

January 19, 2022

Honorable Jeremy Miller
3113 Minnesota Senate Bldg.
St. Paul, MN 55155

Honorable Melisa López Franzen
2221 Minnesota Senate Bldg.
St. Paul, MN 55155

Honorable Melissa Hortman
463 State Office Building
St. Paul, MN 55155

Honorable Kurt Daudt
267 State Office Building
St. Paul, MN 55155

Dear Majority Leader Miller, Minority Leader Franzen, Speaker Hortman and Minority Leader Daudt:

As you consider supplemental budget priorities for the 2022 legislative session, we urge you to make stabilizing Minnesota's education funding system one of your highest priorities. Two major state policy changes adopted in 2001 and 2002 – repealing the general education levy and removing projected inflation from the state budget forecast – have greatly destabilized Minnesota's education funding system.

The \$7.7 billion surplus provides an historic opportunity to stabilize our funding system as school districts work to help students recover from the pandemic as federal pandemic relief funding ends over the next few years. At a minimum, we urge you to:

- Index the basic formula to inflation; and
- Eliminate the special education cross-subsidy

This investment would greatly stabilize the funding system and provide a foundation to address the recommendations in the 2020 report from the School Finance Working Group. The Working Group's recommendations are comprehensive and include:

- Redefining basic education revenue
- Funding regional cost differentials related to district size and location
- Reducing cross-subsidies in the special education, English learner and transportation programs
- Restoring equalization of levies
- Improving equity in school facilities and school safety programs
- Improving staff recruitment, retention, and development
- Expanding early learning opportunities
- Closing opportunity gaps and addressing racial equity

Indexing the general education formula to inflation and eliminating the special education cross-subsidy would benefit every school district in the state - all 850,000 students. In addition, it would benefit property taxpayers by making school districts less reliant on operating referendums. School board members and administrators would be able to plan beyond the next year and implement strategies and reforms that have proven effective in raising achievement for all students. Minnesota's future prosperity is directly tied to a strong and vibrant public education system. The time is now to stabilize our education funding system.

Thank you for your consideration and we look forward to working with you in the 2022 session.

Sincerely,

Minnesota School Boards Association (MSBA)



Association of Metropolitan School Districts (AMSD)



Minnesota Administrators for Special Education (MASE)



Minnesota Association of School Administrators (MASA)



Minnesota Association of School Business Officials (MASBO)



Minnesota Association of Secondary School Principals (MASSP)



Minnesota Elementary School Principals Association



Minnesota Rural Education Association (MREA)

Schools for Equity in Education (SEE)

Schools for Equity in Education

Copy: Governor Tim Walz

Lt. Gov. Flanagan

Commissioner Mueller