Ten Minnesota Commitments to Equity

1. Prioritize equity.
2. Start from within.
4. Go local.
5. Follow the money.
7. Monitor implementation of standards.
8. Value people.
10. Give students options.

Agenda

1. Minnesota Statute (126C.17) - Referendum Simplification
2. Minnesota Statute (126C.10) - Local Optional Revenue (LOR)
3. MDE Website Referendum Page
4. Referendum Phase Out FY 2021 Conversion Report
5. Post-Conversion Phase Out Report
6. Questions
Minnesota Statute (126C.17)
Referendum Simplification

Minnesota Statute – Chapter 126C.17 Referendum Revenue

Intent of legislation is to be revenue neutral

Permanent $424 subtraction from referendum authorities approved prior to CY 2014
Remaining balance added to referendum authorities approved after CY 2014
$300 is subtracted from the remaining balance
Board adopted referendum conversions and creations are rescinded

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.17

Referendum Equalization Revenue is Split Into Two Tiers

Tier 1
• Calculated up to $460 of a District’s Referendum Equalization Allowance

Tier 2
• Calculated up to 25% of the Formula Allowance minus $300 and Tier 1 Referendum Equalization Allowance

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.17
Minnesota Statute – Chapter 126C.17 Referendum Revenue

Referendum Levy Equalized at Two Different Tiers

Tier 1
- Equalized at the Lesser of 1 or the Ratio of the Districts RMV/RPU to $567,000

Tier 2
- Equalized at the Lesser of 1 or the Ratio of the Districts RMV/RPU to $290,000

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.17

Minnesota Statute – Chapter 126C.17 Referendum Revenue

Referendum Allowance Limit

Legislature reset the referendum allowance limit as $2,079.50 minus $300
This is the same as the old law
The cap will continue to be adjusted by the rate of inflation

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.17
Local Optional (LOR) Increases to $724/APU from $424 APU Calculated Using Two Tiers

**Tier 1**
- Calculated up to $300 Times APU

**Tier 2**
- Calculated up to $424 Times APU

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.10

Local Optional (LOR) Equalized Using Two Tiers

**Tier 1**
- Equalized at the Lesser of 1 or the ratio of RMV/RPU to $880,000

**Tier 2**
- Equalized at the Lesser of 1 or the ratio of RMV/RPU to $510,000

Office of the Revisor: https://www.revisor.mn.gov/statutes/cite/126C.10
## Before and After Simplification Summary

<table>
<thead>
<tr>
<th></th>
<th>Before Simplification</th>
<th>With Simplification</th>
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<tbody>
<tr>
<td><strong>Referendum Tier 1</strong></td>
<td>Calculation $300</td>
<td>Equalization $880,000</td>
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<td><strong>Referendum Tier 2</strong></td>
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<td><strong>Referendum Tier 3</strong></td>
<td>$25% of Formula Allowance $290,000</td>
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<td><strong>Unequalized</strong></td>
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<tr>
<td><strong>LOR Tier 1</strong></td>
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<tr>
<td><strong>LOR Tier 2</strong></td>
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## MDE Website Referendum Page
Referendum Phase Out FY 2021 Conversion Report
Instructions and Select District

FY21 LOR Conversion Detail

Phase Out Report

Referendum Levy Recap

Referendum Phase Out FY 2021 Conversion Report

Local Optional Revenue (LOR) Conversion and Phase-Out Report Instructions

1. Instructions & Select District

The worksheet you are viewing contains instructions and instructions for the report. A listing on any of the underlined section headings (below) will take you directly to that worksheet. The district’s reference is provided at the bottom of this page.

You must select your district in the top left cell on this worksheet. This selection will populate the three reports with data for the district selected.

NOTE: The authority amounts on the reports are not subtracted from any referendum (that may apply to your district.)

Referendum Phase Out FY 2021 Conversion Report

How Are the Subtractions Applied in the Conversion?

$424

• Board Converted Authority
• Pre-2014 Voter-Approved Authority

$300

• Board Created Authority
• Pre-2014 Voter-Approved Authority
• Voter-Approved Authority from Elections Between 2014 and 2018
S420 Subtractions
1. Pre-2014 Authority
   a. Converted
   b. Voter Approved

S300 Subtractions
1. Created
2. Pre-2014 Voter Approved
3. 2014-2018 Voter Approved

FY21 Post-Subtraction Authority
### Referendum Phase Out FY 2021 Conversion Report

#### Inflation Adjustments

1. **CPI Calculated for Pre-Subtraction Amount**
2. **Subtractions Applied**
3. **CPI Continues on Subtractions to Authority Subject to Inflation Adjustment**

#### Post-Conversion Phase Out Report
Post-Conversion Phase Out Report

After November Elections

<table>
<thead>
<tr>
<th>Phase Out Report</th>
<th>Example: Revoke and Replace</th>
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<tbody>
<tr>
<td>Authority without EP</td>
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<tr>
<td>WIA Inflation Adjustment</td>
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<tr>
<td>[1] Ratio:</td>
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<tr>
<td>[2] Amount Subject to EP Adjustment</td>
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<tr>
<td>[3] Consistency on Factor</td>
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</tr>
</tbody>
</table>

Questions

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