

2020 Advocacy Tour

Developing a message in a COVID-19 world



Let us know you are here

- Please use the “Chat” feature to sign-in.
 - Name
 - School District
 - Email Address
 - Question: When and how did your district open the school year (Distance, Hybrid or In person)?
- Please feel free to use the “Raise Your Hand” feature to share your thoughts or ideas

Political Landscape

- **Special Session Update**
- **State Budget Outlook**
- **Available Resources**
 - **ESSER - \$140 million**
 - **GEER - \$30 million**
 - **Coronavirus Relief Fund (CRF) - \$245 million**
- **2020 Elections**
 - **MN House of Representatives**
 - **MN Senate**
 - **MN Congressional Seats**



2021 Policy Issues

- **Constitutional Amendment**
- **Threat Assessment Policy/SRO**
- **Substitute Teachers**
- **School Delivery Models Post COVID**
- **Private Duty Nurses**
- **MN State Auditor - Annual District Audits**
- **Wage Theft**
- **Bills to Return**
 - **Governor's Policy Bill**
 - **Non-exclusionary Discipline**
 - **School Meal Debt**
 - **Tiered Licensure**
 - **Board Approved Referendum Renewal**

2021 Management Issues

- **Insurance**
 - Worker's Compensation
 - Liability
 - Property/Casualty
- **Unemployment**
- **Staffing**
 - Employment Contracts
 - Arbitration
- **Contracts**
 - Busing
- **Paid Medical and Family Leave**

Budget Issues/Factors

- **Budget Items**
 - **Additional federal COVID relief funding**
 - **No cuts to education funding**
 - **Payment Shift**
 - **ADM - hold harmless**

School District Aid Payment Shift –

This shift is linear, and each 1% shift saves about \$100 million. So, a 10 % point reduction in the current year aid payment percentage from 90% to 80% of the entitlement would save the state on a one-time basis about \$1 billion. Lowering the shift to 70/30 would save the state about \$2 billion.

Property Tax Early Recognition Shift—

The property tax early recognition shift is not quite linear. This shift takes place counting back from the June property tax settlements with school districts. A 1% property tax shift saves \$14 million on a one-time basis, a 10% shift saves \$150 million, and a nearly full shift of the first half payment (just under 50%) saves about \$980 million.



Budget Issues/Factors

- **MDE Finance Working Group (September 2019)**
 - Total cost = \$1.2 billion
- **MSBA participants**
 - John Vento - Robbinsdale Area Schools
 - Michelle Borchardt - Tri-City United
- **Recommendations**

Education Finance Work Group Pressure Points

Redefine Basic Revenue – increase, index and equalize

- 80% formula allowance, and 20% would be Local Education Revenue (LER)
- \$917 per pupil unit of referendum revenue would be rolled into LER
- Basic Revenue would be increased 14% to \$8,208 per APU in FY '21 dollars
- Combined basic revenue indexed for inflation using the prior year Consumer Price Index
- Voter approved referendums are capped at 10% of Basic Revenue (cap of \$863)
- Referendum levy cap remains at 10% of Basic Revenue

Special Education Cross-Subsidy – reduction

- Hold the cross-subsidy constant at the FY 21 level
- Eliminate the state portion of the cross subsidy
- Fund a portion of special education revenue with an equalized levy

Special Education Formula – simplification

- Replacing five calculations with one formula

Charter Tuition Calculations - reform

- Limit hourly rate reimbursements

Education Finance Work Group - Pressure Points

Safe Schools Revenue

- Increase levy cap from \$36 to \$72 per student and equalize
- Minimum per district of \$30,000
- \$72 for charter school
- \$30 for intermediates and cooperatives

English Learner (EL)

- Increase revenue and concentration allowance 80% state aid 20% equalized levy

Location Adjustment Revenue

- New levy based on the geographic cost education index (GCEI)

Pupil Transportation Cost Adjustment

- Increase cost adjustment to 60%

Education Finance Work Group

3-year phase-in

Q Comp

- Expand aid for every district
- Indexed to basic revenue formula
- \$2000 for cooperative teachers

Early Learning

- K-4, universal prekindergarten and/or Jump Start to Learning is targeted program

Long-term Facilities Maintenance

- All school districts eligible based on long-term facilities plan
- FY '26 and later, adjust the non-alternative districts aid and levy allowance for inflation

Full-Service Community Schools

- Funding for comprehensive (203 sites) and targeted (159 sites) schools

Education Finance Work Group Linking/Equalizing

Achievement and Integration

- Increase revenue, link to formula for inflation

American Indian Education

- Increases revenue, link to formula for inflation
- Funding equivalent to permanent school trust fund payments

Small Schools Revenue

- Restore to 10% of formula 50% aid and 50% equalized levy

Concurrent Enrollment

- Eliminate proration aid, link and index to formula

Extended Time

- Increase allowance, link and index to formula

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Education Finance Work Group Simplification

To simplify aid calculations roll the following categorical aid into basic revenue, increasing basic revenue with no net statewide change

- **Equity**
- **Transition**
- **Literacy Aid**
- **Referendum/LOR Minimum Aid**
- **Tax Base Replacement Aid**
- **Gifted and Talented**
- **Telecom Equity Aid**

Education Finance Work Group Facilities

Long-term Facilities Maintenance Revenue (LTFMR)

Building Lease Levy for Cooperatives

- Increase ((\$65 / member district student) and Equalize all building lease levies

Improve Debt Service Equalization

Operating Capital

Homestead Bond Credit

- Mirrors the Ag2School credit

Total package estimated at \$ 1.2 billion

FY 25 fully phased in \$1.7 billion

Overall change in net property tax = \$0.00

What's Next

- Write a Resolution
 - Resolutions due September 25
- 2020 Delegate Assembly - Virtual
 - December 2, 2020
 - 6-9 pm

