

Office of the City Auditor Policy & Research Division 350 S. Fifth St. – Room 310.5 Minneapolis, MN 55415 www.minneapolismn.gov

POLICY BRIEFING: Declining MPLS Public School (MPS) Enrollment

About 29,000 students are currently enrolled at MPS. The district projects enrollment will decline to just over 23,000 students in the 2027-2028 school year. Meanwhile, MPS is constructed financially to serve about 40,000 students.

MPS experienced about a 17% decrease in student enrollment in the last five years and is expected to drop to about 23,000 students by 2027.

Several smaller elementary schools on the North Side are less than half full of students based on building capacity. Only about a dozen schools citywide are more than 80% full¹.

Reasons MPS enrollment is declining

- About a fifth of enrollment loss is due to charter schools or open enrollment
- Number of children ages 5 and under living in the city fell 17% between 2020 and 2021. The number of children ages 6-15 fell 6.4%.²

Charter schools, private schools and homeschooling have all increased. When each student means about \$10,000 for a school, losing even a handful of families can be costly. ³

Charter schools and open enrollment have siphoned roughly 19,000 students, over 35% of the city's entire student body, out of Minneapolis' public schools. The 2021 MPS' Comprehensive District Design (CDD) shuffled students to new schools across the city. By some estimates more than 4,200 students left MPS in the two years since the CDD's enactment⁴.

Nationwide the pandemic supercharged a trend toward declining enrollment. Between 2019 and 2020, public schools lost more than a million students, according to the National Center for Education Statistics.

MPS Costs & Budget - The Minneapolis school district has balanced its budget for the past three years with the help of nearly \$262 million in federal pandemic funds, but that money runs out late 2024.

MPS has lower ratios of students per licensed staff compared to the 14 other largest MN districts as well as the state average. The district spent \$3,900 more per pupil on general operating costs in 2021 than the 15 other largest districts in Minnesota, according to MPS data.

Decreasing revenue from declining enrollment and increasing expenditures from lower student-teacher ratios and higher per-student spending have contributed to an "imminent fiscal crisis," according to a board presentation last November⁵. Absent cuts or revenue increases, Minneapolis Public Schools' finances are headed for the red by 2025, a scenario that will trigger state intervention.

¹ Minneapolis Public Schools projects 'impending fiscal crisis' within 5 years (startribune.com)

² Minneapolis Board of Education Presentation - BoardBook Premier, Nov 2022

³ https://www.startribune.com/as-minnesota-kids-go-back-to-class-school-choice-pushes-districts-to-up-their-marketing-strategy/600301645/

⁴ 'Fiscal crisis' narratives in Minneapolis schools merit interrogation | MinnPost

⁵ Minneapolis Board of Education <u>Presentation - BoardBook Premier</u>, Nov 2022

Higher state revenue streams for public education enacted during the spring legislative session will help close some gaps by indexing the state's general education formula up to 3% annually and increasing the "cross-subsidy" for special education and English Learner services from 56% to 71%⁶.

St. Paul vs. MPLS Public Schools – Facing a similar budget scenario, St. Paul consolidated and closed schools, choosing to use federal funds on teachers and pre-K rather than maintain schools (as in MPLS)⁷.

More Small Schools

District schools with critically low enrollment are often unable to provide quality programming and elective programs without budget assistance or external sources of funding. That raises key equity questions, particularly since those small schools — largely clustered on the North Side — also tend to have more lower-income students and students who need more academic support.

Falling enrollment means small school classifications, defined as serving fewer than 250 students. This year, 13 Minneapolis schools fell below that threshold, qualifying for a "small school subsidy" of \$200 per student allocated by the district. By fall 2024, 15 schools — serving 11% of the district's students — will receive that additional funding, costing the district \$588,0008.

Only 33% of MSP students met 2022 standards in math; 42% in reading; and 33% in science, according to a state report card⁹.

Efforts to boost Minneapolis & Other Public-School enrollment

According to MPS budget forecast, as families with children are leaving the city, increasing enrollment may not be a "viable strategy" to solving the district's budget woes¹⁰.

District staff in Minneapolis schools have prioritized targeted marketing efforts to boost enrollment. That includes mailed information, billboards and video messages that play at gas station pumps across the city, attending community events and parades.

