiness indicators.

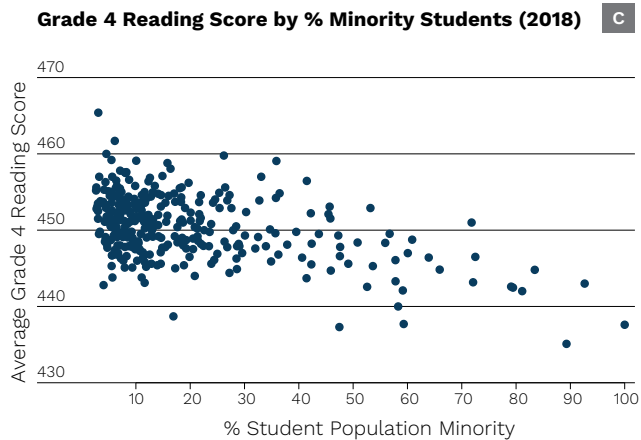
Large racial disparities in test scores across students and schools



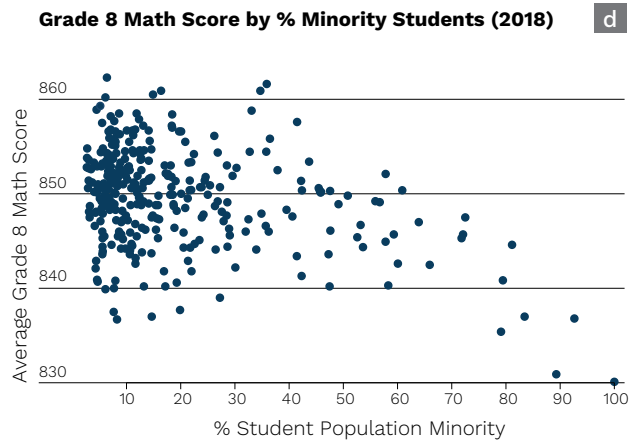
Source: Authors' calculations based on data from the National Center for Education Statistics (NCES)



Source: Authors' calculations based on data from the National Center for Education Statistics (NCES)



Source: Authors' calculations based on MCA III data from the Minnesota Department of Education



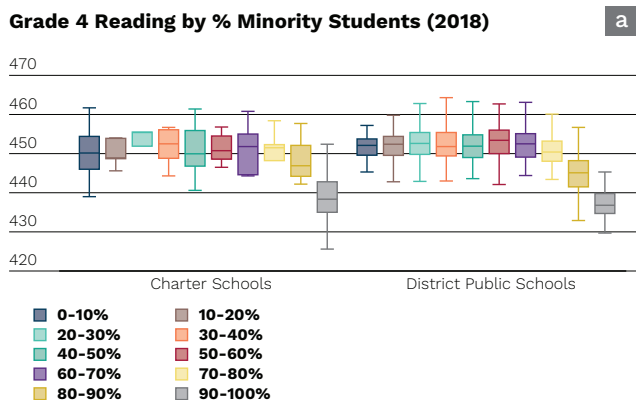
Source: Authors' calculations based on MCA III data from the Minnesota Department of Education

Panel (a) of Figure 6 plots the distribution of Grade 4 reading test scores across schools by school type at each decile of minority population. In both charter and traditional district public schools, average test scores decrease as the proportion of children from minority groups increases. Overall, median scores are lower for charter schools than for traditional public schools. Panel (b) shows similar patterns for Grade 8 math scores.

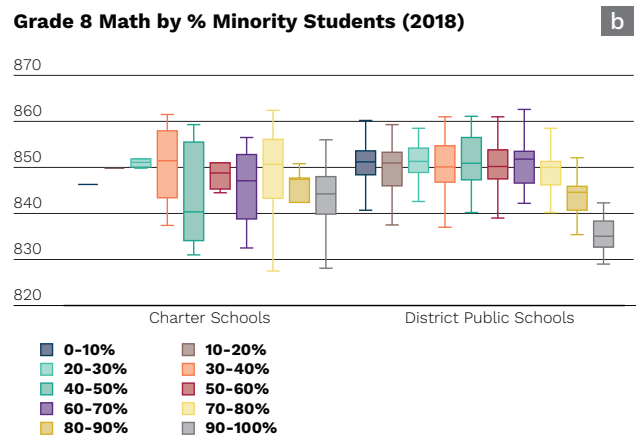
Figure 6 also shows that variation among charter schools is larger than variation among traditional district schools. The length of each box plot denotes the amount of variation across schools within each decile. Since the boxes are larger for charter schools than traditional district public schools, this suggests that there is larger variation across charter schools. The data also show that top performing charter schools with a high percentage of minority students perform better than both similar district schools and overall state averages.

Schools with a higher proportion of minority students have lower test scores across both charter and district public schools

6



Source: Authors' calculations based on MCA III data from the Minnesota Department of Education



Source: Authors' calculations based on MCA III data from the Minnesota Department of Education

DISPARITIES ACROSS SOCIOECONOMIC BACKGROUND. Family median income is an ideal measure for analyzing education outcomes by socioeconomic status. However, most schools do not provide this information. Eligibility for free or reduced price lunch (FRPL) is often used as a proxy for the socioeconomic status of families. A student from a household with an income at or below 130 percent of the poverty threshold (\$33,475 for a family of four) is eligible for free lunch; a student from a household with an income between 130 percent and 185 percent of the poverty threshold (\$47,638 for a family of four) is eligible for reduced price lunch.

Panel (a) of Figure 7 shows that Grade 4 reading test scores for FRPL-eligible students are significantly lower than the scores of higher-income students who are not eligible for FRPL. The gap has been increasing over time, albeit slowly. There is a similar gap for Grade 8 math test scores shown in panel (b), and it has been constant over time. In terms of proficiency, we can compare non-FRPL and FRPL students for Grade 3 reading: 68 percent of non-FRPL students met or exceeded the state reading standards compared with only 38 percent of FRPL students.² Results show a similar gap between FRPL and non-FRPL students for Grade 8 math.

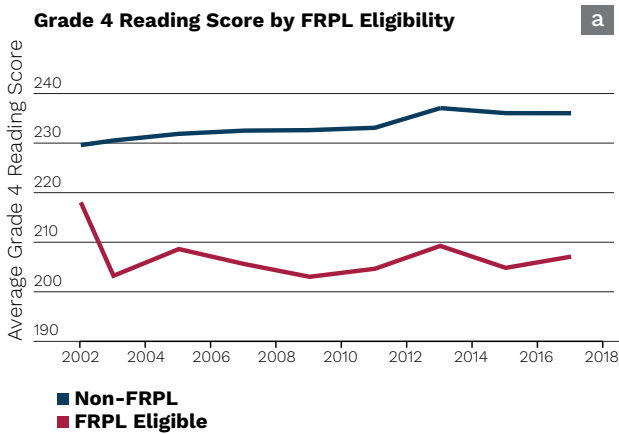
² Non-FRPL student proficiency levels are not available for Grade 4.

Panels (c) and (d) in Figure 7 plot average test scores across Minnesota schools by the percentage of students who are eligible for FRPL. For both Grade 4 reading and Grade 8 math, average test scores are significantly lower in schools with a higher proportion of FRPL-eligible students.

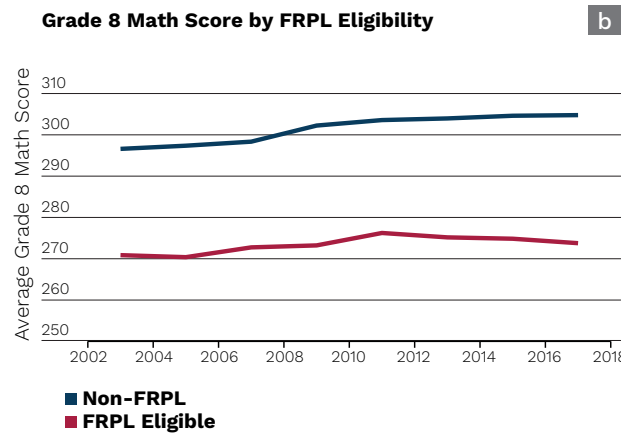
Panel (e) of Figure 7 plots the distribution of Grade 4 reading test scores across schools at each decile of FRPL-eligible student population. In both charter and traditional public schools, average student performance decreases as the proportion of FRPL-eligible students increases. A similar pattern is observed in panel (f) for Grade 8 math.

