



Issue Report

FALL 2016 MEMBER MEETINGS

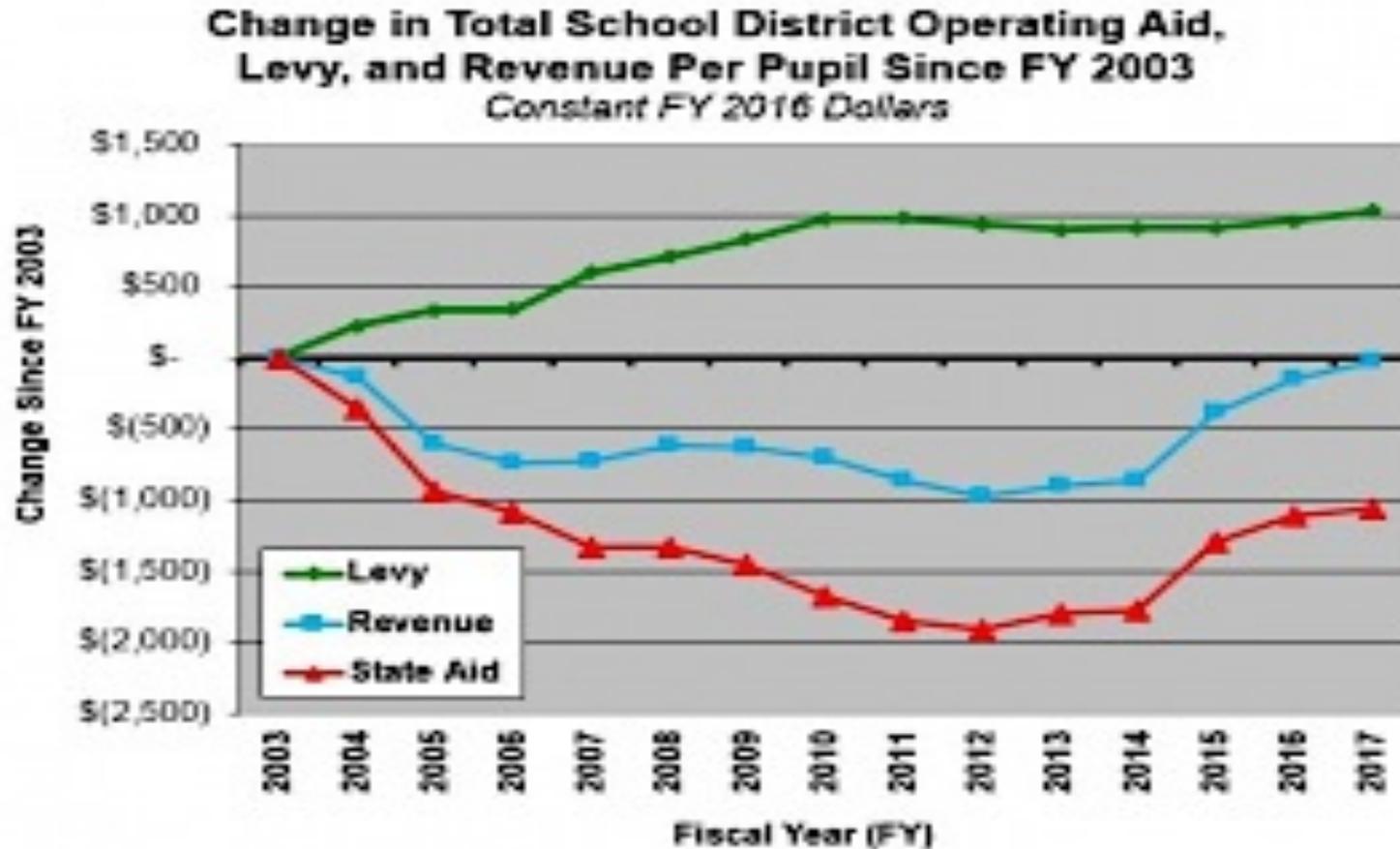
Advocating for Greater Minnesota schools to put first the education, growth, and development of learners to bring about our best possible future.