MPS has tried to "push the enrollment boundaries of attractive schools further into neighborhoods hit hardest by enrollment declines, home predominantly to families of color, who have left MPS in the largest numbers". MPS has also tried to integrate schools by attracting other families to these neighborhoods¹¹¹².

St. Paul Schools – Spent 300k on marketing to boost enrollment. 13

The St Paul school district has also taken a longer-term approach, by boosting preschool offerings to try and keep families local, including through a scholarship program that makes pre-K free for some families. Funding sources include a voter-approved levy, a ¬McKnight Foundation grant and state school readiness funds¹⁴.

In 2022-23, St. Paul had 1,470 preschool seats — each free, full-day and occupied. The district had 800-plus families on a waiting list in January. In contrast, suburban districts typically offer half-day programs at a fee.

⁶ Fiscal crisis' narratives in Minneapolis schools merit interrogation | MinnPost

⁷ Minneapolis, St. Paul differ in approach to school enrollment decline | MPR News

⁸ Minneapolis Public Schools projects 'impending fiscal crisis' within 5 years (startribune.com)

⁹ Minneapolis school district on the brink of insolvency, state involvement - Minnesota Reformer

¹⁰ Minneapolis Public Schools projects 'impending fiscal crisis' within 5 years (startribune.com)

¹¹ Minneapolis Public Schools projects 'impending fiscal crisis' within 5 years (startribune.com)

¹² Minneapolis' School Plan Asks White Families to Help Integrate - The New York Times (nytimes.com)

¹³ St. Paul Public Schools to spend \$300k on marketing to boost enrollment – Twin Cities

¹⁴ Early learning takes hold with scholarships in St. Paul (startribune.com)

The scholarships have helped fund eight of the district's pre-K classrooms per year. The district recently announced a new partnership with Head Start that will help fuel an expansion to 1,590 free, full-day seats in the 2024 school year. 4 new classrooms are set to open at 3 elementary schools with assistance from Head Start. ¹⁵

Boston – With thanks to actions from the Mayor City Council and School Committee, the district has prioritized early childhood education, including the opening of new early education centers and full-day kindergarten for four- and five-year-olds. Boston also reorganized many of its high schools into smaller, more personalized learning environments.¹⁶

Other Cities - City councils/governments in cities also experiencing declining enrollment, including Seattle, Denver, San Francisco, Chicago, appear to have not taken any specific action to boost public school enrollment (leaving initiatives to the independently governed public school system).

Other ideas:

- Cities can partner with local businesses to offer internships, job shadowing opportunities, or career mentoring for students. This can make public schools more attractive to students and parents.
- Cities can help fund Pre-K, After-School and Summer Programs: Programs that provide additional learning
 opportunities can be particularly appealing to working parents, making them less likely to leave.¹⁷

Direct financial aid programs in Minneapolis -

Stable Homes Stable School (SHSS)¹⁸— In 2019, the City of Minneapolis, MPHA, Hennepin County, and MPS forged a partnership to address student homelessness. The YMCA of the North joined the partnership as the program's service provider soon thereafter.

MPS social workers identify eligible families across the district, as defined as:

- Lacking "a fixed, regular, and adequate nighttime residence";
- Have at least one minor child enrolled in one of the participating Minneapolis Public Schools;
- Have household income of 50 percent or below the Area Median Income (AMI);
- Commit to certain program conditions (such as regular school attendance and parental involvement with school activities); and,
- Meet certain conditions regarding criminal history.

Since 2019, SHSS has offered two tiers of support. The first tier is emergency one-time assistance to prevent homelessness, which can include back pay of rent, fixing a car, or other forms of assistance to keep families in their current housing. The second tier is multi-year rental assistance helping families escape or avoid homelessness and placing them into stable, long-term affordable housing.

With a new \$2 million investment from Hennepin County's Local Homeless Prevention fund, the program will now also provide multiple months of emergency assistance coupled with case management support for families that are housed but for whom one-time assistance is not adequate to address their instability.

Families pay 30 percent of their income toward rent, MPHA pays the remainder directly to the property owner.

