

Charter school proposals emerging around state

First of two articles.

by Dana Schroeder

Less than 10 months after passage of Minnesota's charter schools law, two of the eight charters allowed by the law have been granted, and a number of other groups around the state are working on serious proposals.

Approved. Two existing schools have received the first charters:

● In December Bluffview Montessori School in **Winona**, currently a preschool to grade six private school with 70 students, became the first school to receive its charter from the State Board of Education, after first getting the nod from the Winona school board. The district and the school are negotiating a contract for the charter operation, under which Bluffview will become a public school. Superintendent Ronald McIntire said the Winona Education Association, the local teachers' union, has threatened to file a grievance if the district signs the contract, contending it is a subcontract to an outside group for educational services and is forbidden by the union's contract. If a grievance is filed and McIntire and the school board deny it, as he predicted they would, the grievance would go to an arbitrator. A ruling in the union's favor, he said, "theoretically could prohibit the existence of a charter."

● The charter for the **Toivola-Meadowlands** School, an existing K-12 school with 165 students in northeastern Minnesota, was approved by the state board in January, following endorsement by the St. Louis County school board. According to Dick Raich, a parent working on the proposal, a new, "much more progressive, entrepreneurial" curriculum is being designed for the school, which will include foreign language for ele-

mentary students, strengthen the outcome-based reading program, integrate classes in different subjects, and build on students' interests. He said 17 committees are working on various aspects of the proposal.

Sought approval outside home district. Two groups have sought charters for existing schools from other school boards after being turned down by their home districts:

● The proposal for a K-6 school in **Rapidan** (currently a K-4 school with 100 students) was approved by the Truman school board (40 miles away) in February, after being turned down by its home district, Lake Crystal-Wellcome Memorial in south-central Minnesota. The proposal will go to the State Board of Education in April. The Lake Crystal and Wellcome Memorial districts consolidated last July, and the new board voted in December to close the Rapidan school. Superintendent Eric Bartleson sees the charter proposal as "a reaction to closing a building" and a threat to the district financially. "This board has been a strong supporter of improving educational opportunities for kids," he said. "That's why we've combined."

Pat Ryan, who is working on the charter proposal, conceded the decision to close the school has spurred the community to look at potential innovations in its school. "Necessity is the mother of invention," he said. The group wants to tie farming and agri-business into an interdisciplinary curriculum and encourage parents to "adopt" a class for a month, helping with such tasks as curriculum design and correcting.

● The **Emily** school (an existing K-4 school with 55 students) is seeking a charter from the Cyrus school board (150 miles away), after being turned down by its home district, Crosby-Ironton in north-central Minnesota. The Cyrus board was to consider the proposal March 9. The Crosby-Ironton board voted in February to close the Emily school. The school received a reprieve from closing last year when the community raised \$27,000 to cover the district's budget shortfall, according to Emily charter committee member Dave Gaulke. The group wants the school's program to emulate the magnet school program in Cyrus, which focuses on science, communications technology, and math.

Rejected. The only charter proposal for an entirely new school to be brought to a school board vote thus far was turned down in February by **Northfield** on a 5 to 2 vote. The proposed Cannon Valley Middle School's emphasis was to be on peace and justice, using an experiential, case-study approach. Some parents involved in the proposal had started a private elementary school in Northfield 10 years ago after trying unsuccessfully to get the district to set up an alternative program, according to charter group member Griff Wigley. That private school affiliation created a perception of elitism that was hard to shake, he said, even though the group proposed steps aimed at assuring equal access to all students.

Northfield Superintendent Charles Kyte said primary among his reasons for recommending against the proposal was his philosophical discomfort with the charter school having an independent board elected by its staff and parents of students in the school.

Pending. Meanwhile, other charter proposals are pending before a number of local school boards. Among them:

● In **Minneapolis** a nonprofit agency called A Chance to Grow has a charter proposal before the school board for a new K-6 school called New Visions School, aimed at students with reading problems. The school board was to consider the proposal at meetings on March 11 and 17.



