

Action Alert – Set the Education Budget Target High

Leadership - the Governor, Senate Majority Leader and the Speaker of the House are negotiating the spending targets, which is the amount of new money directed to all areas of government. The single education target agreed to by leadership dictates the quality of education that school districts can provide for their students. Will schools maintain current programming and class sizes, or will painful cuts be required? It all depends on the target.

Legislators need to hear from their voters. Now is the time to make noise by contacting your legislators with the following message. Your own words are best, but you can paraphrase or simply cut and paste the message below.

Please support our schools by asking your leadership to set the education target high enough to provide an additional 3% increase on the basic formula for next year and a 2% increase the following year. Also, the budget target must include funding to stop the growth of the unfunded cost of special education services.

In addition, the high taxpayer cost of voter-approved referendum reduces the educational opportunities for students in low-property wealth districts. Please support equalization that would make referendum more affordable. The House included \$25 million in the education bill, and the Senate has \$15 million in the tax bill. The higher level of equalization as proposed by the House with the Senate position of including the funding in the tax target would be a good compromise as this is property tax relief and shouldn't be in direct competition with dollars that could go into the classroom.

Thank you for your time.

Sincerely,

[Your Name]

[Your Home Address]

If you can, add your thoughts on why this is so important to you. Don't paralyze yourself with worry about getting your words and the message exactly right. Just share your thoughts and send it!

Email your state legislators! You can find their contact information [here](#). Please copy the following leadership into your email, which includes the majority and minority leaders and the chairs of the education finance committees in both the Senate and the House. You can cut and paste the following addresses into your email:

sen.paul.gazelka@senate.mn, rep.melissa.hortman@house.mn, sen.tom.bakk@senate.mn,
rep.kurt.daudt@house.mn, sen.carla.nelson@senate.mn, sen.justin.eichorn@senate.mn,
sen.john.jasinski@senate.mn, sen.bill.weber@senate.mn, sen.chuck.wiger@senate.mn,
rep.jim.davnie@house.mn, rep.dave.pinto@house.mn, rep.julie.sandstede@house.mn,
rep.cheryl.youakim@house.mn, rep.dean.urdahl@house.mn.

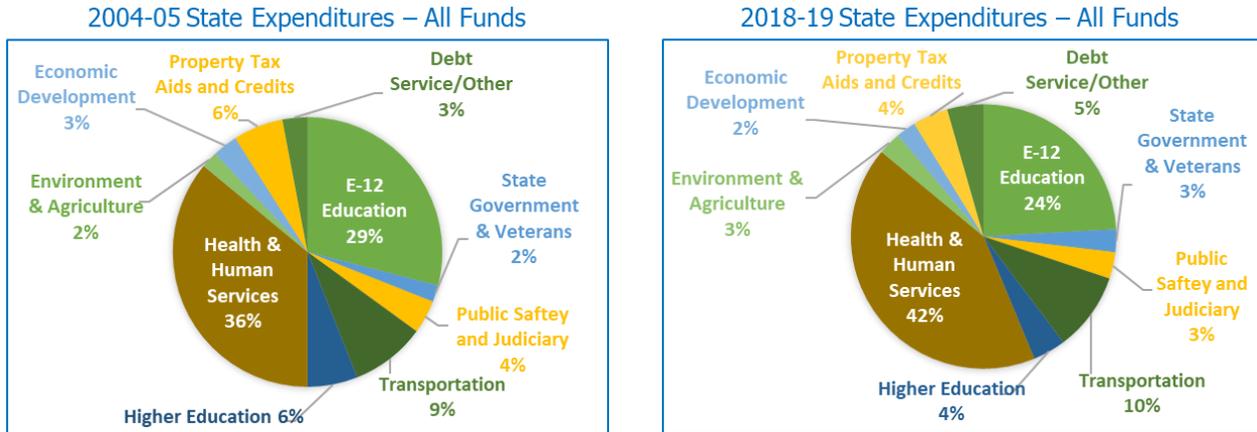
Include the Governor by using his email form: <https://mn.gov/governor/contact/>.

Talking Points

- Current targets: Governor - \$718 million, House - \$900 million, and Senate - \$206 million. Both the Governor and House targets would provide desperately needed funding that meet the goals of the action alert message above. The Senate target is set so low that it includes only a 0.5% increase each year to the formula and does not address the unfunded cost of special education (also known as the cross subsidy). The negotiated education target must get closer to the Governor or House, otherwise most schools will be in a cutting mode.
- Minnesota's public schools have lost thousands of dollars per student through the [erosion of the basic formula](#) and the [unfunded cost of special education services \(shown per district\)](#).
- Legislators have a constitutional obligation to uniformly fund public schools. The Minnesota Constitution only calls out two specific areas of government that the legislature must fund - trunk highway systems and public schools.

- The Governor and House increase the gas tax and extends a healthcare provider tax that will expire at the end of the year to fund education. The Senate believes that with a \$1 billion surplus, the state needs to live within its means and is adamantly against raising or extending these taxes. However, the final compromise should not come at the expense of Minnesota's students and schools. Read more [here](#) and [here](#).
- Minnesota spends 40% of its budget on education, which is true when considering the general fund. However, the state collects significantly more dollars from dedicated funding streams such as the gas tax for roads, and hunting & fishing license fees and state park fees for the Department of Natural Resources. Health and Human Services receive hundreds of millions in dedicated funding. When all

the dedicated and general fund taxes and fees are collected, education only received 24%, a quarter of all the state's spending, which is a 5 percent reduction since the 2004-05 two-year budget.



Further Explanation of the Senate Spending Target

Senate position on their \$206.5 million target.

From Fiscal Year (FY) 18-19 to FY20-21, without any action by the legislature, the education budget will be increased by 3.7%. The budget for the current biennium, FY18-19 is \$18,8 million. The forecast for FY20-21 is \$19,6 million, and on top of that, the Senate proposes to add \$206,500,000 more to the E-12 budget. With the Senate proposal, in total, the E-12 budget will be increasing spending from last fiscal year by \$918 million, or +4.8%.

- The numbers used above in the Senate position are correct. Education spending increases by \$711 million from the last two-year cycle due to the following.
 - \$433 million - special education annual inflationary increase of 4.6 percent. This partially offsets the approximate 8 percent average growth in the cost of mandated special education services. Special education funding gets a boost, but it doesn't keep up with the growing costs. The cross subsidy is over \$700 million statewide, and the continued growth in special education costs is unsustainable.
 - \$225 million - projected increase in enrollment over the next two years. Education funding is per pupil, and more students cost more money.
 - \$43 million - other adjustments in existing programs.
- The \$711 million increase is included in the 2019-20 two-year forecast, which still leaves the state with a surplus.
- Out of the forecasted \$1 billion surplus, the Senate plans to spend \$206.5 million of the surplus on E-12 education, just one-fifth of the funding available.
- The only ongoing increased funding proposed by the Senate is in the 0.5 percent formula increases in FY20 and FY21.
- Senators might mention the additional \$75 million in new safe school revenue that can help students struggling with mental health by funding support staff such as social workers, psychologist, and chemical dependency counselors. For two years, districts with 0 to 4,000 pupil units will get the minimum of \$32,000 per year in new safe school revenue, and bigger districts receive \$38 per pupil. *After FY21, this funding goes away.* It is challenging to hire new staff when the funding disappears after two years.