MREA

Voice For Greater Minnesota Education

FUNDING STUDENT NEEDS

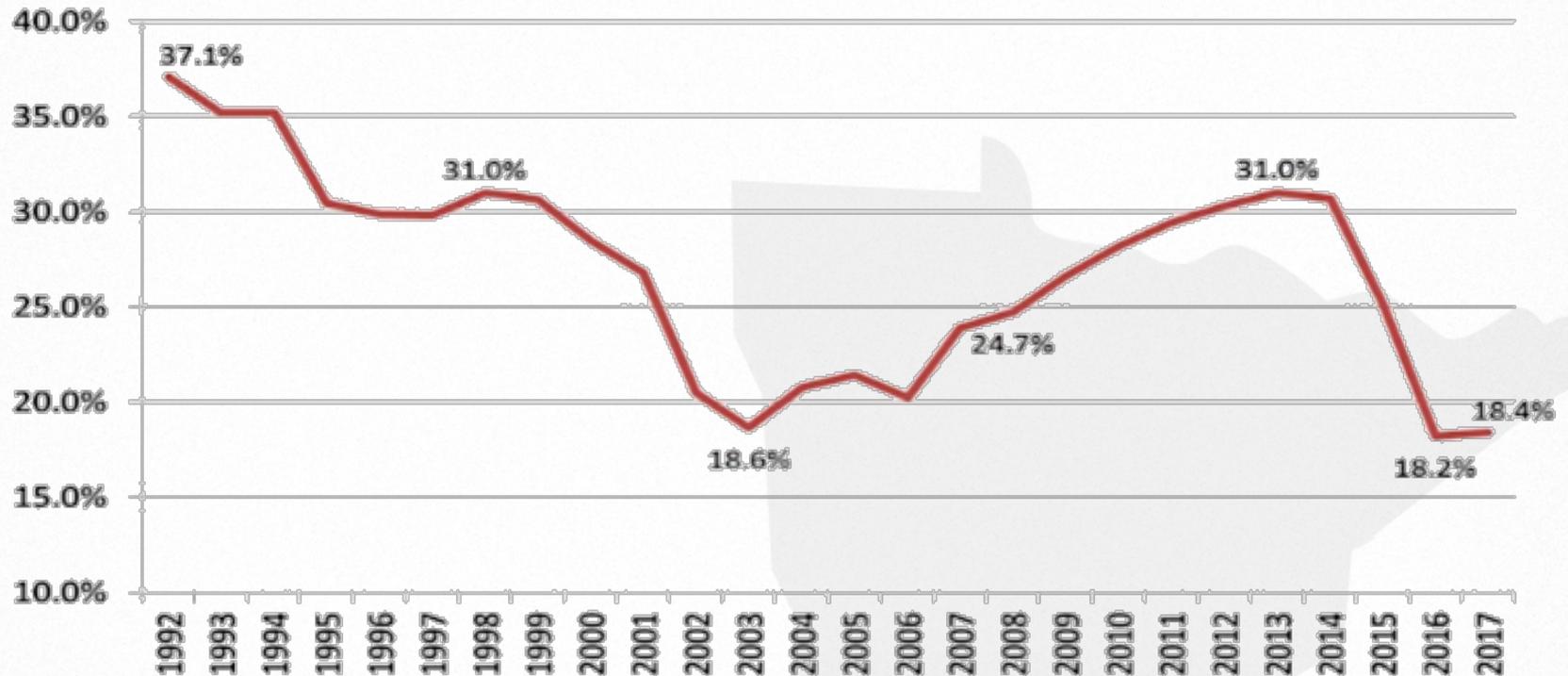
Funding Student Needs



(Analysis by North Star Institute, 2016, Data from MDE)