● In **St. Paul** Mayor James Scheibel, two teachers, and a social worker have a proposal before the school board for a charter school called City Academy Power League, which would serve 30 students, ages 13 to 19, who have dropped out of school and are unlikely to succeed in traditional school settings or other alternative programs.

● On March 9 the **Rochester** school board was to begin considering a charter proposal from the Rochester Montessori School, currently a private preschool, to grade six school.

● The **St. Cloud** school board is considering a proposal by Princeton teacher Joan Riedl for a charter to bring her educational approach, based on use of technology and learning stations, to two classrooms in St. Cloud, one for second and third graders and one for fourth and fifth graders. The board was to consider the proposal at meetings on March 12 and 19.

● In **Mounds View** the staff of the Area Learning Center, which serves at-risk youth from a number of school districts, has made a charter proposal, which was to be considered by the school board at meetings on March 9 and 23.

Amidst all the activity, though, a number of issues are being raised—about the process required to obtain a charter, about the types of proposals emerging, and about the response of the education establishment. Next month's *Journal* will explore reactions from people involved in charter proposals, as well as legislative authors and state and local education officials.

Dana Schroeder is interim editor of the Minnesota Journal.

What are charter schools?

● Public, outcome-based, teacher-run schools that receive regular school aid and are exempt from all state and school district regulations except those governing health and safety.

● Started only by licensed teachers who get permission from a local school district—not necessarily the one in which the charter school is located—and the State Board of Education and then negotiate a contract for up to three years with the sponsoring district.

● Governed by a board elected by staff members and parents of students in the school. A majority of the board members must be licensed teachers employed by the school.

● Cannot discriminate on the basis of race, religion, ability, or other factors; charge tuition; teach religion or have a religious affiliation.

● A total of eight allowed in the state, with no more than two sponsored by any one district.

Editors praise Carlson budget, urge no new taxes

St. Paul Pioneer Press (Mar. 6) said Gov. Carlson's budget message "provides a solid basis" for negotiating an end to the shortfall and recognizes the need for legislative attention on other issues such as health care and workers' compensation. **Star Tribune** (Mar. 6) agreed that the governor's budget helps avoid a fight that would endanger reforms needed elsewhere. **St. Cloud Times** urged lawmakers (Mar. 3) to "quit posturing for votes and make some (no-tax) promises they intend to keep." **West Central Tribune** said (Mar. 3) "the one thing we don't need right now is more taxes." **International Falls Journal** urged (Feb. 27) no new taxes and said legislators should recognize that "the gravy's run out...and government will have to eat its potatoes dry like the rest of us." **Mankato Free Press** said (Feb. 29) after taking care of the shortfall the politicians should decide how to reshape state government "to serve residents more efficiently." **Hibbing Tribune** compared (Mar. 1) the budget problem to a leaky engine and urged buying the oil filters "before we need a whole new engine."

Brainerd Dispatch urged (Feb. 25) legislators to follow the recommendation of the governor's commission on long-term financial reform to set a six-year balanced budget plan. **St. Cloud Times** said (Feb. 25) such a long-range plan might force politicians to "figure out how much money there is to spend and then decide priorities." **Pioneer Press** said (Feb. 23) the reforms "deserve strong, bipartisan support" and can

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On Balance

Editors were poking holes in actions of Minnesota's policymakers as deep as those now appearing in our roads.

"reduce the chance that Minnesota will continue lurching from one budget crisis to the next."

Duluth News-Tribune said (Feb. 18) it's important that cost controls get "equal play with wider access" to health care. **West Central Tribune** said (Feb. 21) holding down costs to increase access to health care "is a better alternative than having the state spend more money on health-care coverage." **Red Wing Republican Eagle** endorsed (Feb. 20) the idea of having purchasers select where to get treatment based on data regarding a hospital's success. **Pioneer Press** counseled (Feb. 16) legislators to "move cautiously, focusing this session on cost containment, insurance reform and low-cost... coverage to the uninsured." **Fargo-Moorhead Forum** said (Feb. 21) teaching the public to buy quality health care and insisting that providers pay only for necessary procedures are "sensible and inexpensive" ideas for reform. **Star Tribune** endorsed (Mar. 7) the Citizens League health-care reform proposals, saying "the beauty of the...approach is that it generates substantial funding in a way that helps contain health-care costs."

