

# **It's a revenue game**

**By Ted Kolderie**

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Superintendents had been dropping hints for several weeks about their new report. When Rob Hotakainen picked it up for the Star Tribune on September 4 it was easy to see why. It does introduce a major new factor into the debate about financing public education in Minnesota.

There's nothing new in this report from the Minnesota Association of School Administrators (MASA) in its appeal for more money: to support a state-mandated 'basic educational program', to measure student achievement against new state standards, to repair buildings, to buy new learning technology and to pay for social services.

What's new is its call for containing the rising cost of teacher compensation. That's a sharp break with the tradition of the major education groups maintaining a united front, whatever their internal differences; always joining to support proposals for greater funding.

Basically the superintendents are saying that, given the pressure on state revenues, there can be no concept of program adequacy without some restraint on teacher compensation. The MASA cites a commissioner's report in 1990 saying, "In the current collective bargaining environment school boards do not have the power to withstand difficult teacher negotiations". And, "Teachers have little economic incentive to avoid a strike, since days-not-worked are usually made up as a condition of settlement".

As a result, MASA says, "perennially, settlements outstrip resources granted by the Legislature. Unless the board can find more money elsewhere "basic education programs would be cut to accommodate a negotiated settlement".

The way out for boards in recent years has been to ask local voters for authority to spend beyond the state-provided amount. Some 285 districts now have such 'referendum levies' and the Minnesota School Boards Association says another 30 or 35 proposals for new or increased levies are on the ballot next month, most conspicuously in St. Paul.

In proposing that the referendum levies be eliminated the MASA risks offending another group; of its own members. The local option to 'go beyond' has been vigorously defended by the high-wealth districts as a key part of the system: 'illuminating the lighthouse, showing the way to improvement'.

The MASA report is simply realistic. In recent years the levy has been used by boards mainly to provide funds for the contract settlement. Districts vary in their wealth and in their ability to pass these levies and the courts are therefore moving to rule them out. (See "Teacher bargaining poses legislative quandary", Minnesota Journal, Nov. 19, 1991.)

This has big dollar implications. To raise the guaranteed per-student amount from the present \$3,050 to \$3,789 as the MASA report proposes (effectively extending the existing referendum levy amount to all districts) will be a tough sell with the Legislature. The report at the same time asks the state to take over the financing fully: to levy whatever property taxes it wants to use and in effect to 'levy' also the income or sales taxes (by pegging the amount-to-be-collected and floating the rate so that revenues never come up short).

In saying the districts cannot any longer handle the bargaining with teachers the superintendents are also saying to the state, "Here, you take it". For the short term they suggest a salary freeze; longer-term, a new way of resolving contract disputes or, more ambitiously, a new system for 'regional' or state bargaining.

There may be no way out under existing arrangements. The MASA proposes spending increases that the state may be totally unable to accept. If the state also declines to constrain teacher compensation and if the courts cut off the referendum levies the pressure will play out as larger class sizes and cuts in staff and program.

So along with the predictable efforts to fudge for one more session there may be a growing interest in getting outside the box; in changing the existing arrangements in some new and fundamental way.

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