

FAQ's

Taxpayer Fairness and Enhanced Educational Opportunities

More information to understand [SEE's Capitol Pizza video](#)

Do I live in Hometown?

If you live in a SEE district the answer is yes. SEE districts tend to be low property wealth districts because they lack significant industrial and commercial development. The SEE's pizza video shows that the education funding system in Minnesota treats a student from Hometown differently than a student from Businessville. In this conversation, Hometown districts are low property wealth districts and Businessville districts are high property wealth districts.

Why do school districts ask their voters to support local school levies?

State funding for K-12 public schools has not kept pace with rising costs and annual inflation. Districts rely on school levies just to maintain current programs or reduce budget cuts. Over 90% of districts have voter-approved school levies to continue funding basic education opportunities. Also, funding for large project to build new, improve or maintain school facilities comes from local property taxes.

How does living in a Businessville or Hometown school district impact the ability to raise dollars for my school by passing a school levy?

In Businessville school districts, significant commercial and/or industrial development increases the tax base to spread the school levy burden and lowers the overall taxpayer cost for a school levy for all property owners in that district.

Hometown residents bear the full cost of school levies and are less able to support higher school levy amounts for their schools. There is a direct correlation that shows the lower the taxpayer cost for a school levy dollar, the higher the school levy will be in that district.

Residents in lower property wealth districts pay two or three times more for a school levy dollar which limits the school district's ability to obtain the funding it needs. Conversely, to provide the same level of school levy support, the school levy property taxes in lower property wealth districts school will be two or three times more than in a high property wealth district.

Why should I be concerned about the disparities in revenue that school districts can raise for their students through voter-approved school levies?

The amount of school levy revenue varies among districts across Minnesota from \$300 per pupil to near \$2,400 per pupil. This disparity creates a significant opportunity gap for children based merely on where they live. Obviously, schools with hundreds or thousands of dollars more per pupil in revenue are able to maintain smaller class sizes and provide rich curriculums including art and music, and foreign languages at the elementary level; integrated technology; a broad array of AP and other rigorous courses; strong early intervention programs and much more that will better prepare their students for college and career readiness.

What is equalization and how can it fix the problem?

The Legislature established equalization in early 1990's to make school levies more affordable in low property wealth districts. For every school levy dollar passed in a lower property wealth school district,

the state paid a portion to lower the tax burden on local taxpayers. The intent of equalization is to make the taxpayer cost for a levy dollar uniform throughout the state.

The disparity in the cost for a school levy dollar has resulted because the equalization formula has not been updated or increased significantly. Increasing the equalization formulas will reduce this disparity.

Who can fix the problem and create local taxpayer fairness with potential to reduce the educational opportunity gap?

The state constitution requires the Legislature to “provide a general and uniform system of public schools”. A school funding system that allows a disparity of hundreds of dollars per pupil in funding between neighboring school districts is not uniform. The Legislature needs to fix this problem to meet its constitutional obligation towards our schools.

The state Legislature and Governor must increase equalization to lower the cost of local school levies in property poor districts so that they have equal access to school levy revenue for their students. Increasing equalization will lower the property taxes in lower property wealth districts with a school levies in place.

Equalization will not increase funding for local schools. However, increased equalization allows lower property wealth school districts to ask their communities to support higher levels of school levy revenue at a lower cost to the each local taxpayer similar to high property wealth districts.

Why hasn't this already been done?

Increased equalization will cost the state money. With scarce resources and many demands, the equalization issue has not found enough support at the legislature. However, legislators are hearing from their constituents frustrated with recent spikes in property taxes resulting from 2011 legislative changes to homesteading. Local property tax relief will be a priority in the 2016 legislative session. Now is the time to elevate increased equalization as the preferred way to provide property tax relief as it will also enhance educational opportunities.

Some would like to frame this as an argument between funding schools **or** funding equalization. That is a false choice. Education funding and tax fairness are two different issues impacting the quality of a student's education and must both be dealt with at the legislature.

What can I do to help?

If you are saying to yourself, “Somebody needs to do something about this!” You are that “somebody”. Change will happen when enough people demand to be heard. Together we can make a difference!

- Your local state legislators need to hear from YOU. Email or call your legislators to let them know that property tax relief though increased equalization must be a priority during the 2016 Legislative Session.
- Sign up to receive SEE’s electronic legislative updates that are sent weekly during the Legislative Session. SEE will also send out action alerts at critical times during the session when decisions are being made on these important education and tax fairness issues so you can again contact your legislator. Sign up online, www.schoolsforequity.org.

All public school students must have equal access to a high quality education regardless of where they live in Minnesota.

www.schoolsforequity.org