

Integration Revenue

The State of Minnesota should continue funding of both inter-district and intra-district integration revenue. Any redistribution of integration aid should be tied to a specific consensus on the proper use of integration funding. Existing school district integration plans for Minneapolis, St. Paul and Duluth that have evolved over time with significant community involvement should be approved and funded at current levels. The MDE should cooperate with these and other districts to further develop programs that provide choice, close the learning gap, and promote integrated learning experiences for all students.

Referendum Equalization Restoration

Adequate equalization aid should be restored to previous levels to provide needed property tax relief to local property taxpayers, give low property valuation districts a chance to pass referenda to make up for inadequate state aid, and provide additional revenue to charter schools. Calls for using local property tax referendum revenue to go to unelected charter school boards are not appropriate.

E-12 Education Reform

The Duluth School District recognizes the importance of a simplified, comprehensive school finance formula to provide the justification for significant revenue increases. Without significant revenue increases, however, any redistribution of revenue to districts through changes in the school formula should be adjusted by a transition revenue component.

Permanent Structural Change

With the State of Minnesota facing a \$4 billion shortfall in the FY 2014-15 biennium, (counting the restoration of school shifts, built-in inflation and one-time tobacco bond funding); it is clear that short-term solutions such as property tax and state aid shifts have not solved the state's budget problems. Permanent structural change in Minnesota's tax system must be combined with school finance reform efforts already being considered. Tax reform should include replacing school district reliance on property tax increases with other state taxes, greater equalization of the operating referendum, and restoring debt service equalization.

Prevent Further Cuts To E-12

Over the past several years, school districts have contributed almost \$2.8 billion to help resolve the state budget shortfall. Any further adjustments by the 2013 Legislature should not come at the expense of Minnesota's school children. Legislation should clearly state that the shifts and aid reductions will continue to be restored as it becomes available in future legislative sessions and that it should begin this session in conjunction with new revenue for E-12 programs. Even a freeze in E-12 funding for the next school year would mean drastic cuts in programs for the Duluth School District. Declining enrollment, and other inflationary costs would mean a shortfall of approximately \$3.5 million next year alone. Budget reductions for the past several years mean there are no more cuts that can be made "away from the classroom".

Cuts in Federal Funding

Should Congress fail to act this session, an 8.2% reduction in federal funding could occur for such programs as Special Education and Title 1, the 2013 Minnesota Legislature should be prepared to compensate the loss of federal funding.

Early Childhood Funding

Increased funding for early childhood programs is an important component of any plan to close the learning gap. Voluntary, All-Day Kindergarten for school districts is an important first step.