



March 16, 2021

Dear Members of the Senate Education Committee:

Thank you for your 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 diminish the rights of taxpayers to provide input on local property tax matters.

The Minnesota Business Partnership and the Minnesota Chamber of Commerce have concerns with SF 1804, which are outlined below.

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 referenda and ask voters to affirm continuation or forge a new direction to meet emerging needs.

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.

However, the bill shifts those conversations to a school board hearing process, which changes the dynamic of these conversations and gives 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. It is important that significant taxation issues be decided by Minnesota voters at the polls, and that voters have the opportunity to engage in robust conversations about the use of property tax dollars.

For these reasons, we respectfully ask that you continue to work on SF 1804 to ensure that taxpayer rights to fully engage on local taxation issues are preserved.

Sincerely,

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