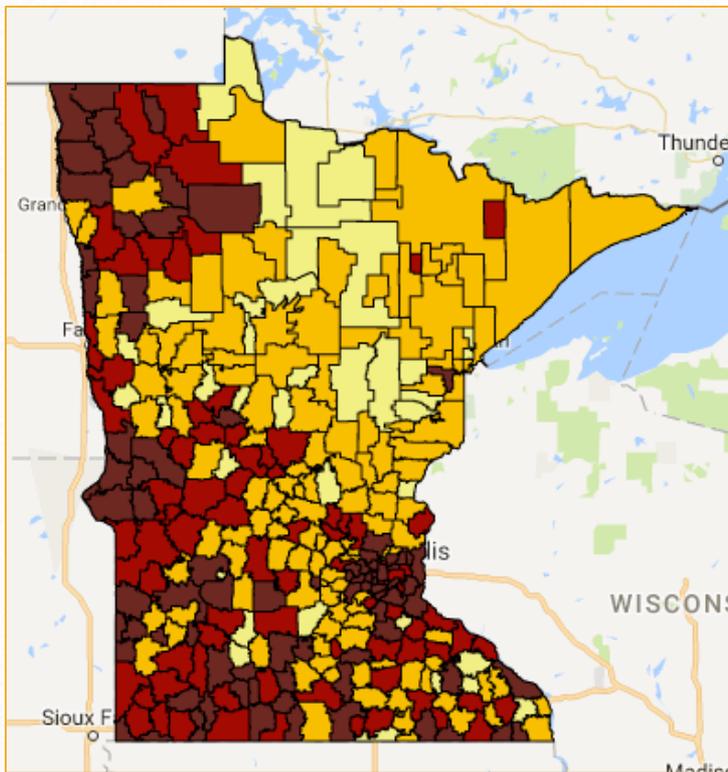
Funding Student Needs

Disparity – 95th to 5th

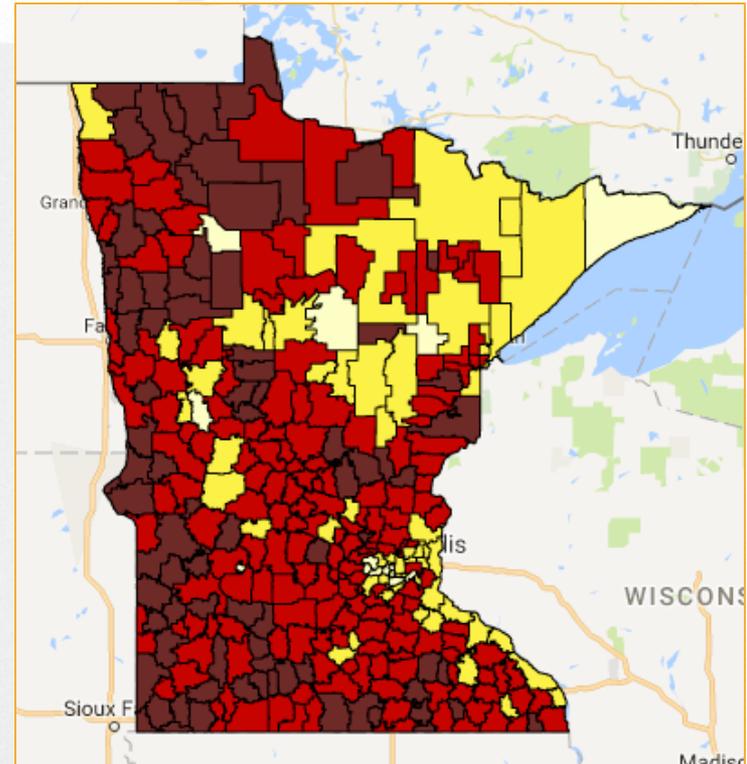


Current Referendum Picture

Referendum and LOR
Per Adjusted Pupil Unit



Equalization
For Fairer Tax Burdens



Going Beyond the Formula

Strategies to Consider:

- Increase Maximum Allowances for Board Approved Operating Referendum and Local Operating Revenue (LOR)
- Roll Board Approved Operating Referendum into LOR (\$724 or more) without loss of equalization
- Increase Referendum Allowances eligible for Tier II and III
- Increase Tier I-III Equalization Factors to expand eligibility
- Enhance Equalization for Districts with greater than 30% Seasonal Recreation Property
- Link Equalization Factors to average Referendum Market Value per student (RMV/RPU).

