Dear Senate E-12 Budget Division members,

The Minnesota Rural Education Association is pleased to see a state government budget plan that includes new state revenue that can go a long way toward providing equity and adequacy in the public education system. The Governor’s revenue plan has the potential to complete a State promise made to Minnesota’s children twelve years ago to pay for their general education.

**We support the Governor's goals of:**

* Creating structural balance through the budget “tails”
* Stabilizing state revenue
* Rebuilding a progressive tax system
* Meeting education benchmarks including getting all children prepared to learn, ready to graduate and onto a college or career program

**We support his down payments on:**

* All Day Kindergarten
* Reducing the special education cross-subsidy
* Increasing the basic formula allowance
* Initiating formula reform
* Regional Centers of Excellence
* Non-QComp evaluation aid

We believe more work needs to be done this session including:

* Consolidating some school levies and a portion of operating referenda into a new general education levy as proposed by the Education Finance Reform Working Group
* Increasing and reforming, as recommended by the Education Finance Reform Working Group, facilities revenue to the school districts that don’t qualify for Alternative Facilities bonding
* School based early childhood programs

As you debate the E-12 budget this session we ask you to keep these things in mind:

* The Education Finance Reform Working Group recommendations are a solid blueprint for phasing in education funding that will provide stability, adequacy and equity
* The inequity in general education funding between the wealthiest and poorest district now exceeds 30%, levels not seen since the early 1990’s
* Local operating referenda are the safety valve for local schools yet some districts struggle greatly to pass them and families are tired of the on-going campaign for school dollars
* Referendum Market Value (RMV) for some schools is a fraction of their overall Adjusted Net Tax Capacity and the state ought transfer cabin taxes from the state levy to RMV
* Equalization across the board has lost its purchasing power and this is a much better place to put property tax relief than trying to finance a $500 rebate for every homeowner