

2022 SEE Legislative Platform

The quality of a student's education should not depend on their zip code.

Focus on School Levy Property Tax Relief

All communities value their local schools and must have equal access to affordable levy revenue so their students can have the same educational opportunities seen in high-property wealth school districts. Schools for Equity in Education's (SEE) top legislative priority is a comprehensive school levy tax relief and reform package. SEE supports the recommendations of the MDE School Finance Working Group released in January 2021. The equalization recommendations are the key to making the entire proposal work. SEE believes the Legislature should focus initially on the equalization provisions that make school levies more affordable in low-property wealth school districts.

Make Education-Related Levies More Fair

School districts rely on numerous board and voter-approved school levies to pay for fundamental necessities such as operating expenses, including maintaining class sizes, enriched programming, and student support services. Levy revenue also funds new buildings, leased space, and technology infrastructure, devices, and repair.

The cost to the local taxpayer depends on the property wealth of the school district. Without significant industrial or commercial development to broaden the tax base, taxpayers in low-property wealth districts can pay substantially more for the same levy dollar. Many taxpayers in low-property wealth districts need property tax relief before considering additional financial support for their local schools that is equitable to high-property wealth school districts.

Taxpayers in residential school districts pay two to four times more than districts with broader tax bases. The resulting disparity in voter-approved referendum revenue ranges from \$0 to over \$2,500 per pupil, leaving many Minnesota students without the educational opportunities they need and deserve.

- **Increase state equalization funding to make the school levies more affordable in low-property wealth districts, including local optional revenue, operating referendum, debt service, equity, lease, and capital projects levies.**
- **Preserve the property tax relief by ensuring that the calculations used to determine equalization aid keep pace with inflation.**

Improve the Stability of Classroom Funding

Inflation is at its highest in over three decades. Special education costs continue to rise. Compensatory revenue lags due to the changes in the application requirements. Inequities in federal aid to cover COVID-19 related expenses left many districts with significant budget shortfalls. We acknowledge the progress in education funding in the past session. Yet too many districts are still struggling financially. Forty-three school districts sought increased operating revenue from their property taxpayers in November 2021, indicating the need for greater funding stability and increased taxpayer fairness to ensure all districts have equal access to voter-approved funding. Three-quarters of operating referendums were passed by voters who supported the additional revenue for their local schools.

Funding from voter-approved referendums is essential to the quality of the education schools can provide for their students. Voters realize the value with a 100% passage rate of referendum renewals over the past eight years. Running a renewal election can cost school districts between a few thousand dollars to over \$40,000, money much better spent in the classroom.

- **Require the basic formula to keep pace with rising costs.**
- **Give school boards the authority to renew existing referendums.**
- **Provide additional funding to compensate the school districts that received minimal federal COVID-19 relief funds, loss of compensatory revenue, and rising special education costs.**

Even Out Long-Term Maintenance Funding

When voters approve a building bond, the community expects their school district to maintain that valuable asset. All school districts can levy for maintenance revenue through a highly equalized levy that is fair for all taxpayers. The 20 largest school districts can levy the amount needed to execute their 10-year long-term maintenance plan. However, the other 300+ districts face a levy cap that limits their ability to maintain their facilities.

- **Remove the cap on long-term maintenance funding.**
- **Extend long-term maintenance to rural cooperatives.**