Princeton Union-Eagle cautioned (Feb. 13) legislators to proceed carefully with restructuring higher education and said the idea of combining the state university system with the University of Minne-

sota deserves "priority consideration." **Mankato Free Press** said (Feb. 10) the merger proposals divert attention from "the real debate...a growing belief that the state has too many higher education campuses and duplicate services."

Rochester Post-Bulletin said (Feb. 8) the University of Minnesota is on the "right track in throwing its resources into its primary mission, that of achieving academic excellence."

Bemidji Pioneer said (Feb. 9) part-time legislators earning full-time salaries is a "symbol of a legislative expenses system gone wild." **St. Cloud Times** said (Feb. 9) with legislative salaries, per diems, and other benefits it isn't any wonder that the term limits movement is growing. **Hibbing Tribune** urged (Feb. 28) legislators to get rid of the practice of transferring campaign contributions to other campaigns. **Duluth News-Tribune** said (Feb. 28) such transferring is "a good example of why the public mistrusts many elected officials" and said the practice should end. **Bemidji Pioneer** called (Feb. 23) the House I-R action to cut off staff services to a caucus member who refused to vote with IR's on redistricting "petty, wrong-headed and an insult to the legislator's constituency."

Free Press said (Feb. 20) it is time for local leaders to "seriously court federal prison officials" to trans-

form the University of Minnesota-Waseca campus into a low-security prison. **St. Cloud Times** said (Feb. 19) reviving the campus for a purpose such as a federal prison makes sense but "merely transferring it from one state higher education system to another isn't productive."

Republican Eagle said (Feb. 14) "Minnesota lawmakers would be foolish to ban large hog producers" such as one proposed in Clarkfield. **Free Press** said (Feb. 12) the big swine operations should not be banned in Minnesota."

Duluth News-Tribune supported (Feb. 25) the bill to require deposits on non-refillable beverage containers and make companies either cut wasteful packaging or pay a tax. **St. Cloud Times** agreed (Feb. 27) saying the bill would attack "the monster that accounts for nearly 35 percent of Minnesota's garbage: disposable packaging." **Star Tribune** said (Feb. 24) the state should enact statewide packaging guidelines.

Worthington Daily Globe said (Feb. 18) legislators should "give top priority" to workers' compensation reform and urged consideration of Wisconsin's system. **International Falls Journal** said (Feb. 24) this reform would be a "good start" to the mission of improving conditions for the state's existing businesses. **Pioneer Press** urged (Feb. 28) legislators to take action this year, not only to curb high benefits, but also to provide more efficient medical services to injured workers, reduce litigation, crack down on fraud and enhance safety programs to prevent injuries.

Measure how St. Paul works for young

From St. Paul Mayor James Scheibel's state of the city address, Feb. 24.

I want to talk about how the city works for its younger citizens, because—too often—we measure the condition of our community by measuring how well it serves us as adults...

I want you to be confident that St. Paul will have the jobs that make your investment in education and training worthwhile...City government is going to be a partner with the small business owners... When

you graduate from high school, I want you to find a city rich in culture—that feeds your artistic and literary natures...

I want you to find a city that takes better care of its infants than we do now, so that when you are ready to begin stable, loving families, you find a community ready to help you raise healthy babies...I want you to find a city that makes opportunity and hope available to all its citizens, so I am working closely with the school district and the St. Paul Foundation to develop a lifelong literacy center...As mayor, I

need to make sure our city does its basic job: the work of streets, libraries, and public safety...