Schools with a higher proportion of low-income students have lower test scores across both charter and district public schools

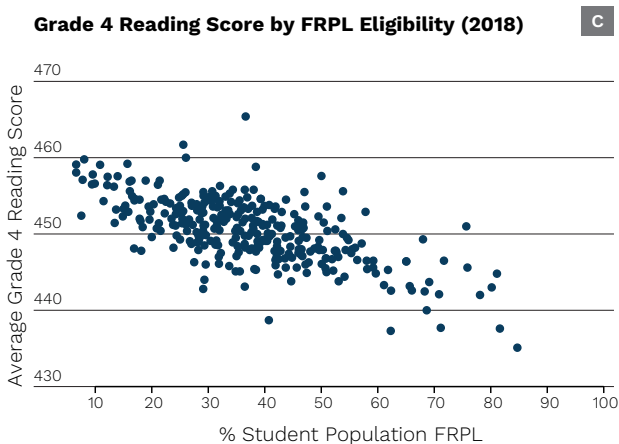
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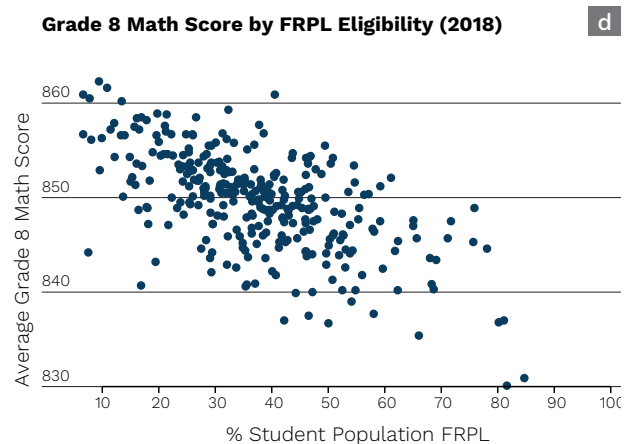
Source: Authors' calculations based on data from the National Center for Education Statistics (NCES)



Source: Authors' calculations based on data from the National Center for Education Statistics (NCES)

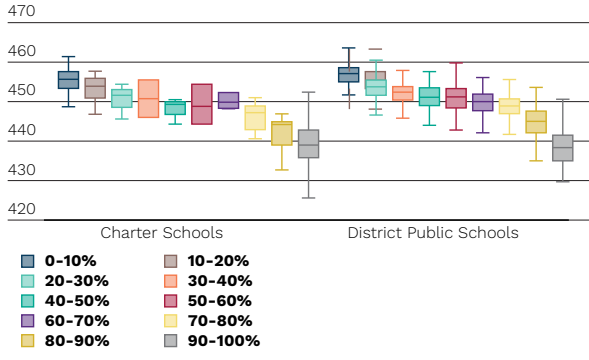


Source: Authors' calculations based on MCA III data from the Minnesota Department of Education



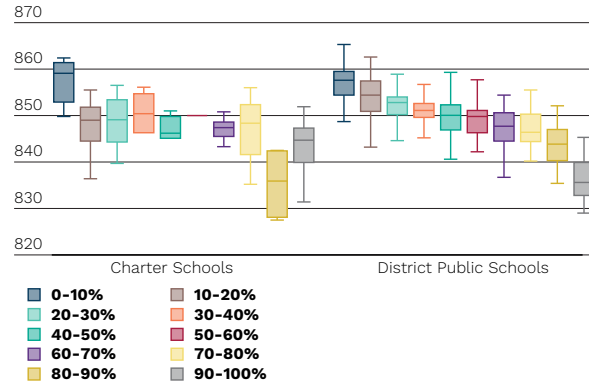
Source: Authors' calculations based on MCA III data from the Minnesota Department of Education

Grade 4 Reading Score by % FRPL-Eligible Students (2018) e



Source: Authors' calculations based on MCA III data from the Minnesota Department of Education

Grade 8 Math Score by % FRPL-Eligible Students (2018) f



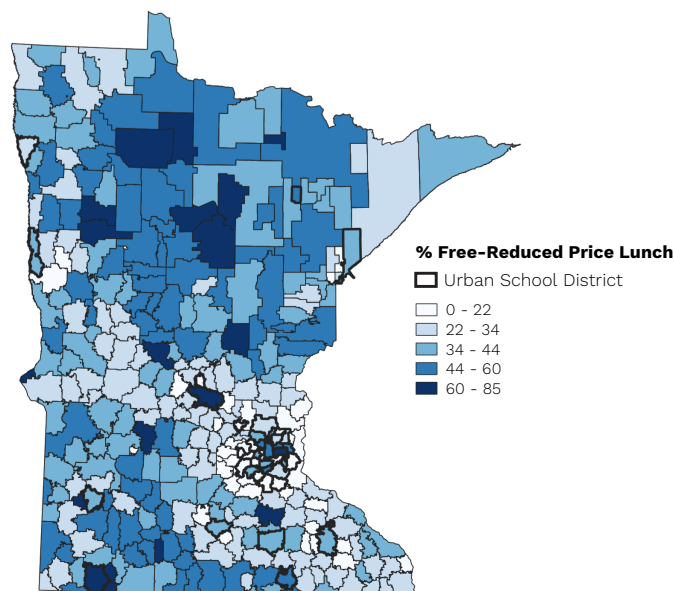
Source: Authors' calculations based on MCA III data from the Minnesota Department of Education

URBAN-RURAL GAPS IN TEST SCORES. To study Minnesota's statewide variation in education outcomes, we construct an indicator variable that classifies each school district as either an urban or a rural school district. As explained in Section 2, this variable is constructed by aggregating population data from the 2010 census at the census tract level to the school district level. If more than 80 percent of the population is urban, then that school district is categorized as an urban school district.

Socioeconomic characteristics vary across the state's school districts within both the urban category and the rural category. Figure 8 shows that some urban school districts in southern Minnesota have a majority of students eligible for FRPL. In contrast, in most urban areas to the west of Minneapolis, fewer than 20 percent of students are eligible for FRPL. Rural school districts in northern Minnesota have some of the highest proportions of FRPL-eligible students, while rural school districts in southeastern Minnesota have a relatively lower proportion of FRPL-eligible students. These patterns are similar to those observed for median household incomes in Figure 3 (a), Section 2.

School districts with a high percentage of low-socioeconomic students are located in both urban and rural areas

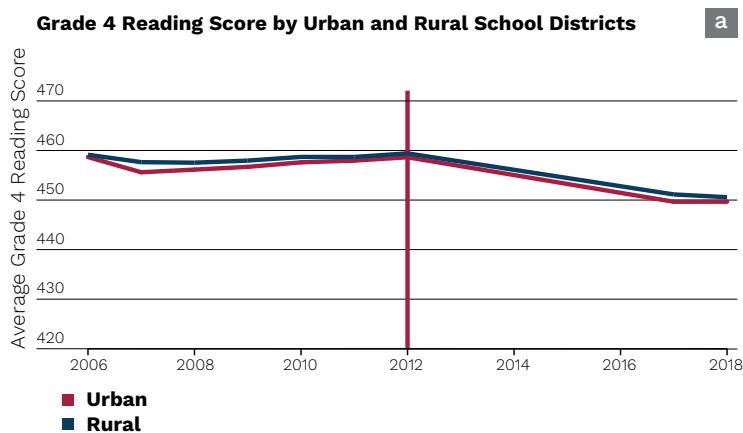
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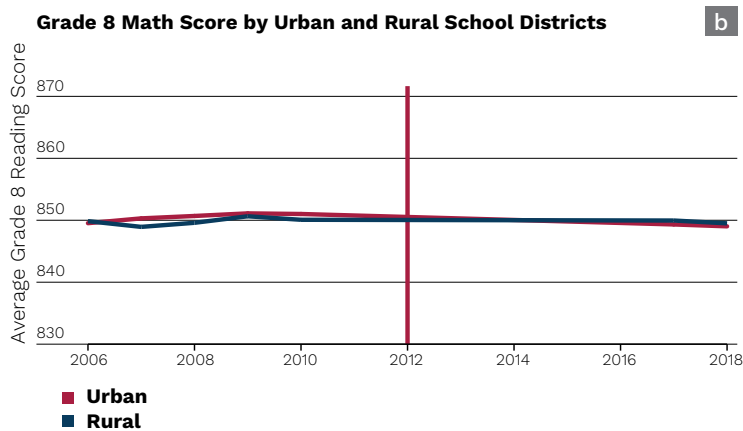
In contrast to Minnesota’s racial and income gaps in test scores, the state has no urban-rural average test score gap. Panel (a) of Figure 9 shows that average Grade 4 reading scores are nearly identical across urban and rural school districts over time. Grade 8 math scores tell a similar story in panel (b). Moreover, the variation in test scores across districts within the rural category is similar to variation across districts in the urban category. Figure 10 plots these empirical distributions. The standard deviation in Grade 4 reading scores across school districts in urban areas is 5.3 and in rural areas is 4 (panel (a)). Kolmogorov-Smirnov tests show that these distributions are statistically the same. Similarly for Grade 8 math scores, the distributions across urban and rural areas are statistically the same with a variance of 6.1 points for urban districts and 5 points for rural districts (panel (b)).