What's the Impact?

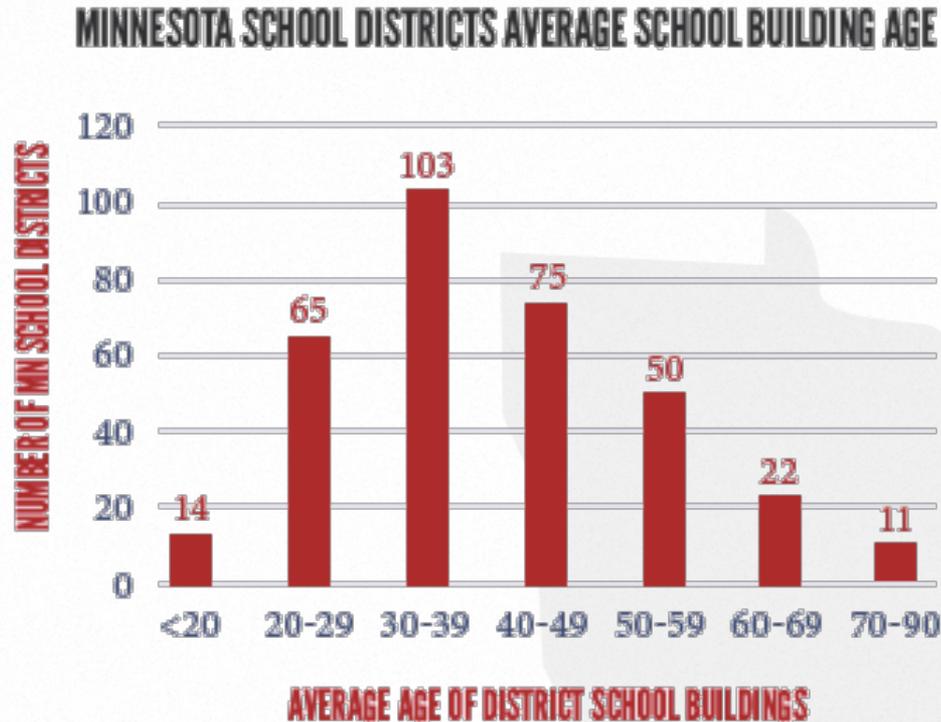
	Current Description	Current Allowance	Proposed Allowance	Current Equalizing Factor	Proposed Equalizing Factor	Proposed % of Average RMV/RPU
Tier 1	\$0-\$300	\$300	\$ 360	\$880,000	\$893,000	200%
LOR	\$0-\$424	\$424	\$ 449	\$510,000	\$580,000	130%
Tier 2	\$301-\$760	\$760	\$ 800	\$510,000	\$580,000	130%
Tier 3	\$761 to 25%	\$1,517	\$1,547	\$290,000	\$445,000	100%
Cap	For 2017*	\$ 1,891	\$ 1,937			

