School District Integration Revenue

March 1, 2011
Program needs more focus and oversight

• Purpose of program unclear

• Districts’ use of revenue varies

• Funding formula has unintended consequences
Overview of Integration Revenue Program

• In Fiscal Year 2011:
  – 125 school districts
  – $91 million

• Districts identified as eligible or volunteer
  – Racially identifiable schools
  – Racially isolated districts
  – Adjoining districts
  – Voluntary districts
St. Paul and Adjoining Districts, 2005

Isolated District

Adjoining Districts

- 26%
- 25%
- 72%
- 30%
- 17%
- 21%
Isolated, Adjoining, and Voluntary Districts, 2005
School Districts in Integration Revenue Program, 2005

- Isolated Districts
- Adjoining Districts
- Districts with Racially Identifiable Schools
- Voluntary Districts
There Are Many Ideas Regarding the Purpose of This Program

- Increase parent involvement
- Provide staff development
- Offer all-day kindergarten
- Achieve student success
- Integrate the community
- Mitigate racial isolation
- Respect and value diversity
- Increase student achievement
- Increase cultural competency
- Recruit, retain, and support teachers of color
- Provide multicultural curriculum
- Close the achievement gap
- Create an inclusive environment
- Develop cultural awareness among students, staff, and the community
- Integrate classrooms
- Expose people to other cultures
- Increase interracial contacts
- Reduce class size
Purpose of Integration Revenue Program

• Racial balance and integration
• Achievement gap
• Staff development
• Multicultural awareness
• Community involvement
• Interracial contact
Districts’ Use of Revenue Varies

- Interdistrict magnet schools
- Classroom partnerships
- Summer academic and soccer camps
- Multicultural festivals

Questionable:
- U.S. history textbooks
- English language learner services
Funding Distribution has Unintended Consequences

- Does not reflect districts’ different needs
- Results in limited oversight of Minneapolis, St. Paul, Duluth, and voluntary districts
## Integration Revenue Funding Rates

<table>
<thead>
<tr>
<th>Proportion of Protected Student Enrollment</th>
<th>Minneapolis</th>
<th>St. Paul</th>
<th>Duluth</th>
<th>Isolated School District</th>
<th>Adjoining School District</th>
<th>School District with Racially Identifiable School(s)</th>
<th>Voluntary District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than or Equal to 15 Percent</td>
<td>$480</td>
<td>445</td>
<td>206</td>
<td>92</td>
<td>92</td>
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</tr>
<tr>
<td>More Than 15 Percent</td>
<td>$480</td>
<td>445</td>
<td>206</td>
<td>129</td>
<td>129</td>
<td>129</td>
<td>92</td>
</tr>
</tbody>
</table>
## Total Integration Revenue for Select Districts, 2005

<table>
<thead>
<tr>
<th>District</th>
<th>Funding Rate</th>
<th>Total Integration Revenue (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Paul</td>
<td>$445</td>
<td>20,386</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>480</td>
<td>18,657</td>
</tr>
<tr>
<td>Duluth</td>
<td>206</td>
<td>2,299</td>
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<tr>
<td>Anoka-Hennepin</td>
<td>129</td>
<td>6,036</td>
</tr>
<tr>
<td>Eden Prairie</td>
<td>92</td>
<td>1,053</td>
</tr>
<tr>
<td>Mountain Lake</td>
<td>129</td>
<td>54</td>
</tr>
<tr>
<td>Round Lake</td>
<td>92</td>
<td>12</td>
</tr>
</tbody>
</table>
Funding Formula Does Not Reflect Districts’ Different Needs

- Stillwater (voluntary)
- Brooklyn Center (isolated)

<table>
<thead>
<tr>
<th>Percentage Protected Students</th>
<th>Total Integration Revenue</th>
<th>Revenue per Protected Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>$249,000</td>
<td>$223</td>
</tr>
<tr>
<td>66%</td>
<td>$989,000</td>
<td>$2,211</td>
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</tbody>
</table>
Limited State Oversight of Revenue

• MDE does not approve Minneapolis, St. Paul, and Duluth integration budgets
  – Represents over half of revenue

• “Voluntary” districts do not need MDE approval
  – $4.3 million in 2009
Summary of Findings

• Purpose of program unclear
• Districts’ use of revenue varies
• Funding formula has unintended consequences
Recommendations

- Legislature should clarify purpose of the program
- Consider changing the funding formula
- Close oversight gaps
  - Minneapolis, St. Paul, and Duluth
  - “Voluntary” districts
School District Integration Revenue

is available online at:

www.auditor.leg.state.mn.us