On average no difference in test scores across urban and rural areas since 2006

9

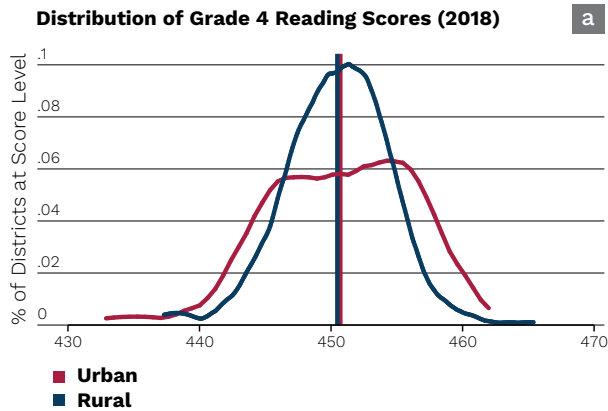


Source: Authors’ calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

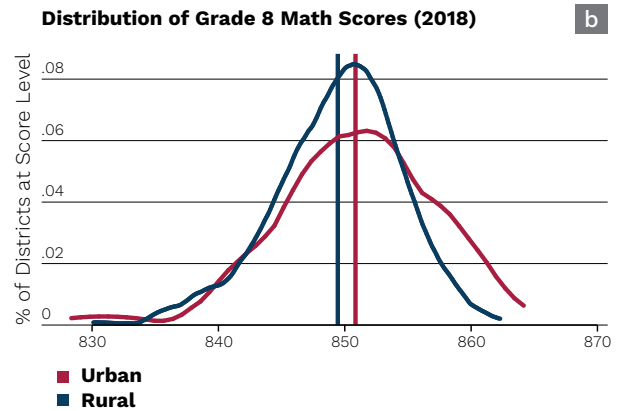


Source: Authors’ calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

Variation across districts within rural areas is similar to the variation within urban areas



Source: Authors' calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

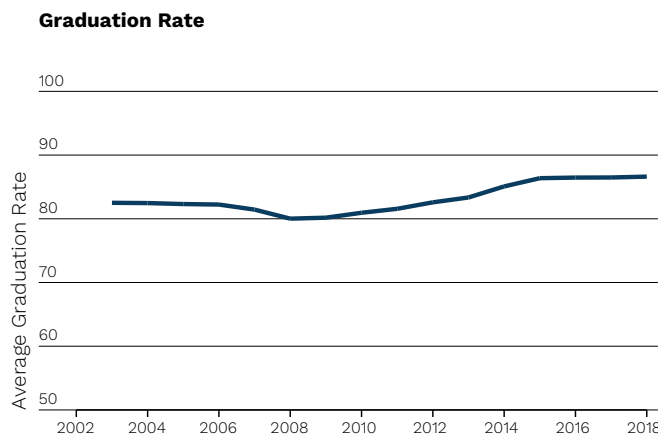


Source: Authors' calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

3.2 | Graduation Rates

Minnesota's high school graduation rate has gradually increased from 82.5 percent in 2003 to 86 percent in 2017, as measured by the percentage of students who complete high school in four years, according to data from the MDE (Figure 11).

Minnesota's graduation rates have been gradually increasing

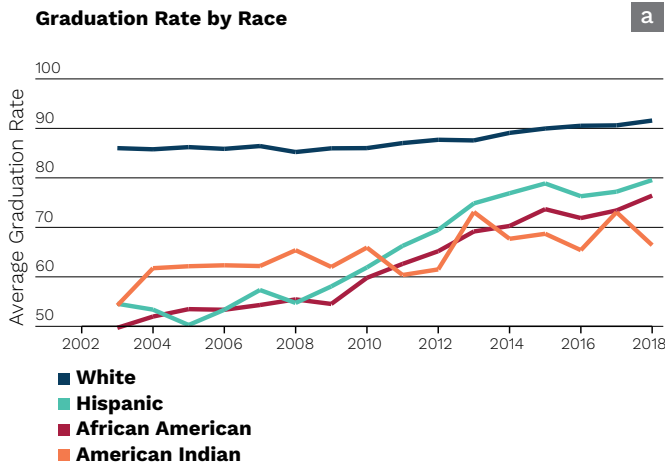


Source: Authors' calculations based on data from the Minnesota Department of Education

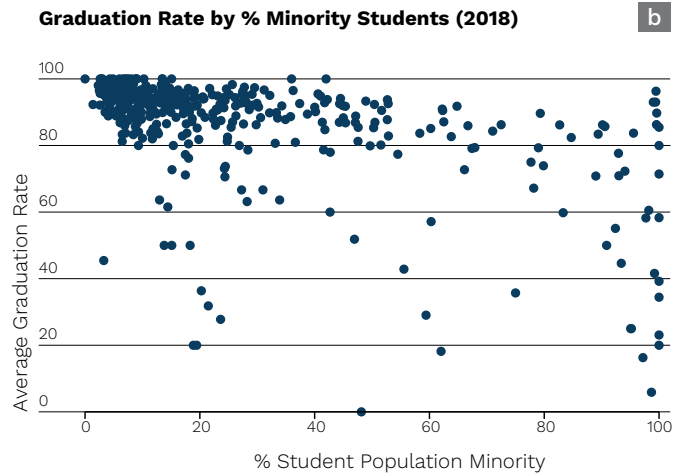
RACIAL DISPARITIES IN GRADUATION RATES. In contrast to the persistence of racial gaps in test scores, gaps in graduation rates have been reduced over time. Panel (a) of Figure 12 shows that the white-black gap has decreased from 35 percentage points in 2003 to about 14 percentage points in 2018. There was a similar decline for Hispanic students, but a much smaller decrease for American Indian students. Despite these decreases, racial gaps are still large. The 2018 cross-sectional distribution of graduation rates across schools depicted in panel (b) shows that average graduation rates are lower in schools with a larger proportion of minority students.

Graduation rate gaps by race have gradually decreased but remain wide

12



Source: Authors' calculations based on data from the Minnesota Department of Education

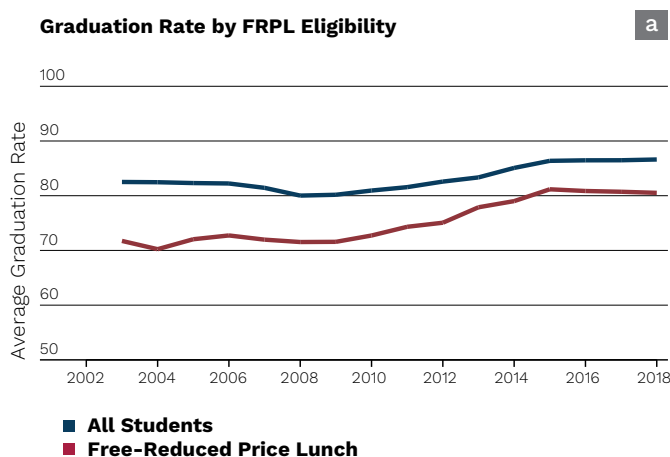


Source: Authors' calculations based on data from the Minnesota Department of Education

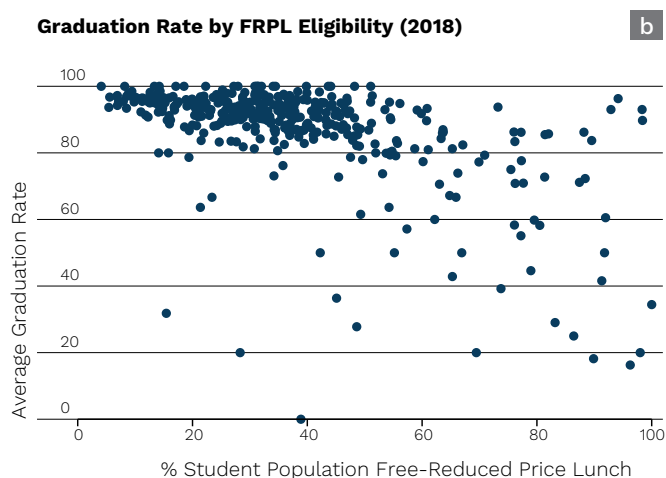
DISPARITIES ACROSS STUDENTS WITH DIFFERENT SOCIOECONOMIC BACKGROUNDS. Patterns in graduation rate gaps by FRPL eligibility are similar to those by race. Panel (a) of Figure 13 shows that the graduation rate for FRPL-eligible students was 72 percent in 2003, about 11 percentage points lower than average. The difference in 2018 is close to 7 percentage points. Panel (b) shows the cross-sectional distribution across schools: Average 2018 graduation rates are significantly lower in schools with a higher proportion of students who are eligible for FRPL.