As you grow up, I want you to find St. Paul a city you want to live in. I want you to be able to find homes you can afford...(I)n America, too many cities are becoming places just for poor people and wealthy people, while middle-income families move into suburbs. St. Paul is a city of good and strong neighborhoods. When you are adults and starting families, we want this to be a city you are comfortable living in and one that you can afford.

Services

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But maybe "the game" will change. If the '90s really is going to be a decade in which slower economic growth bears down hard on most organizations and most families, it's possible that rising costs will produce a politically effective demand for a productive public sector.

Ways do exist to do "more, for less." David Osborne and Ted Gaebler describe them in their new book, *Reinventing Government*. The problem is that they're hard to do and strongly resisted politically. Up to now governors and legislators haven't wanted to take on that challenge. Even during the fiscal crisis of 1978-82 it was easier to cut (or shift) and tax than to change the existing (and comfortable) way of doing things.

If the public does now demand a change big things might happen. Minnesota has been thinking about and experimenting with these ideas for the last 20 years, through the period of expanding public spending that followed the introduction of the sales tax in 1967 and the new programs in the early '70s.

A lot is now known here about redesign and restructuring (partly about what does not work) from efforts like these:

- LEAP, the loaned-executive program for state executive-branch reorganization organized by then-Gov. Wendell Anderson about 1971. In Anderson's time the Legislature also created the Office of Legislative Auditor in 1973, to do program-audits of

state programs.

- Public Service Options, a "design shop" set up jointly by the Citizens League and the Upper Midwest Council in the mid-'70s to explore "choice" strategies.

- The Minneapolis-St. Paul Study, set up by Martin Sabo, then speaker of the House, and Nicholas Coleman, then Senate majority leader, to find out why it cost so much to run those cities.

- The Governor's Commission on (presumably, against) Waste and Mismanagement, established by Gov. Rudy Perpich in 1977. In 1983 Perpich and Sandra Hale, his commissioner of administration, set up the performance-improvement program known as STEP, which began to make some headway in state services.

- CORE (Commission on Reform and Efficiency) is an initiative of Gov. Carlson, staffed by the Department of Administration, to look at selected state-level problems, at local government aids and at something involving state/county social services delivery.

- The Metropolitan Council is organizing a task force to study local services-delivery. The Council will have a conference on the topic March 30 at which Gaebler will speak.

The problem throughout has been to find some clear and effective general strategy; some vision of *how* to make the public sector more efficient (i.e., economical and effective).

"Reorganization"—moving the boxes around—hasn't seemed to make much difference. "Efficiency" is elusive, and doesn't produce

big numbers. Talk about "shutting off the money-flow" produces counter-threats from agencies to cut or close popular programs: beneficiaries and employees then protest and legislators relent.

Most recently the "hot" idea has been consolidation: the notion that larger units will be more effective and cheaper to run—in higher education, in education, in local government. (See "Money Woes Drive Governments to Seek Economics of Scale" by Betty Wilson, *Minnesota Journal*, December 17, 1991.)

That idea now seems to be cooling down. Consolidation is hard to make happen, and even where it does, the projected savings may not be realized. The Legislative Audit Commission March 4 reported that administrative savings from merging three higher-education systems would be "limited" and might be more than offset by resulting increases in costs if salaries in the new, merged organization were equalized upward. Bigger governments do sometimes spend more.

The most interesting and potentially significant development is the dissent—first reported on the editorial page of the *Saint Paul Pioneer Press* March 5—of 11 members (almost half) of the Ramsey County Local Government Services Study Commission.

The commission had been created by legislators to look at possible mergers in public health, criminal prosecution, libraries, public works and police (communications, crime lab and investigations). It recommended some changes. But suburban officials were deterred from merger by their concern about having to pick

up Saint Paul service costs and Saint Paul members by their desire not to lose control of their operations.

Three citizen members of the commission—Geraldyn Sheehan, James Quinlan and Rafael Ortega—came into the final meeting with a different proposal. It lost on a tie vote.