Minneapolis Public Schools initially identifies families who might benefit from the program, at participating

¹⁵St. Paul schools want every student they can get, and hunt begins in preschool (startribune.com)

¹⁶ Microsoft Word - 05 Innovations in Education.doc (boston.gov)

¹⁷ St. Paul Public Schools to spend \$300k on marketing to boost enrollment – Twin Cities

¹⁸ https://mphaonline.org/stablehomes/

elementary schools. Families cannot apply to MPHA or the city directly. Interested families at participating schools can contact their school social worker for a referral. School social workers prioritize referrals based on the academic and housing stability needs of the family.

Also see: Hennepin County Emergency programs; Community Action Partnership of Hennepin County (CAP-HC)

<u>Minneapolis Guaranteed Basic Income Pilot</u> - June 2022 – June 2024; The City began piloting a Guaranteed Basic Income Program for 200 households. Enrolled families receive \$500 from the City each month to help boost their income for two years.

CONTACT: Jeremy Lundborg
Guaranteed Basic Income project
Community Planning & Economic Development (CPED)

Evidence linking Pre-K to public school enrollment

Using data from Miami Dade Public Schools, researched found that 78 percent of the children who attended public school pre-K programs remained at the same school for kindergarten, thereby eliminating the transition to a new school for kindergarten¹⁹.

Researchers have found that the co-location of pre-K and kindergarten programs yields academic and social benefits that improve children's outcomes by the first grade. A study of 700+ Miami Dade Public Schools found that children who participated in a public-school pre-K program had higher rates of promotion to the first grade and English Language Learners (ELL) enrolled in public school pre-K also had higher exit rates from ELL status²⁰. Supporting excerpts:

"Teachers and administrators may have greater knowledge of the children who participate in school-based pre-K, which may allow them to better tailor the kindergarten experience to meet those children's developmental and instructional needs. Public school pre-K students may also have the advantage of increased alignment between their pre-K curriculum and their kindergarten and first grade curriculum"²¹.

"If incoming kindergarten students are coming from the same physical location, administrators may have more information on the academic and social needs of public-school pre-K attendees than other incoming students, and make differential assignments based on this information. This prior information could lead to more appropriate teacher-student matching for public school pre-K attendees than those who attended other types of pre-K or no formal pre-K. In this respect, co-location is likely particularly important for children in poverty."²².

Full day vs half day Pre-K:

Enrollment and attendance in pre-K — especially among Black and Latino preschoolers — improves when programs operate for a full school day instead of a half day, a new study shows²³. Excerpt:

"Enrollment more than quadrupled among Black children and tripled among Latino students when the

¹⁹ C. Hines, A. Winsler, "School quality and mobility between public school prekindergarten and kindergarten: Predictors and outcomes" Paper Presented at the Annual Conference of the American Educational Research Association, Washington, DC, April (2016)

²⁰ New benefits of public-school pre-kindergarten programs: Early school stability, grade promotion, and exit from ELL services - ScienceDirect

²¹ T. Abry, S. Latham, D. Bassok, J. LoCasale-Crouch, <u>Preschool and kindergarten teachers' beliefs about early school competencies: Misalignment matters for kindergarten alignment</u>, Early Childhood Research Quarterly, 31 (2015)

²² New benefits of public school pre-kindergarten programs: Early school stability, grade promotion, and exit from ELL services - ScienceDirect

²³ Meeting Families' Needs | UChicago Consortium on School Research, Feb 2022

Chicago Public Schools expanded to full-day pre-K, according to researchers from the Consortium for School Research at the University of Chicago. Attendance rates also improved among English learners and students from low-income homes. Classes operating on a full-day school schedule alleviate the logistical challenges that might lead low-income and working parents to turn down free half-day pre-K — like the need to secure childcare, transportation costs and the inability to leave work²⁴."

Public school pre-K vs. center-based childcare

The Miami School Readiness Project compared the academic outcomes of children in public school pre-K programs to those in center-based or family childcare with subsidies for low-income families. They found that children attending public school pre-K made greater gains than children attending center-based childcare in cognitive and language development by the start and end of their kindergarten year. The benefits extended to standardized math and reading tests in third grade. Those attending public school pre-K programs were less likely to be retained in kindergarten than their peers who attended community-based childcare. Similar advantages of public-school pre-K enrollment vs. center-based childcare were documented in Maryland²⁵.