Graduation rate gaps by socioeconomic status have remained wide

13



Source: Authors' calculations based on data from the Minnesota Department of Education



Source: Authors' calculations based on data from the Minnesota Department of Education

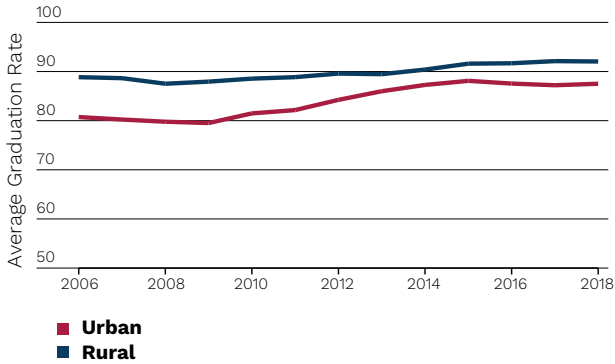
URBAN-RURAL GAPS IN GRADUATION RATES. As previously defined, if more than 80 percent of its population is urban, according to the 2010 census, then a school district is characterized as an urban school district. Many of those urban school districts are in Greater Minnesota.

Graduation rates have been consistently higher in rural school districts compared with urban districts in Minnesota. Panel (a) of Figure 14 shows that between 2006 and 2018, the graduation rate increased from 87 percent to 92 percent for rural school districts in Minnesota and from 82 percent to 89.5 percent for urban school districts. However, panel (b) shows that the distribution of graduation rates across schools in urban districts is similar to the distribution in rural areas—both overall and for schools that have a majority of students eligible for FRPL. Panel (c) shows that the distributions for rural and urban areas look similar for each race category.

As we found with test scores, the urban-rural graduation rate gap in Minnesota is small compared with gaps across racial and income groups.

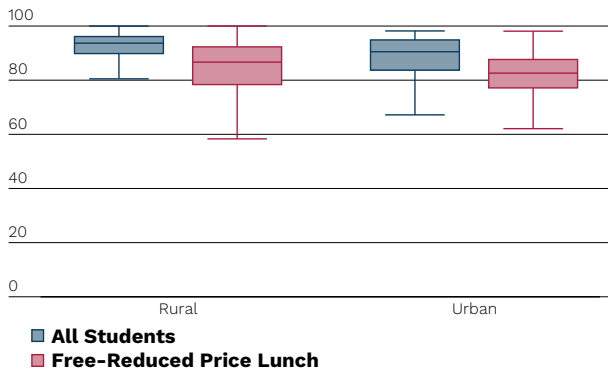
Rural graduation rates higher than urban over time, but gap has closed in recent years

Graduation Rate by Urban and Rural School Districts a



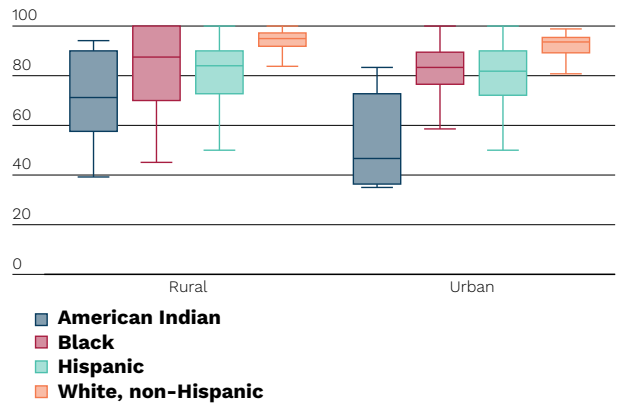
Source: Authors' calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

Graduation Rate by FRPL Eligibility (2018) b



Source: Authors' calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

Graduation Rate by Race (2018) c



Source: Authors' calculations based on data from the Minnesota Department of Education; urban school districts defined as having more than 80% in urban area

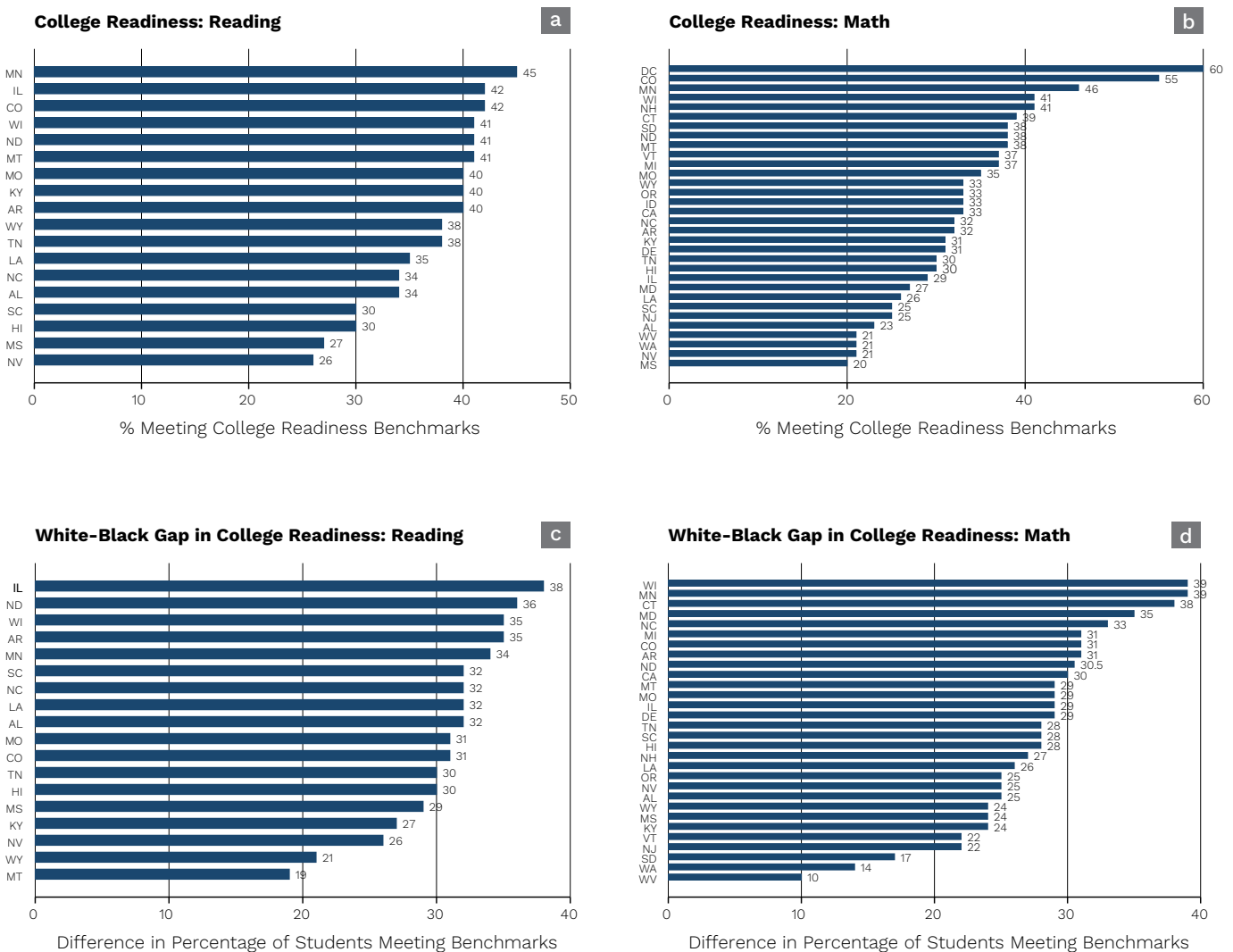
3.3 | College Readiness

College readiness measures are signals of a student’s ability to successfully complete first-year math and English courses at postsecondary institutions. We use two measures of college readiness.

