



Voice For Greater Minnesota Education

Governor Mark Dayton  
Office of the Governor  
December 12, 2012

Dear Governor Dayton:

MREA supports the Education Finance Working Group Recommendations and Report. MREA believes Minnesota's investment in education should work for students throughout Minnesota, provide stable state revenue that can pay for inflationary increases in education, and reduce the reliance on local operating referendums.

The working group recommendations do reduce inequities across the state for funding and reduce the reliance on local property taxes. One measure of this is to look at the 28 school districts which have been unable to pass any referendum and the 21 school districts with a referendum that is less than \$300 per pupil. These are among the poorest school districts in the state, yet they are required to educate students to Minnesota Standards. All 28 districts with \$0 referendum and 19 of the 21 with less than a \$300 referendum will receive greater than the median per pupil funding increases in the new plan. The recommended plan clearly does what it intends to by equalizing opportunity for those 53,053 children.

The current report offers a modest adjustment to the state's complicated finance system that can be phased in over several years. The total dollars in play in the phase-in equate to a 1-3% increase in total funds depending on how aggressive the phase in would be. To achieve this and greater levels of investment in education, MREA supports state tax reform including greater sales tax collections to net additional state general fund dollars. These new funds should be invested in a combination that implements these recommendations and restores state funding of schools to the 90/10 payment schedule over time.

You should be commended for the work of MDE Program Finance Director Tom Melcher. He spent countless hours massaging the recommendations to make sure the proposal provides more equity across the system and limits the property tax impact to those low referendum districts who would otherwise be challenged to use the new general education levy.

You know that several previous attempts have been made to restructure the state's complicated education finance system, but those efforts fell short for a number of reasons, including costing too much and lacking political support from either the House, Senate or Governor's office. This plan is modest and with tax reform can be afforded by Minnesota. Your support is required to bring this reform to fruition. On behalf of Greater Minnesota's children we urge you to include these working group recommendations in your budget and proposals for the 2013 legislature.

Enclosed is MREA's full legislative platform. I would be happy to respond to questions concerning any portion of the platform.

Sincerely yours,

Fred Nolan  
Executive Director, MREA