* indexed to Urban CPI inflation, expected to increase \$40-50/year

Key Questions

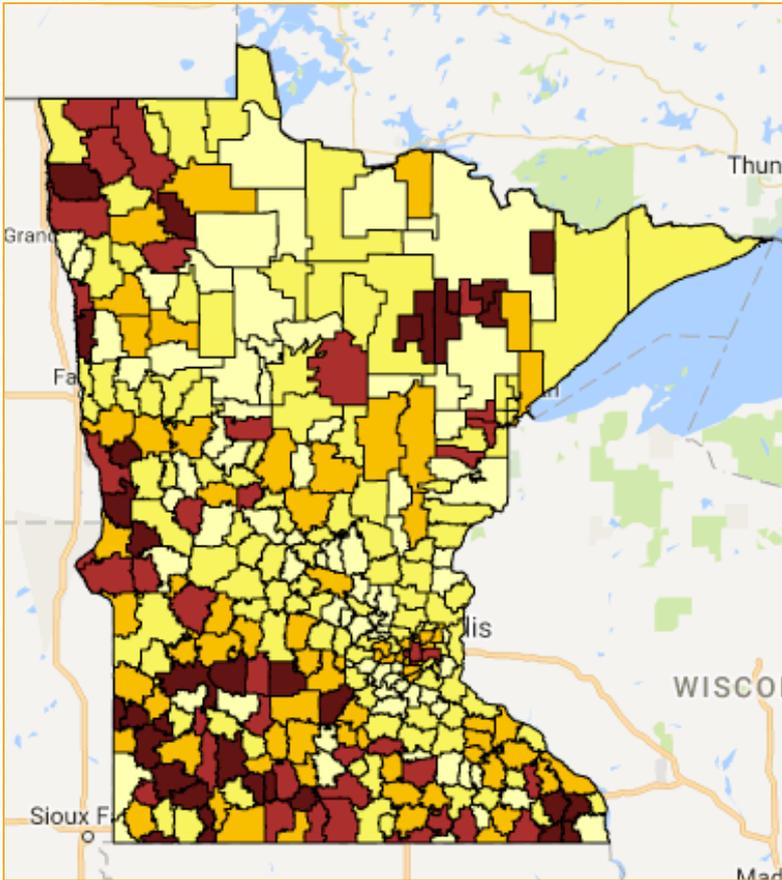
- Will this proposal help?
- Do have a preference for strategy?
 - Board authorized/LOR increases
 - Voter approved allowances increases
 - Equalization Factors
- What if the Board authorized referendum were rolled into LOR?
- Other considerations