The first measure is based on high school assessments. It is calculated as the percentage of students who score at or above the college- and career-ready (CCR) threshold level on high school assessments (mainly on SAT or ACT tests). In Figure 15, an ACT composite score of 21 is the minimum threshold for college readiness. Panels (a) and (b) of Figure 15 show the distribution of students who meet college readiness benchmarks across states, as measured by ACT exam scores.³ Minnesota has the highest proportion of students in the nation who meet the college readiness benchmarks for reading (45 percent) and is among the top three states for college readiness in math (46 percent).

Minnesota ranks high on college readiness assessments, but has one of the worst gaps by race and ethnicity

15



Although Minnesota, on average, does relatively well in preparing students for college and career, there are large disparities in outcomes across racial and income groups. In Figure 15, panels (c)-(f) show that Minnesota has among the largest college readiness gaps by race and ethnicity.

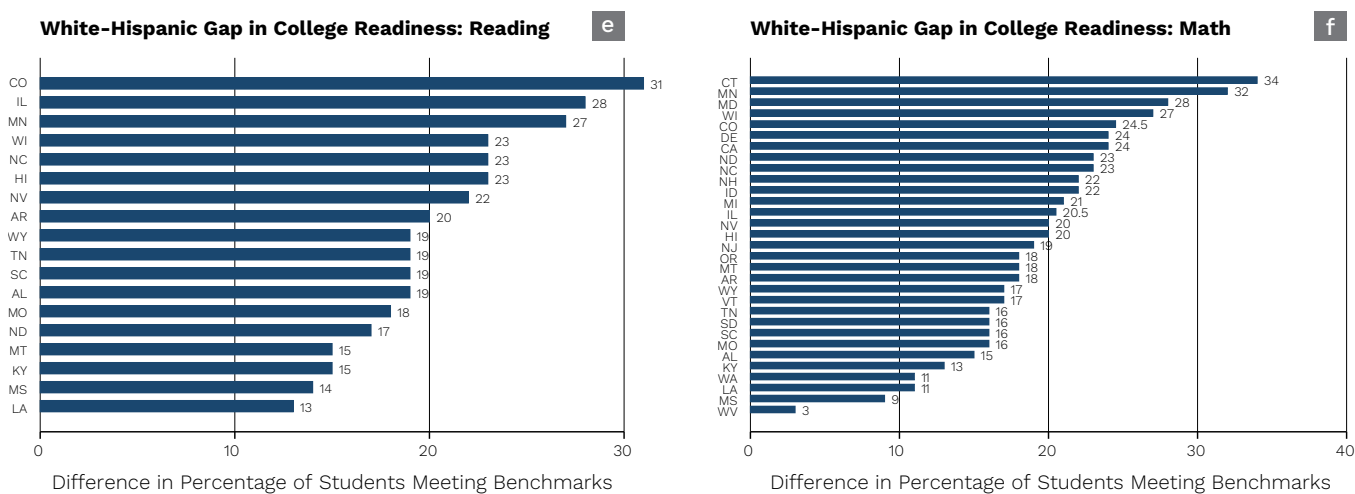


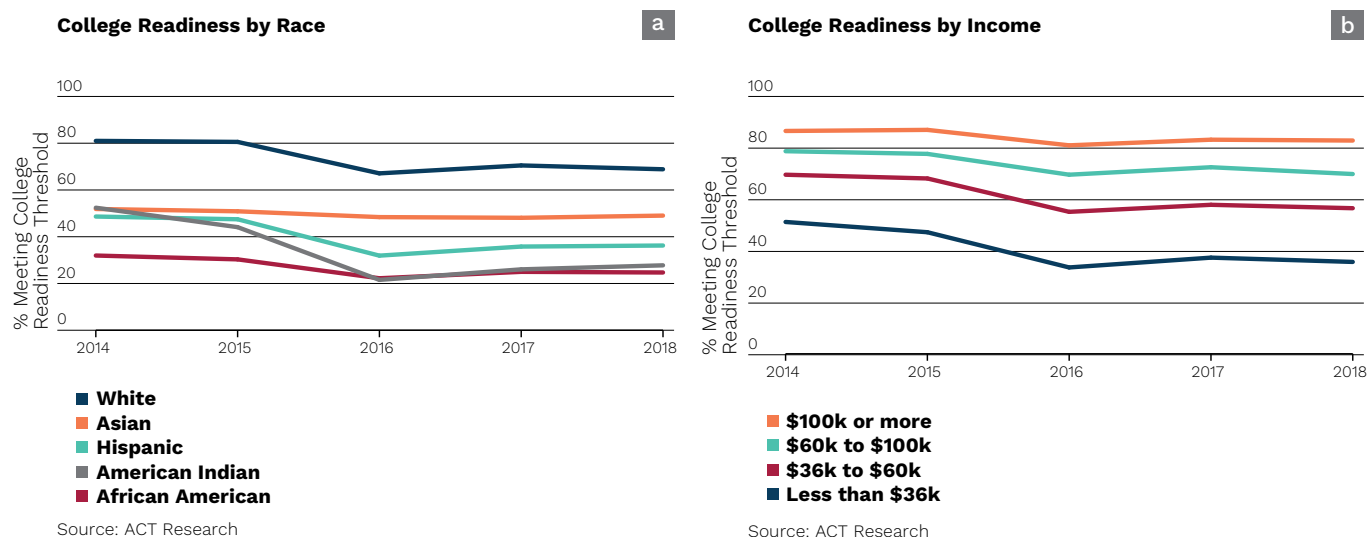
Figure 16 plots the percentage of students meeting the college readiness threshold. In contrast to Figure 15, here the threshold is a composite score of 20 and is based on data from ACT Research. Panel (a) shows that the percentage of students meeting this threshold decreased from 2014 to 2018 across race and ethnicity.

Among whites, the percentage of students meeting the threshold decreased from 81 percent to 69 percent, for Hispanics 49 percent to 26 percent, American Indians 52 percent to 28 percent, and African Americans 32 percent to 25 percent. The college readiness indicator for Asian students remained relatively steady.

There are also large gaps in college readiness across income groups, which have substantially widened from 2014 to 2018 (panel (b) of Figure 16). For students with household income greater than \$100k, 87 percent met the threshold in 2014, dropping to 83 percent in 2018. For students with household income less than \$36,000, 51 percent met the threshold in 2014, dropping to 36 percent in 2018.

3 See ACT Research (<https://www.act.org/content/act/en/research/services-and-resources/data-and-visualization.html>) and Achieve Inc. (<https://eric.ed.gov/?id=ED582094>).

Fewer students prepared for college over time and gaps across race and income larger



The second measure of college readiness shows whether college-enrolled students take remedial or developmental courses. “Developmental education” refers to programs offered by postsecondary institutions to prepare students for success in college courses,⁴ often revisiting content that was taught in high school. College readiness gaps are also large using this measure.

According to the Minnesota Office of Higher Education, in 2014, 49 percent of African American college students enrolled in developmental education, while only 19 percent of whites enrolled. The corresponding figures for Hispanics, Asians, and American Indians were 40 percent, 36 percent, and 30 percent, respectively. There is also a large gap by socioeconomic status: 36 percent of FRPL students enrolled in a developmental course compared with 17 percent of non-FRPL students.

The fact that the graduation rates recently have been increasing while college readiness indicators have declined demonstrates that Minnesota is graduating an increasing proportion of students who are unprepared for college.

⁴ See the 2014 *Getting Prepared* report based on data from Minnesota Statewide Longitudinal Education Data Systems (<http://www.ohe.state.mn.us/pdf/GettingPrepared2014.pdf>).