Basically the dissenters call for expanding choice for elected officials. They want to change the basic arrangement for service-delivery from the traditional public-bureau arrangement to a competitive-bid arrangement. They propose three-year contracts for most of the services, to begin in 1993. Government agencies would be eligible to bid provided they included, as other bidders necessarily would, all direct and indirect costs.

Their dissent reflects what surveys of public opinion have found. The public is not against the high-service state. It simply does not believe government is doing the job effectively and economically.

Ruby Hunt, one of the 11 dissenters, calls this "my new crusade." "Citizens have decided this is the way to go," she said. Hunt is a member of the Ramsey County Board and was before that a member of the Saint Paul City Council.

Ted Kolderie is contributing editor of the Minnesota Journal.

Other Views

I read Kolderie, Cairns, Smyth, Rehwaldt, and Bauerly (*Minnesota Journal*, Feb. 1992) and still need someone to explain to me why it makes sense to keep one school district from spending more than another one is able to spend. If the state defines and provides for an "adequate" level of education for all students (presumably funded from a progressive income tax), what is the harm in some districts providing more? Isn't disallowing this "cutting off your nose to spite your face," as my mother would say?

If we take this philosophy to the next basic public service, will it mean that no community is able to provide more health care than the least wealthy (or more remote) community is able to afford?

Am I missing something?

Ellen T. Brown, Woodbury

Community must support all children

From Minneapolis Mayor Donald Fraser's state of the city address, Feb. 5.

When I became mayor in 1980, one out of four births in Minneapolis was to single mothers. That figure has climbed to 41 percent today and is projected to rise 67 percent by 1999... We need to understand more fully why births to single women are increasing so rapidly and how our community can ensure that all children receive their full birthright of love, support and hope. This is a complicated

decision, but one we need to push into the public light...

I propose that we move forward on three additional fronts. First, we are proceeding with plans to establish three Neighborhood School Readiness Centers this fall and to add two more the following year... Each site will include kindergarten and Head Start classrooms, health services, child care, Way to Grow, and other services appropriate to the neighborhood...

Second, after-school programs. Every child in this city should have access to appropriate after-school activities. Parents and children alike need this... I anticipate a public-private partnership spearheaded by the city and the corporate community to initiate an expansion this fall.

Third, city government can do a better job of making connections with young people... through career days, internships, summer employment projects, and mentoring relationships.

Carlson

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have wrestled with questions about program duplication, how many campuses we should have, whether we should close any campuses, and how many and which students ought to have access to higher education.

Will the newly created Higher Education Board be more capable of resolving these issues?

Merger proponents argue that a single governing board will be able to act more decisively than three separate boards acting cooperatively. A consolidated governance structure, they maintain, will quell the turf battles and competition that get in the way of resolving long-standing issues such as credit transfer and program duplication.

Studies, however, cast doubt on that assumption. McGuinness, the assistant executive director of the Education Commission of the States, who has studied governance issues for more than 20 years, says "a more centralized and bureaucratic structure...is even less likely to be highly flexible, responsive or creative."

And although proponents say the merger will yield savings by reducing the number of administrators, these savings probably won't be great enough to offset the potential costs of the merger.

Merger opponents and proponents agree that in the 1990s resources will be constrained across all of state government. Lawmakers cannot guarantee that higher education will be able to defend its current share of the state's budget against the demands of competing social needs.

Without a detailed plan for implementing the merger, no one can calculate what its full costs will be. But the Higher Education Coordinating Board (HECB) has estimated what it might cost to implement some of the merger's more explicit mandates—for example, the potential cost of creating a state system of technical colleges. Now local school boards (in some cases regional boards) own and operate the technical colleges, which receive their funding from the state.

HECB estimates that creating a statewide bargaining unit for technical college faculty could inflate current spending for salary and benefits by as much as \$34 million every biennium—an amount equal

to more than 10 percent of the technical college system's entire 1992-1993 state appropriation.

To that expense, add \$60 million to pay school districts for their investment in technical college campuses, plus one-time expenses of \$30 million, and the initial cost of taking this first step toward merger escalates to as much as \$125 million over the biennium.