Funding Student Needs: Facilities



50% of school facilities built before 1976, prior to the digital revolution

Aging Facilities

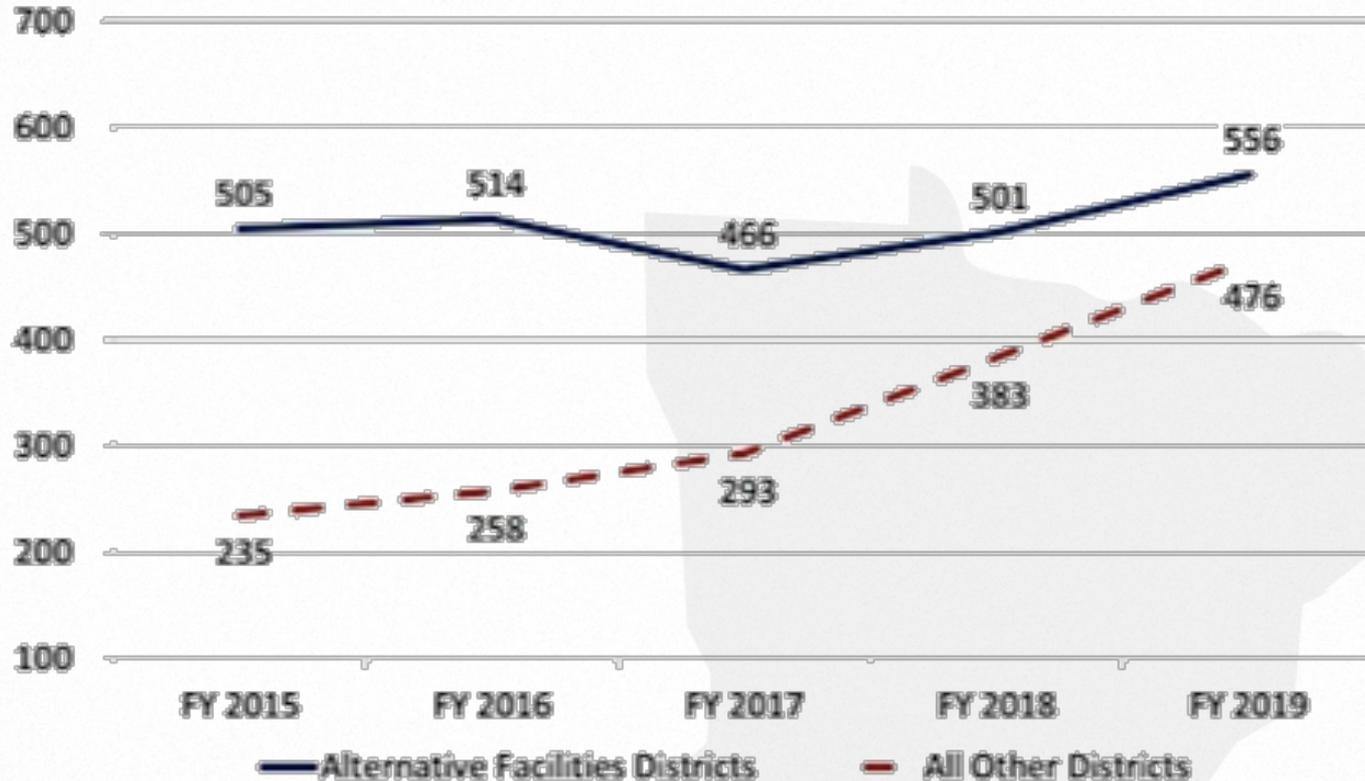


Rural bond elections
passing at half rate of
metro:

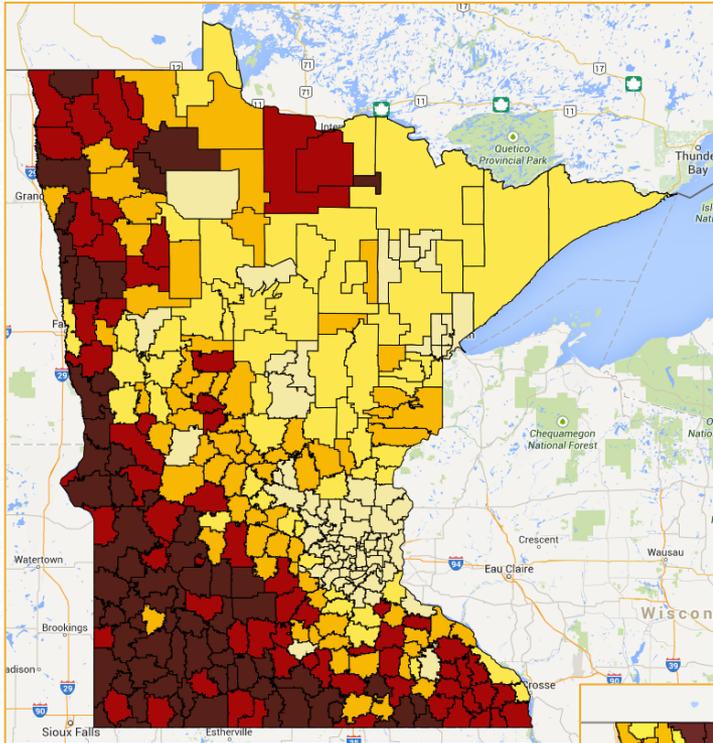
- Rural: 40% passed
- Metro: 80% passed

Long Term Facilities Maintenance

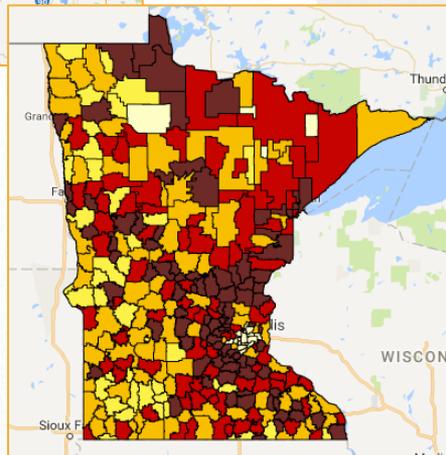
Districts Eligible for Alternative Facilities Revenue vs Other Districts