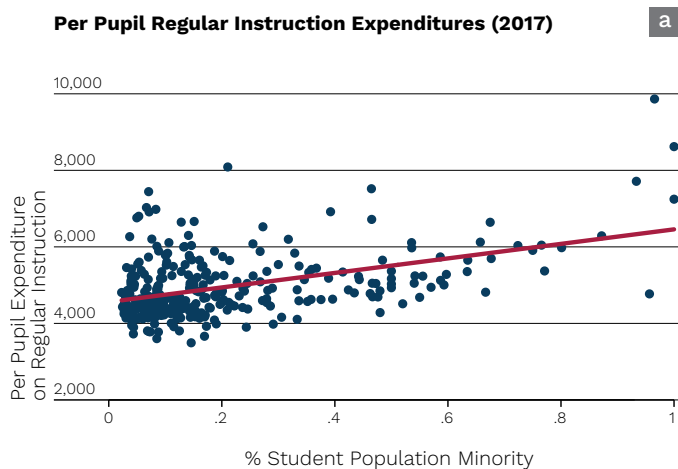
4 | Learning from Success Stories

There are lessons to be learned from innovations in other states and cities to improve outcomes for all students and close achievement gaps.

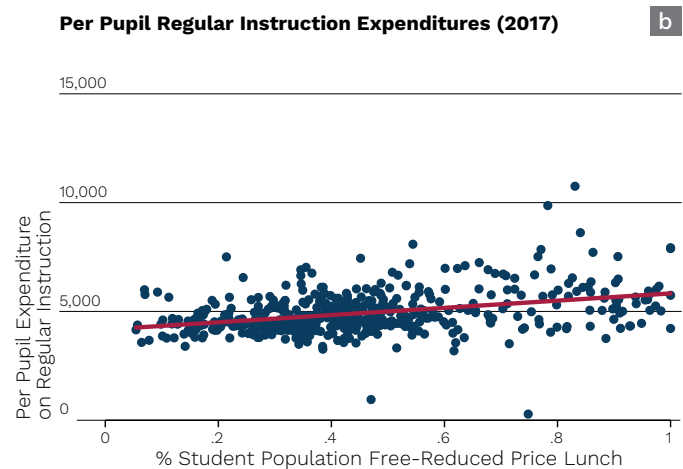
As stated earlier, when it comes to inputs, Minnesota has done well to provide more equal access across school districts. Figure 17 shows the distribution of inputs across schools and school districts. Panels (a) and (b) show per pupil expenditure on regular instruction across school districts in Minnesota. We use instruction expenditure instead of total expenditure because the former captures the value of inputs going directly into classroom teaching. Per pupil instruction expenditure increases as the proportion of children from minority groups increases. Similarly, per pupil instruction expenditure increases as the proportion of students who qualify for FRPL increases. In panels (c) and (d), we see that in schools with a higher share of minority or FRPL students, the student-teacher ratio is slightly smaller. On the one hand, Minnesota has been successful in ensuring equity in per pupil instruction expenditure and class size. On the other hand, in panels (e) and (f), we see that schools with a higher proportion of minority or FRPL-eligible students have less experienced teachers.

Minnesota has equalized funding and class size by race and income, but not teacher experience

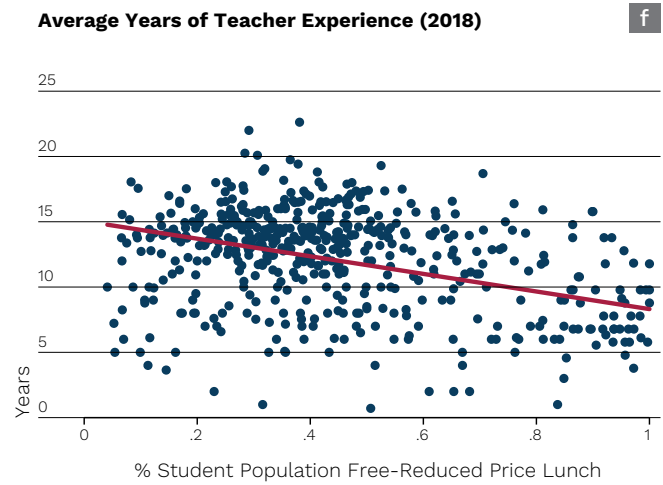
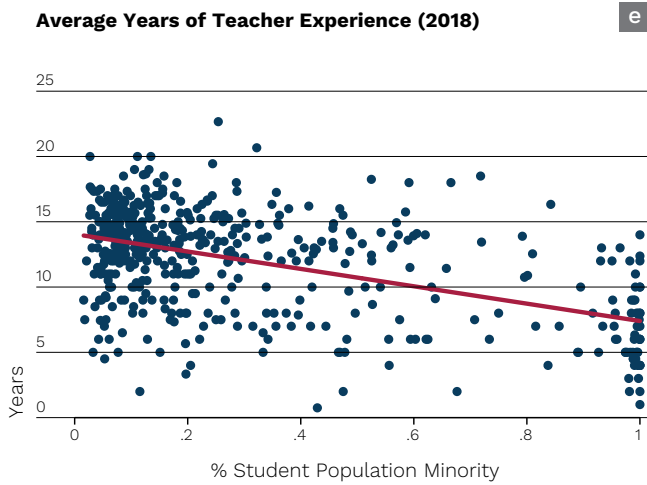
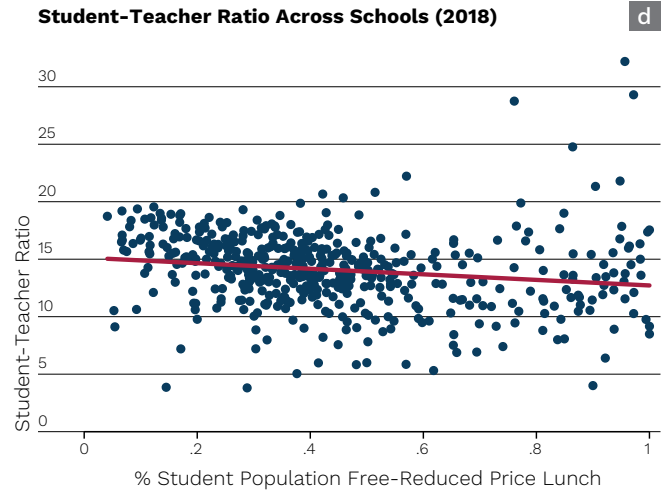
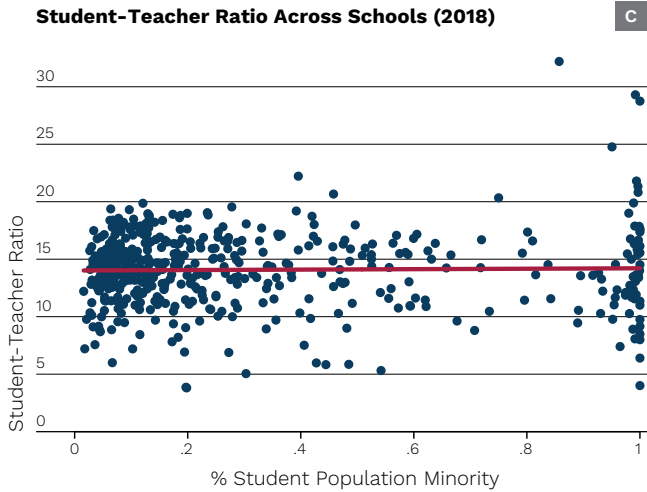
17



Source: Authors' calculations based on data from the Minnesota Department of Education



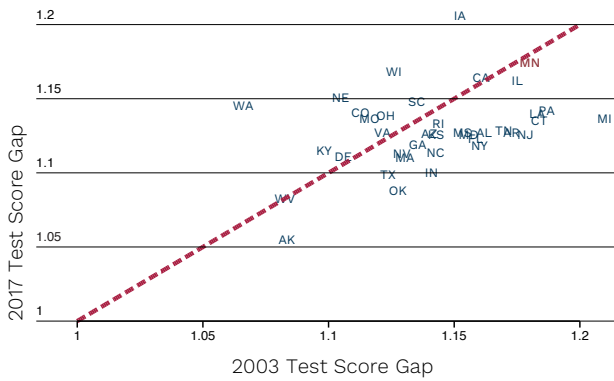
Source: Authors' calculations based on data from the Minnesota Department of Education



Despite several reforms and equalizing funding and class sizes, not only has Minnesota failed to reduce gaps in education outcomes, it has among the worst track records in the nation. Here we examine where Minnesota ranks among states in closing achievement gaps and identify states that have shown signs of closing them. Panel (a) of Figure 18 shows the ratio of white-black students' Grade 4 reading scores on the NAEP in 2003 (x-axis) and 2017 (y-axis). States below the red 45-degree line have closed gaps from 2003 to 2017, while gaps widened for states above the 45-degree line during the same time period. For both 2003 and 2017, Minnesota had some of the widest gaps in the country. Since Minnesota is close to the 45-degree line, gaps have not changed much over this time period. Similarly, for Grade 8 math scores in panel (b), Minnesota had the second-largest gap in both 2003 and 2017.⁵

