March 28, 2022

Rep. Cheryl Youakim
591 State Office Building
Saint Paul, MN 55155

Dear Chair Youakim:

Thank you for including enhanced equalization of the local optional levy, which was included in HF 3224 (Huot), in your division report. Our organizations strongly support this provision.

Property taxes play a critical role in Minnesota's education funding system providing revenue for basic operations and ensuring safe and secure facilities for students, staff, and communities. However, property taxes have widely varying impacts on taxpayers depending on the property tax wealth of the school district. Property tax equalization programs have lost significant ground to inflation over the last decade, which creates disparities in tax efforts to support schools throughout Minnesota. The enhanced equalization in the Division report will help restore taxpayer equity in this important program.

Local optional revenue in an integral component of general education revenue providing critical resources for basic operations for school districts. Local optional revenue has not been increased since it was approved in the 2013 session. As the Omnibus Tax Bill moves forward, we urge you to consider a modest increase in this levy authority for locally elected school boards.

We also encourage you to incorporate the Cooperative Facilities language in the author's amendment. This provision addresses a long-standing inequity between rural and metro cooperative schools, primarily serving high needs special education students.

Thank you again for including strong equalization of the local optional levy in your Division report. We look forward to continuing to work with you through the remainder of the session.

Sincerely,

Association of Metropolitan School Districts (AMSD)

Minnesota School Boards Association (MSBA)

Minnesota Association of School Administrators (MASA)

Schools for Equity in Education (SEE)

Minnesota Association of School Business Officials (MASBO)

Minnesota Rural Education Association (MREA)