Ag2School for Fairer State Share



- Ag land is over 75% of TMV in 20% of districts (Brown) (after class rates and exclusions applied)
- Ag land is 42-74% of TMV in 20% of districts (Red)
- Ag land is over 50% of TMV in one-third of districts

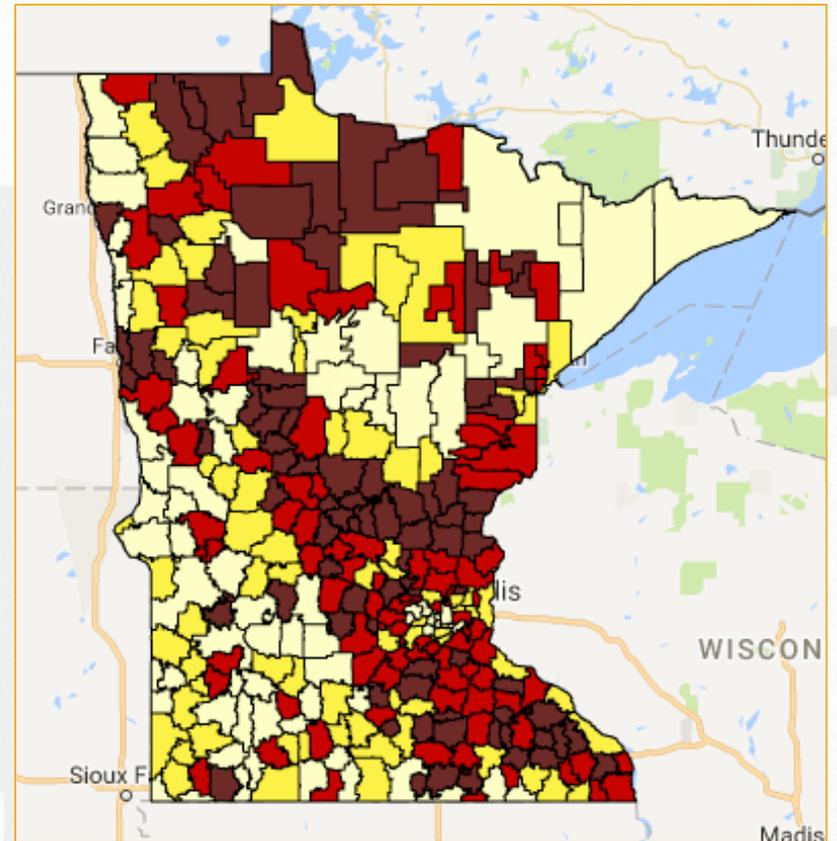


Map showing impact
Brown greatest gain

Debt Service Equalization

Proposal

- Increase equalization to 100% of average ANTC
- Link equalization to average ANTC
- Reduce threshold for DSE to 12.5% of ANTC



Key Questions

Considering big picture for funding to meet your needs:

- Will Ag2School and/or DSE better help you meet facility challenges?
- Do have a preference?
 - Ag2School
 - DSE



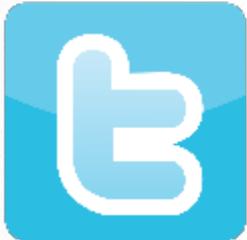
Stay Connected



Like us...

Facebook.com/GreaterMNstudents

- Education news, resources, showcasing our schools



Follow us...

@MREAvoice

- Insider updates, latest legislative news and action