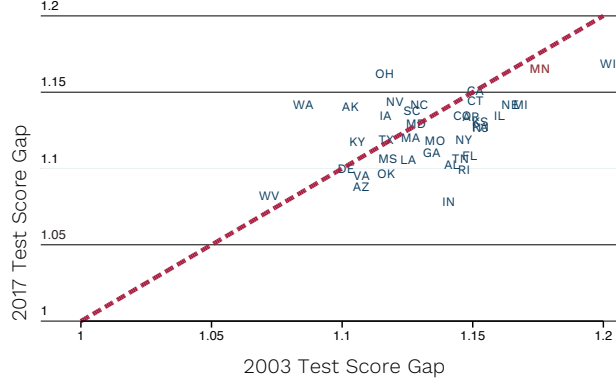
Minnesota ranks high in achievement gap levels and persistence

Grade 4 Reading Score Gap - White-Black a



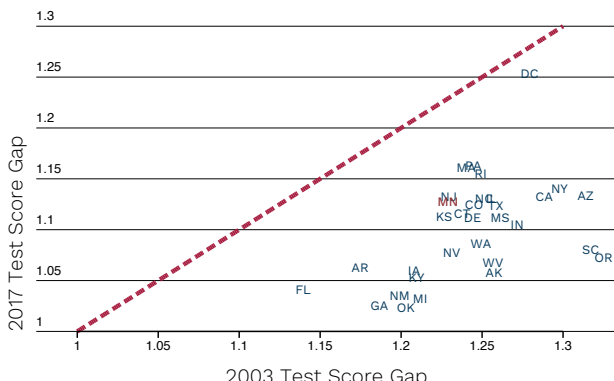
Source: Authors' calculations based on data from the National Center for Education Statistics

Grade 8 Math Score Gap - White-Black b



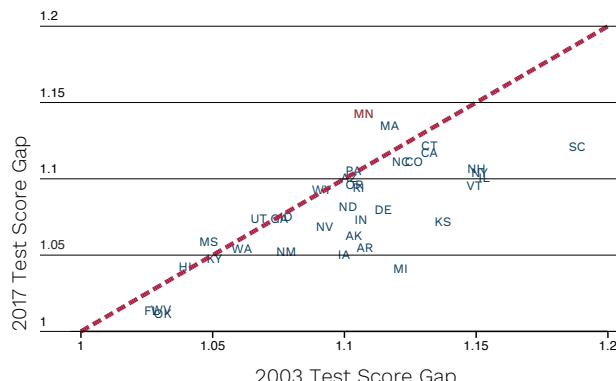
Source: Authors' calculations based on data from the National Center for Education Statistics

Grade 4 Reading Score Gap - White-Hispanic c



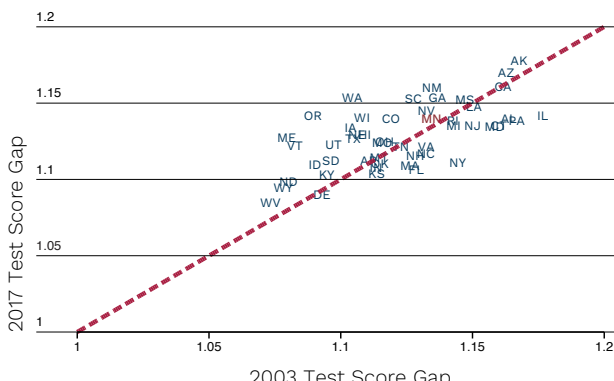
Source: Authors' calculations based on data from the National Center for Education Statistics

Grade 8 Math Score Gap - White-Hispanic d



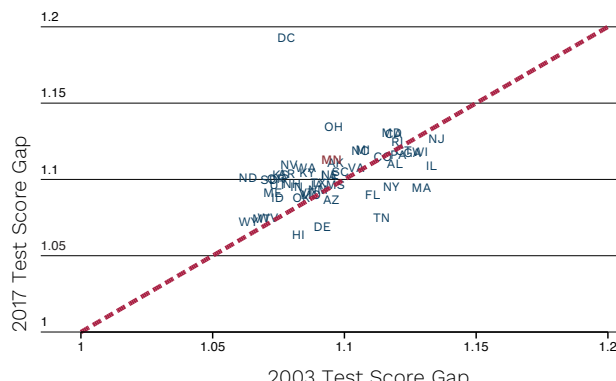
Source: Authors' calculations based on data from the National Center for Education Statistics

Grade 4 Reading Score Gap - Non-FRPL-FRPL e



Source: Authors' calculations based on data from the National Center for Education Statistics

Grade 8 Math Score Gap - Non-FRPL-FRPL f



Source: Authors' calculations based on data from the National Center for Education Statistics

Meanwhile, Indiana stands out from other states in closing white-black achievement gaps for both Grade 4 reading and Grade 8 math between 2003 and 2017 and had some of the smallest gaps in 2017. In addition, Oklahoma made progress in closing white-black achievement gaps and had relatively small gaps in 2017, while West Virginia posted relatively small gaps in both 2003 and 2017.

All states showed signs of closing the white-Hispanic achievement gap for Grade 4 reading scores between 2003 and 2017 (Figure 18, panel (c)), while a number of states made some progress in closing the white-Hispanic achievement gap for Grade 8 math scores (panel (d)). However, in Minnesota, the white-Hispanic achievement gap increased for Grade 8 math scores and the state had among the highest achievement gaps in 2017. Florida, Oklahoma, and Michigan were among states that showed signs of reducing white-Hispanic achievement gaps and also had relatively small gaps in 2017.

Across most states, the achievement gap between students who qualify for FRPL and students who don't qualify has remained relatively steady from 2013 to 2017, including in Minnesota (panels (e) and (f)). In 2017, Minnesota was among the states with the largest achievement gaps, while Wyoming, West Virginia, and Delaware had some of the smallest achievement gaps on this measure in both 2003 and 2017.

Figure 18 shows that throughout the country, many states struggle with persistent education achievement gaps based on race, ethnicity, and socioeconomic status. At the same time, the data indicate some states have shown signs of closing these gaps, even though no state has fully closed them.

In the rest of this section, we review initiatives at the state, school district, and school levels that serve as examples of success in boosting outcomes for children from minority groups or low-income families. We are not intending to endorse specific solutions, but rather to highlight that achievement gaps are not a given. They can be reduced or closed.

⁵ State NEAP scores are based on a sample of schools and students. Therefore, state-level values are estimates. See the NAEP website for information on standard errors (<https://nces.ed.gov/nationsreportcard/>). Figure 18 does not include standard error estimates.

4.1 | Taking Bold Steps: New Orleans

In October 2003, Louisiana passed a state constitutional amendment that led to the establishment of the Recovery School District (RSD), which allows the state to take over failing schools, as determined by test scores and other performance measures. In the first year after the amendment, 17 schools statewide were deemed eligible for takeover; 16 of these were in New Orleans. At the end of the 2004-05 school year, more than 63 percent of the public schools in New Orleans had been deemed likely eligible for takeover in subsequent years. In August 2005, the destruction caused by Hurricane Katrina created the context to place the majority of public schools in New Orleans under the administration of the RSD. A special session of the Louisiana legislature redefined performance thresholds by which schools and districts were identified as failing. As a result, 114 low-performing Orleans Parish School Board (OPSB) schools were placed in the state-run RSD, which was charged with operating the schools for an initial period of five years.

The OPSB retained control of only 17 of the schools (out of 131) it operated before Katrina. The RSD takeovers resulted in each of the existing public schools, including its facilities and staff, coming under charter management. Importantly, these takeovers guaranteed seats for incumbent students, “grandfathering” them into the new school.

Abdulkadiroglu et al. (2016) evaluate the causal effects of the RSD on students’ achievement using an instrumental variables strategy that exploits the grandfathering provisions used initially to fill takeover seats. They conclude that the school takeovers in the RSD appear to have generated substantial achievement gains for a highly disadvantaged student population. The takeover effects were larger in Grade 7 and Grade 8 compared with earlier grades and were larger in the first two years of the takeover than in later years

Harris and Larsen (2016) also found significant results. They compare outcomes before and after Hurricane Katrina and reforms in New Orleans with data from a matched comparison group that experienced hurricane damage but not the school reforms. The study finds a large positive cumulative effect over time on achievement, where achievement is measured with a scale score that incorporates English language arts, math, science, and social studies.

