

About MASBO

The Minnesota Association of School Business Officials (MASBO) is an independent, nonprofit professional association including more than 600 school business managers and related specialists. MASBO members are experts in the areas of school finance, public accounting, and school district support services (including facilities management, transportation, food services, and information management). We are dedicated to defining and maintaining the highest standards of financial and operations management for Minnesota schools.

MASBO has a standing Legislative Committee whose primary goal is to promote state legislation that improves the efficiency and effectiveness of school district fiscal practices and operations. MASBO priorities are all related to school finance and operations — the areas of our members' greatest experience and expertise. In addition, MASBO proposals are not intended to result in significant redistribution of resources among districts and are designed to make school districts more cost effective and efficient within existing resources.

This document gives a brief overview of MASBO's legislative proposals for 2017. For a more detailed platform, please visit our website at www.mnasbo.org.

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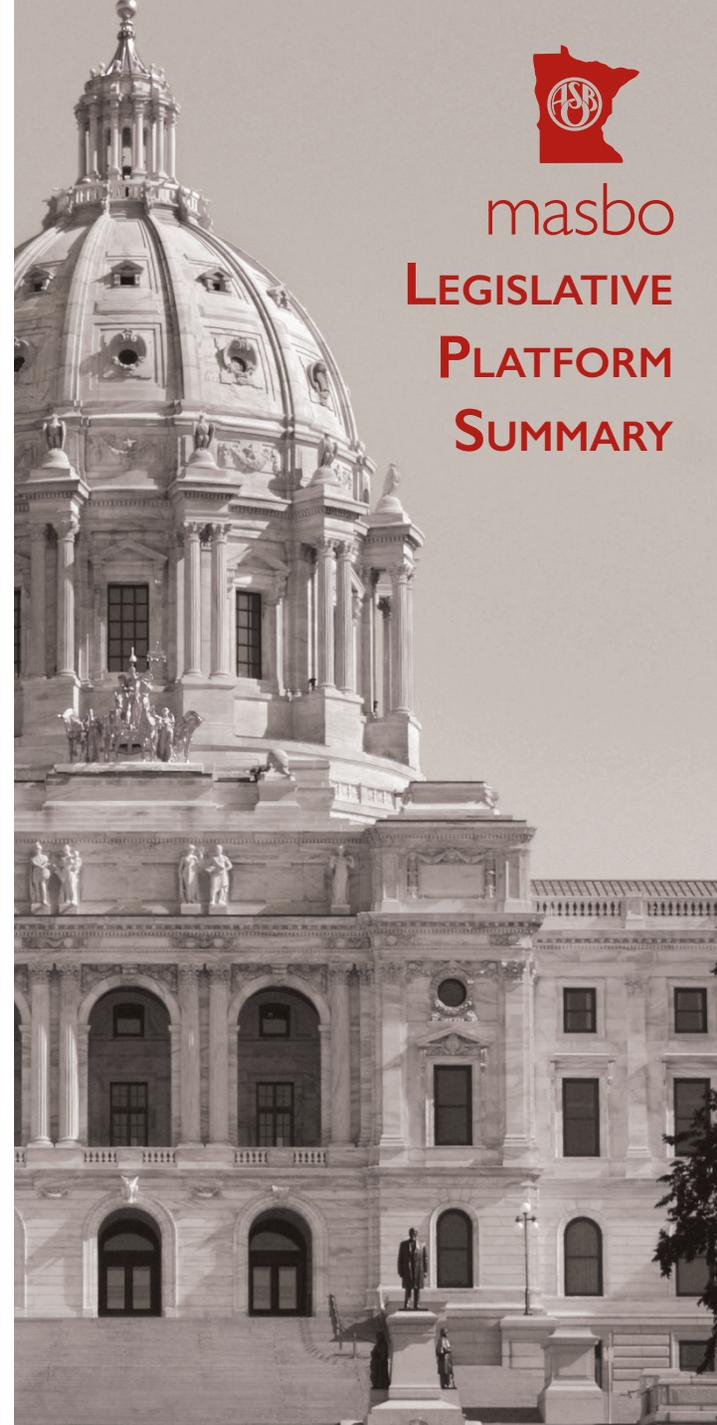
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masbo LEGISLATIVE PLATFORM SUMMARY



2017

School Finance

Minnesota's future prosperity and ability to compete successfully in the global economy is directly tied to the success of the students served by our system of public schools. The World's Best Workforce bill was passed in 2013 to ensure every school district in the state is making strides to increase student performance. MASBO has identified a series of recommendations to help Minnesota reclaim its place as a national leader in education by living up to the promises embedded in the World's Best Workforce legislation.

