

TESTIMONY ON HF 745
BY MEMBERS OF THE
MDE TASK FORCE ON FINANCIAL SUPPORTS
FOR LOW-INCOME, MULTILINGUAL LEARNERS,
STUDENTS OF COLOR AND INDIGENOUS STUDENTS
MARCH 21, 2025

The undersigned members of the MDE Task Force on Financial Supports for Low-Income, Multilingual Learners, Students of Color and Indigenous Students (“the Task Force”) submit this testimony to support the comprehensive compensatory funding study recommended by HR 745.

- Our Task Force findings fully justify a review of the seven factors proposed for study by new section 126C.15, subdivision 3.
- We also support an expansion of the compensatory funding study charge, to recommend the *amount of compensatory funding* needed to deliver an education that meets state standards to eligible students.

Our diverse sixteen-member task force included experienced educators, administrators, and experts, including district superintendents, a school finance specialist from the New America Foundation, and representatives from key educational organizations such as the Minnesota Education Equity Partnership, Project Momentum, and Ed Allies. We received presentations from district representatives and four nationally recognized experts in school finance reform¹.

Bold Decisive Action Imperative.

Our Task Force Report calls for bold action to reverse Minnesota’s persistent failure to address Minnesota’s achievement gap. The Report points out:

“Despite repeated legislative reaffirmation of the importance of closing Minnesota’s achievement gap, for over two decades a series of official reports have warned that Minnesota’s public schools and charters has

¹ Dr. Bruce Baker, Chair of Teaching and Learning at the University of Miami, Indira Dammu, Associate Partner, Bellwether Education Partners, Dr. Ralph M. Martire, Executive Director of the Center for Tax and Budget Accountability, Justin Dayhoff, former Assistant State Superintendent of Maryland

utterly failed to make adequate progress in closing Minnesota's persistent achievement gap."

A summary of prior reports calling upon Minnesota to address its achievement gap is attached appended to this testimony as Exhibit A ("*Two Decades of Reports on Minnesota's Achievement Gap*").

To finally address Minnesota's persistent failure, the our Task Force urged bold decisive action. **Bold decisive action requires that Minnesota take a hard look at whether compensatory funding is adequate to accomplish its mission.** Accordingly, we urge that:

- The charge of the proposed Compensatory Task Force includes recommending steps to adjust the amount of compensatory funding so that it covers the full cost of delivering an adequate education to eligible students.
- That the Compensatory Task Force recommend robust guardrails to assure that compensatory funding is used effectively for its intended purpose, and that MDE is empowered to provide adequate support to districts in adopting effective practices.

Ending Minnesota's Persistent Achievement Gap Requires Adequate Funding and Accountability

In 2003, Governor Pawlenty's state of the state address warned:

"As good as our schools have been, we are leaving too many children behind. And the sad reality is, they tend to be poor, disabled or children of color. I will not stand by and allow another generation of disadvantaged children to be cast aside."

Among other initiatives, Governor Pawlenty appointed a blue-ribbon task force, chaired by then Edina Superintendent Rick Dressen, to recommend repairs to Minnesota's school finance system. The Pawlenty-Dressen task force issued a report which acknowledged that "Minnesota has one of the largest achievement gaps in the nation." Among the report's recommendations was that a new foundation aid system should

"Adopt a funding formula that is cost-based, learning linked, and that is sufficient to cover *full dollar costs* of ensuring Minnesota public school students have an opportunity to achieve state specified academic standards."

This full-dollar cost-based funding, the Report continued, should be connected to "a comprehensive instructional program offered by schools," that would be adequate to

deliver those state specified standards. It envisioned that necessary revenues would be based on data and research. In return for adequate funding, the Report recommended that:

Once instructional and operational costs are reasonably determined and sufficiently funded, local education officials have an obligation to ensure public resources are deployed efficiently and students achieve high standards.

Unfortunately, Governor Pawlenty prohibited the Dressen-led Task force from completing its effort to determine the “full dollar cost” of providing an adequate education. Since the termination of the 2004 task force, Minnesota has made no effort to address these two related issues: (1) how much funding is actually required to deliver an adequate education to the students Minnesota is leaving behind, and (2) how can we ensure that public resources are deployed efficiently so that all students achieve high standards.