St Paul Schools -

"The district's preschool forays have not always gone as planned. A summer school program once designed to give kids who never attended preschool a taste of daily school life before kindergarten was paused this year — in part because many of those children went on to attend a non-SPPS school"²⁶.

Minneapolis Existing Pre-K programs

Minneapolis Public Schools, Early Childhood Education Department provides families with preschool programs to prepare children for the transition to kindergarten and long-term academic success. All classes are taught by high-quality, licensed teachers. Find more at Preschool Programs (mpls.k12.mn.us)

Priority placement for all preschool programs goes to students who meet one or more of the following criteria:

- Qualifies for free or reduced lunch (based on family income)
- Is an English Learner (home language is not English)
- Is experiencing homelessness
- Currently receives Early Childhood Special Education (ECSE) Services
- Is identified, through health and developmental screenings, with a potential risk factor that may influence learning
- Is defined as at risk by Minneapolis Public Schools
- Lives in the school's attendance zone

Preschool for 4 Year Olds (High Five) – Full or half day program in 10+locations, mainly in Minneapolis Public K-8 schools. Families that do not qualify for Educational Benefits are charged on a sliding fee scale based on income and family size. Transportation is free.

Preschool for 3 Year Olds – Half day program in two locations. Families that do not qualify for Educational Benefits are charged on a sliding fee scale based on income and family size. Transportation is free.

Minneapolis Public Schools in 2022-23 had 941 preschool students. A Minneapolis spokeswoman said 86% of the seats came at no cost to families. But many also were unfilled, and answers were not available as to why²⁷.

²⁴ New Study Finds Expanding Full Day Pre-K Boosts Attendance, The 74million article

²⁵ New benefits of public school pre-kindergarten programs: Early school stability, grade promotion, and exit from ELL services - ScienceDirect

²⁶ https://www.startribune.com/st-paul-preschoolers-early-learning-scholarships/600293259/?refresh=true

²⁷ https://www.startribune.com/st-paul-preschoolers-early-learning-scholarships/600293259/

Northside Achievement Zone (NAZ): NAZ partners with early childhood programs, local schools and nonprofits to bring a variety of free services to families on the Northside. NAZ leads this collaborative but relies on partner organizations to provide programming. In 2022 NAZ provided 150 kids with a scholarship to attend a high-quality early childhood education program in North Minneapolis. NAZ Programs | Northside Achievement Zone

MN State Early Learning Scholarships Program

For years, the state has offered early learning scholarships to low-income families to access quality programming. In 2023, lawmakers agreed to raise funding to about \$196 million a year in 2023-24 and 2024-25.

The state offers Early Learning Scholarship to help parents pay for high-quality childcare and early education. A scholarship must be used at a Parent Aware-Rated program For more information, visit the Parent Aware website.

The Scholarships increase access to high-quality early childhood programs for 3- and 4-year-old children with the highest needs. Children from birth to 2 years old are eligible if they meet one or more of the following criteria:

- Child of a teen parent.
- Currently in foster care.
- In need of child protective services.
- Experienced homelessness in the last 24 months.

Beginning January 1, 2024, age eligibility will expand to all children ages 0 to 4.

Applicants who meet one or more of the four criteria listed above are given priority. Families must also meet eligibility requirements as outlined in <u>Minnesota Statutes</u>, section 124D.165.

Maximum scholarship award amounts vary based on the Parent Aware Star Rating of the early childhood program serving the child, up to the limit (cap) of \$12,000-\$15,000, based on program type and Parent Aware rating, per scholarship year. With incremental increases based on available funding, the goal is to increase the scholarship cap to eventually align with the Child Care Market Rate study at the 75th percentile.

Minneapolis Existing After School and Summer Programs

<u>Minneapolis Kids School Age Care is</u> a fee-based, year-round Minneapolis Public Schools program that offers care, available:

- Before school
- Before and after High Five and half-day kindergarten
- After school
- During winter and spring break and on school release days
- During summer vacation

Financial Assistance is available through Minnesota's Child Care Assistance Program (CCAP) https://mn.gov/dhs/child-care/

Northside Achievement Zone (NAZ): NAZ scholars receive math and reading help through on-site programs both during the school day and outside of school hours. NAZ after school programs provide high-quality academic and enrichment opportunities. Scholars can also participate in a range of summer programs: Impact Data & Reports
<