- **Provide Adequate Regular Program Funding**

It is critical that the basic formula is fully funded, by phasing out the current funding deficit of \$550 over four years (\$138 per year), plus an inflationary adjustment for the FY18-FY19 Biennium of 2% each year — \$121 in FY18 and \$124 in FY19 — to avoid future underfunding.

- **Fully Fund Special Education Mandates**

It is important that mandated special education programs be funded. Increasing special education funding will have an equal and reciprocal impact on regular program resources, freeing up money for regular program needs.

- **Fully Equalize Property Tax Levies**

All property tax levies should be fully equalized, so that generating the same revenue in any districts requires the same property tax effort, regardless of overall property value. Further, the equalization factors used to calculate the state aid for a levy should be indexed to the growth in property value over time, so that the aid provided by the state does not erode.

Support Local Control and Reduce Unfunded Mandates

Despite the best of intentions, new legislation often results in more administrative requirements and unanticipated costs that consume and divert district resources away from student learning. MASBO requests state leaders either fund mandates or increase districts' flexibility to make decisions locally based on local needs. And, we request legislators continue assessing mandates and recommend reform and other efficiencies as a way to help school districts ease the administrative and financial burdens of providing education services in Minnesota. The most important priorities for this year are:

- **Continue to Invest in Infrastructure**

Some of the mandates imposed on school districts result from the inadequate technology infrastructure at MDE to provide vehicles for districts to deliver information to the department. MASBO supports MDE's technology requests to MN.IT and believes the department is due for more adequate funding in its technology infrastructure.

- **Repeal Reserved Revenue Requirements for Staff Development (M.S. 122A.61)**

Districts are required to reserve at least two percent of basic revenue for in-service and staff development, and should be permanently given discretion as to the amount expended in the area of staff development. Repeal.

Facility Funding

The 2013 Legislature directed the Commissioner of Education to convene a working group to develop recommendations for reforming the financing of pre-kindergarten through grade 12 education facilities to create adequate, equitable, and sustainable financing of public school facilities throughout the state. Since 2014, the Legislature has reviewed these recommendations, and each year has adopted some of them. MASBO recognizes and supports the work of the School Facility Financing Working Group and supports legislation to adopt all recommendations and the following additions to the recommendations:

- **No Limit on Long Term Facilities Maintenance (LTFM) Revenue**

- **Authorize LTFM Revenue to Be Used for PreK New Construction**

- **Fully Equalize Debt Service Aid**

- **Provide Equalization Aid for Districts with Voter Approved Capital Project Levies**

- **Improve the Lease Levy Program by Increasing the Limit by \$100 to \$312 per Pupil, Allowing Use for Physical Security Safety Improvements, and Providing Equalization Aid for the Revenue**

- **Increase the Operating Capital Allowance by \$50 per Pupil, and Index the Allowance to Inflation**

- **Provide Enhanced Equalization to Districts with Unique Needs**

School Facility Ag Credit

Half of Minnesota's school facilities were built before 1976, and 25% are between 54 and 125 years old. Only 40% of rural bond elections have passed since January 2015, which is only half of the rate of metro bond elections. MASBO supports legislation to ensure that rural students have the same opportunities to have up-to-date facilities as those in the metro area:

- **Approve the 40% Ag2School Credit Legislation**

Approve the previously passed (but then vetoed) 40% Ag2School Credit legislation, which would level the playing field for all Minnesota districts. In addition, homeowner tax effort for school facility bonds should be equalized by linking Debt Service Equalization to a fixed percent of state average Adjusted Net Tax Capacity (ANTC).

Health Insurance Transparency Act

With the passage of the Health Insurance Transparency Act (HITA), school districts now have additional administrative expense and time commitments when soliciting bids for health insurance, with very little reward to show in return. This law also provided significant advantages to the Public Employment Insurance Program (PEIP) not enjoyed by other health insurance providers, which has created an un-level playing field. MASBO proposes the following changes to the current HITA law:

- **Eliminate Two Year Bid Requirement**

Under current HITA law, fully insured districts and self-insured districts through a service cooperative program are required to go out for bids every two years. Elimination of the requirement will allow school boards and labor groups flexibility in obtaining the best insurance products for all employees.

- **Implement Equal Bid Requirements**

Districts that are fully insured or self-insured through a service cooperative are required to go out to bid every two years. All districts enrolled in the PEIP program should be required to go out for bid every two years as well.

- **Return Decision Authority to Leave Current Insurance Carrier to School Boards**

If districts are required to solicit bids every two years under HITA, the ability of the exclusive representatives to leave their current carrier should be rescinded, and the authority for these decisions should be returned to the school boards.