4.2 | Involve and Improve: New York and Boston

Harlem Children’s Zone (HCZ) is a 97-block area in Harlem that offers a number of “community” and “school” programs. Community programs are available to anyone living near HCZ, while school-related services are provided to the students who attend the Promise Academy charter schools. The Promise Academy schools began in the fall of 2004 with the opening of the Promise Academy elementary and middle schools. In 2005, the Promise Academy II elementary school opened.

The Promise Academy has an extended school day and year, with after-school tutoring and additional classes on Saturdays for children who need remediation in math and English skills. It

emphasizes the recruitment and retention of high-quality teachers and uses a test-score value-added measure to offer incentives to and evaluate current teachers. Teachers are evaluated annually and are provided support so that their time is spent teaching and not doing administrative tasks.

The Promise Academy is similar to other No Excuses charter schools⁶ with three exceptions: (1) the Promise Academy does not require parents or students to sign a behavioral contract, (2) the Promise Academy enrolls students at a younger age (3 years old), and (3) a wide range of additional services are available to HCZ students that are not available in other charter schools, including free medical, dental, and mental health services; student incentives for achievement; meals; and support for parents in the form of food baskets, meals, bus services, and the like.

Dobbie and Fryer (2011) show that students who enroll in the middle school gain about 0.2 standard deviations in math per year. Students in the Promise Academy elementary school gain approximately 0.2 standard deviations in both math and English language arts per year.

Dobbie and Fryer (2013) show on the one hand that traditionally collected input measures—class size, per pupil expenditure, teacher certification, and teacher training—are not correlated with school effectiveness. On the other hand, an index of five policies suggested by qualitative research—frequent teacher feedback, the use of data to guide instruction, high-dosage tutoring, increased instructional time, and high expectations—explains approximately 45 percent of the variation in school effectiveness.

Six years after being selected through a lottery to enroll, Promise Academy middle school students scored 0.28 standard deviations higher on academic achievement outcomes and 0.31 standard deviations higher on a measure of on-time benchmarks.⁷ Moreover, females are 10.1 percentage points less likely to be pregnant as teenagers, and males are 4.4 percentage points less likely to be incarcerated.

While the HCZ program focuses on both school and community interventions, Boston College's City Connects program focuses on providing comprehensive support services that assess individual elementary school students' academic, social/emotional, family, and health needs, and connects them to relevant community-based services. The program assists schools by connecting them with community agencies and service providers, and streamlining student referral and case management.

A recent report suggests that children who attended City Connects through Grade 5 closed half of the achievement gap in English and two-thirds of the achievement gap in math by Grade 8 relative to the Massachusetts state average. After controlling for school and student characteristics

⁶ The No Excuses school model focuses on reading and math achievement, enforces high behavioral expectations through a formal discipline system, and increases instruction time relative to traditional public schools. Teachers receive more feedback about their teaching compared with peers in traditional schools and regularly use data from student assessments to modify instruction. Moreover, school days and school years are typically longer than those in traditional public schools (Dobbie and Fryer 2013).

⁷ The on-time benchmarks index constructed by the authors consists of two variables: whether a student graduated from high school in four years and whether he or she enrolled in college immediately after graduation.

and pre-existing academic achievement differences, students who attended a City Connects elementary school outperformed peers on Grade 6 to Grade 8 achievement tests, with effect sizes ranging from 0.29 to 0.67.⁸ In addition, children who attended a City Connects school had lower high school dropout rates compared with children who did not attend a City Connects school, adjusting for child and family background characteristics.

4.3 | Lessons from High-Performing Disadvantaged School Districts

A recent report by the Program Evaluation Division of the North Carolina General Assembly⁹ uses a nationwide database to identify high-performing school districts that predominately serve disadvantaged students. Across more than 11,000 school districts with complete achievement and socioeconomic data in the Stanford Education Data Archive, the report identifies 18 percent as districts serving predominately disadvantaged students based on districts that are in the top quartile of FRPL eligibility and in the bottom quartile of a composite measure of socioeconomic status. Of these almost 2,000 schools, only 94 performed at grade level or better over a seven-year period (2009-15) between Grade 3 and Grade 8 on math and English language arts achievement tests.

These findings are further evidence that schools with disadvantaged students struggle to attain high performance. The report also looks closely at the high-performing disadvantaged districts to learn what characteristics they share. First, on average high-performing disadvantaged districts outperform other disadvantaged districts by Grade 3. After Grade 3, the high-performing districts maintain their advantage with similar growth rates in improvement as lower-performing disadvantaged districts.

Second, the authors conducted case studies of 12 of the high-performing disadvantaged districts to learn more about their common features. Consistent with relatively strong Grade 3 achievement, all of the districts prioritized providing early education. The high-performing districts also focused on increasing or maximizing student learning time; attracting, developing, and retaining high-quality teachers; using data and coaching to improve instruction; seeking additional outside resources, and promoting a local school board focus on policy and academic achievement.

⁸ See *The Impact of City Connects: Student Outcomes, Progress Report 2016* (<https://www.bc.edu/content/dam/files/schools/lsoe/cityconnects/pdf/City%20Connects%20Progress%20Report%202016.pdf>).

⁹ See *North Carolina Should Focus on Early Childhood Learning in Order to Raise Achievement in Predominantly Disadvantaged School Districts*, Final Report to the Joint Legislative Program Evaluation Oversight Committee, May 2019 (https://www.ncleg.net/PED/Reports/documents/Disadvantaged_Schools/DisadvantagedSchools_Report.pdf).

4.4 | Common Themes

A few common themes emerge across these successful school districts and schools. First, schools are given greater autonomy. In New Orleans, the schools under the OPSB were replaced with independent schools that were directly accountable to the state's RSD. In New York, the Promise Academy was given autonomy in implementing its own community and school programs. The report on high-achieving disadvantaged districts finds that school principals were given autonomy to lead, which helped attract, develop, and retain high-quality teachers.

Second, there is a focus on school quality. Research on the Promise Academy demonstrated that flexibility in teacher recruitment and retention combined with improvements in pedagogical methods led to better outcomes. A common theme in the high-performing disadvantaged districts study is a focus on school quality, including maximizing student learning time and using data and coaching to improve instruction.

Third, support services for students and their families correlate with enhanced education outcomes. Students in the Boston Connects program receive individualized services that are associated with gains in achievement test scores and reductions in dropout rates. Meanwhile, providing a variety of student and family supports is a key strategy to advancing student outcomes in the Harlem Children's Zone.

These examples indicate that closing achievement gaps is challenging, but possible.

5 | Conclusion

This report highlights the extent of education achievement gaps in Minnesota. Cross-sectional and time-series patterns are examined for three main outcomes—performance on standardized test scores, graduation rates, and indicators of college readiness. The focus is on documenting disparities across racial groups, students of different socioeconomic backgrounds, types of schools, and urban and rural school districts. However, this report does not identify the underlying causes of these achievement gaps across demographic and socioeconomic groups.

AGAIN, THE FOLLOWING PATTERNS ARE HIGHLIGHTED.

- On average, Minnesota performs well compared with all other states on standardized test scores, graduation rates, and college readiness. However, it has some of the largest gaps in the nation on these measures by race and socioeconomic status.
- Racial and income gaps in standardized test scores and college readiness have increased over time, while gaps in graduation rates have decreased.
- Even as graduation rates overall have increased in recent years, college readiness indicators have declined. This demonstrates that Minnesota is graduating an increasing proportion of students who are unprepared for college.
- On average, there is no gap between urban and rural school districts on standardized test scores and graduation rates in recent years. However, there is a large variation achievement gaps across schools within rural districts and across schools within urban districts.
- These gaps are not only racial; low-income white students significantly trail higher-income white students across Minnesota.
- Variation in outcome gaps across schools also exist within the charter school system and across schools within traditional public school districts.
- Minnesota has successfully reduced variation in education inputs, such as per capita expenditures across districts and class sizes across schools. However, achievement gaps across race and socioeconomic status have persisted for decades.

In addition to these patterns, this report provides examples of success within K-12 schools for improving outcomes for minority and low-income students. The main takeaway from these examples is that achievement gaps are not a given. They can be reduced or closed.

Policymakers and practitioners can use the analysis in this report to motivate discussion about how to address these persistent achievement gaps. Minnesota has failed to close achievement gaps for decades, but there is hope that the state can break this trend and provide an education that works for all Minnesota students.

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