Estimating the cost of creating unified systems for student registration and financial accounting is more difficult. The University of Minnesota's recent experience in forecasting the cost of a new accounting system may be instructive: it was estimated at \$11 million and is now expected to exceed \$17 million.

The money that state taxpayers could potentially spend to create a merged system would be much better spent improving the educational services students receive. Faculty and students of our higher education systems have identified several critical needs: state-of-the-art instructional equipment, comprehensive and current library resources, and adequate course sections so students can finish their programs in a timely fashion.

During the 1991 legislative session, several other higher education initiatives were approved, in part, as an alternative to the proposed merger and its potential costs. These initiatives directly address concerns about credit transfer and administrative costs. One defines in statute a unique mission for each of the higher education systems and requires them to transfer or eliminate any programs not within the scope of their respective missions.

HECB will oversee this program reduction and realignment and has also been given new authority to control the growth of off-campus programs and sites. During the coming weeks the Minnesota House plans to review HECB's roles once again.

McGuinness' zoo animal analogy may be a bit blunt, but there is merit in keeping higher education systems that have distinctive missions and cultures separate. I believe it's far wiser to map out a unique plan for each system's future than to leave it to one "super board" to oversee what will be a colossus of a higher education system.

Lyndon Carlson (DFL-Crystal) chairs the Education Division of the Minnesota House Appropriations Committee.

Health

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"Legislative progress on cost and quality control issues is critical," the League said. "...Universal access to meaningful benefits will be little more than an empty promise until the state changes a system that allows physician and hospital costs to rise unchecked."

The most effective way to control costs, the statement said, will be through reforming the health-care system to create a true, competitive market by changing incentives in order to reward efficient providers and making cost and quality information available to consumers.

The League noted that the medical care structure in this country has been "aptly" described as one "in which reimbursement is guaranteed for charges that are neither controlled by competition nor regulated by public authority, and in which no motive for economy can be discerned."

Elements illustrating that description include a lack of consumer information on the cost and quality of care that physicians, health plans and hospitals provide; employers paying all or most of the cost of the care plans employees select, whether or not the plan is efficient, so that neither the employees nor the providers are motivated to hold down costs; a structure that encourages the use and over-use of expensive technology.

The League proposed that:

- The state subsidize basic preventive, inpatient and outpatient services for the medically indigent, using only managed-care providers who would compete for the state plan on the basis of results and cost. (Managed-care organizations, and health-maintenance organizations in particular, have proven significantly more efficient than the more traditional fee-for-service practice.)
- The first priority for financing be through the state income tax; the Legislature should eliminate the

exclusion from taxable individual income of employer-provided health-care benefits and any before-tax employee contributions to health premiums. This existing exclusion, said the statement, encourages increases in costs, goes to relatively well-off citizens but not the poor, and provides the greatest subsidy to employees in a position to receive the richest medical-care benefits from their employers.

The state-wide income tax, the League said, is the most appropriate way to pay for a fundamental service such as health care, in which all citizens should share the cost, based on ability to pay. Additional potential funding sources, if needed, the report said, would be a tax on hospital and/or physician's bills and on cigarettes.

- Persons ineligible for the state-subsidized plan and not otherwise covered be required to purchase a minimum amount of protection for major medical bills, to avoid ending up on medical assistance (paid for with state and federal tax dollars) if they develop severe health

problems.

- The Legislature enact several reforms in underwriting and rating practices for individual and small-group (fewer than 30 employees) insurance, such as limiting the exclusion of pre-existing conditions and prohibiting the cancellation of coverage or increases in cost due to higher claims experience or health-status changes for an individual or a single small employer.
- The state allow small employers to pay the premiums for enrolling high-risk employees in the Minnesota Comprehensive Health Association, created specifically by state law to provide subsidized health insurance for high-risk individuals.
- The state require the collection and dissemination of comparative information on the cost and performance of health plans and hospitals, so that citizen consumers have—for the first time—accurate data in order to make wise choices.

Pete Vanderpoel is communications director of the Citizens League.