

April 22, 2020

Dear Members of the House Education Finance Division:

Thank you for your continued work to assist school districts with fiscal issues during this unprecedented time. While it is important to increase school districts' flexibility to make local fiscal decisions, we urge you to be cautious in adopting measures that would curtail the rights of taxpayers to provide input on local property tax matters.

The Minnesota Business Partnership and the Minnesota Chamber of Commerce expressed our concerns with HF 116 (Freiberg) last session. To reiterate our organizations' position on this bill, we are circulating this letter to articulate our concerns.

The school referendum process creates an opportunity for school boards and their citizens to have a conversation about strategic direction and funding for the district. Referenda renewals are an important part of the process – renewals are an opportunity for the school board to evaluate the results of the original referendum and ask voters to affirm continuation of course or forge a new direction.

For example, referendums are requested for strategies such as reducing class sizes, providing early education services, implementing new curriculum and new technology, and compensating for declining student enrollment. In each case, school boards can describe what they are currently doing, what they would like to do, and how the new funding will make a difference for students. Citizens can ask about the strategic direction their schools want to take, how additional funding will be used, and expected results. These are critical discussions for schools and their communities to have.

Our concern with HF 116 is that it changes the dynamic of these local conversations by giving the board – and not citizens – the final say in whether a referendum levy should be continued or changed. The proposed hearing process does not allow for robust discussion on the proposed renewal in the way that the current voter-approval process does.

Further, the bill shifts decisions on renewal of a property tax to a hearing process. It is important that significant taxation issues be decided by Minnesota voters at the polls, and that voters have the opportunity to exercise their democratic rights regarding the use of their property tax dollars.

For these reasons, we respectfully ask that you oppose HF 116.

Sincerely,

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