

## Capitol Pizza FAQs copy

### Understanding Minnesota's Education Opportunity Gap

More information to understand [the Capitol Pizza video](#)

#### **Do I live in Hometown?**

If you live in a SEE district the answer is probably 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 70% of districts have voter-approved school levies to continue funding basic education opportunities. Also, district's must go to the voters to build new, improve or maintain school facilities, otherwise the funding is shifted from the classroom.

#### **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 and small business owners in residential communities bear the full cost of school levies and are less able to support higher school levy amounts for their schools. 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 needed funding.

#### **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 voter-approved referendum revenue varies among districts across Minnesota from \$0 per pupil to over \$2,500. This disparity creates a significant education opportunity gap for children based merely on where they live. Obviously, schools with hundreds or thousands of dollars more in per pupil revenue maintain smaller class sizes and provide rich curriculums including art, 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 careers.

#### **What is equalization and how can it fix the problem?**

The Minnesota 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 low-property wealth school district, the state pays a portion to lower the tax burden on taxpayers. The intent of equalization is to make the taxpayer cost for a levy dollar uniform throughout the state.

The current disparity in the cost for a school levy dollar resulted from not indexing the equalization

formula to inflation. Increasing funding for equalization reduces the disparity and provides property tax relief in mainly residential communities.

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

The state constitution requires the Minnesota 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 public 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 limited resources and many demands, the equalization issue has not found enough support at the legislature. However, legislators are hearing from their constituents frustrated that the education funding system disadvantages their students and taxpayers. Local property tax relief could be a priority in the 2021 legislative session. Now is the time to elevate increased equalization as the preferred way to provide property tax relief as it may also enhance educational opportunities for many students.

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 school advocates 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 school equalization must be a priority .
- 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](http://www.schoolsforequity.org).

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