



Association of Metropolitan School Districts

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February 1, 2022

Rep. Jennifer Schultz
473 State Office Building
St. Paul, MN 55155

Dear Rep. Schultz,

Thank you for introducing HF 2577, legislation that would reinstate the requirement that an estimate of inflation in state expenditures be included in the state's biannual budget forecasts. The Association of Metropolitan School Districts strongly supports your bill. Including an inflationary estimate of state expenditures in budget forecasts would enhance transparency and provide state policymakers and the public a more accurate picture of the state's financial condition.

An estimate of inflation in state expenditures was removed from state budget forecasts in 2002 to balance the budget when the state was facing a significant shortfall. This policy decision has had disastrous implications for Minnesota's schools. As the attached chart shows, the general education formula allowance, the most important funding stream for our public schools, would be \$798 per pupil higher in FY 23 if it had simply kept pace with inflation since 2003. As a result, school districts have been forced to rely on voter-approved operating referendums to make up the difference. The reliance on referendums has created an unstable and inequitable funding system.

Passage of HF 2577 would increase transparency for taxpayers and help stabilize school district budgets. Thank you again for sponsoring this important legislation.

Sincerely,

Scott Croonquist
Executive Director

CC: Members of the State Government Finance and Elections Committee