Our Task Force reviewed a variety of preliminary evidence on how Minnesota could complete the unfinished work of the 2004 Task Force. A significant body of research supports the conclusion that to deliver an adequate education to compensatory eligible students, compensatory revenues should double the base funding provided to all students. A recent Century Foundation study highlighted the need to better align resources with student needs, particularly in districts serving significantly large numbers of students of color and Indigenous students, students from lower-income households, and Multilingual Learners. A summary of the report’s data asserted:

“The least adequately funded districts in Minnesota include both Minneapolis Public Schools and St. Paul Public Schools, which is consistent with national patterns of below adequate funding in large, diverse, urban school districts. But the list also includes many districts outside of the Twin Cities, like Worthington, St. Cloud, Chisholm and Mabel-Canton—and suburban districts, including Columbia Heights and Brooklyn Center...

“Minnesota students who are English Learners, students of color—particularly Black students, and students experiencing poverty are significantly more likely to be enrolled in school districts where funding is below adequate.”

Our Task Force did not have time or resources to conduct the research necessary to conclude how much additional compensatory funding is required. Instead, the Task Force recommended that Minnesota initiate research to consider a variety of perspectives to established the range of funding required. Many states have conducted full-dress professional funding adequacy studies. Some states have chosen “evidence-based

funding” studies which utilize research on the staffing and programs required to deliver an adequate education. Some of these states have even implemented independent accountability panels to assure appropriate use of new funding.

The Task Force recommended an initial less costly approach. With expert assistance, the state should collect evidence to estimate the amount of compensatory funding needed to produce acceptable results. That effort should include:

- Presentations from nationally recognized experts on school finance.
- Compilation and review of funding studies conducted by other states, including evidence presented in other states' court and legislative proceedings.
- Presentations from Minnesota districts on what they need to provide target populations with a world-class education.
- Consideration of peer-reviewed and recognized studies using education cost models to estimate differentiated cost-based funding weights for target populations.
- Review of funding practices of states with positive outcomes for target populations.
- Spending levels in successful public schools, including charters, including the Department of Defense Activity (DODEA) that deploy additional local revenues in support of these populations.

Conclusion

Thank you for considering our testimony. Supplying districts with enough revenue to provide educational results that meet state standards will not alone achieve a world class education for all students. However no successful enterprise can be successful if it ignores the cost required to produce a satisfactory product. It is now more than two decades since the task force appointed by the Pawlenty administration and led by then Superintendent Rick Dressen urged that Minnesota must identify the “full dollar cost” of providing students with an education that meets state standards, and Minnesota’s basic skills is still determined without any evidence or data to establish that it is sufficient to do the job.

We the undersigned Task Force members respectfully urge that the Minnesota legislature finally and boldly to consider the resources that it will take to meet state learning standards for all Minnesota students.

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HF 745 Testimony Exhibit A

Two Decades of Reports on Minnesota's Achievement Gap

- **Investing in Our Future**: Seeking a fair, understandable and accountable, twenty-first century education finance system for Minnesota (Acknowledging that “Minnesota has one of the largest achievement gaps in the nation ”)(Governor’s Task Force July 2004 P11)
- **Funding Education for the Future**, (MDE May 2011) (“There are wide gaps in reading and math proficiency by race and by economic status. Little progress was made in closing these achievement gaps between 2006 and 2010.”) Education Finance Working Group Recommendations and Report p 5 (Nov 2012)
- **80-20-10 Bringing Equity to Minnesota’s School Finance System** (School Finance Working Group, November 2020) (Over the past 20 years, educational outcomes measured by state accountability tests have stagnated with a large, persistent achievement gap while the percentage of children of color has more than doubled from 16% to 34%)
- **Office of Legislative Auditor A Minnesota Department of Education’s Role in Addressing the Achievement Gap** (2022) p 3 (“Minnesota has had long-standing academic achievement gaps, despite efforts by MDE, school districts, and charter schools to implement policies designed to close them.)
- **Wilder Foundation “Tackling the achievement gap head-on” (2006)** (A wide gulf divides public school classrooms throughout the Twin Cities region. It closely follows the lines of family income and of race and ethnicity. This achievement gap persists throughout the school years, from grade-school test scores through high school graduation rates.)
- **Minnesota’s Educational Achievement Gaps: A Statewide Crisis.** (Federal Reserve Bank of Minneapolis, 2019 (Minnesota’s education achievement gaps have persisted for decades despite implementing policies designed to close them.)
- **Educational Outcomes and Minnesota’s Economy, Minnesota Federal Reserve Bank of Minneapolis, 2022** (“Data show that Minnesota’s public schools consistently underserve students from low-income families, Indigenous students, and students of color”).)