

INDEPENDENT SCHOOL DISTRICT 196
Rosemount-Apple Valley-Eagan Public Schools
Educating our students to reach their full potential

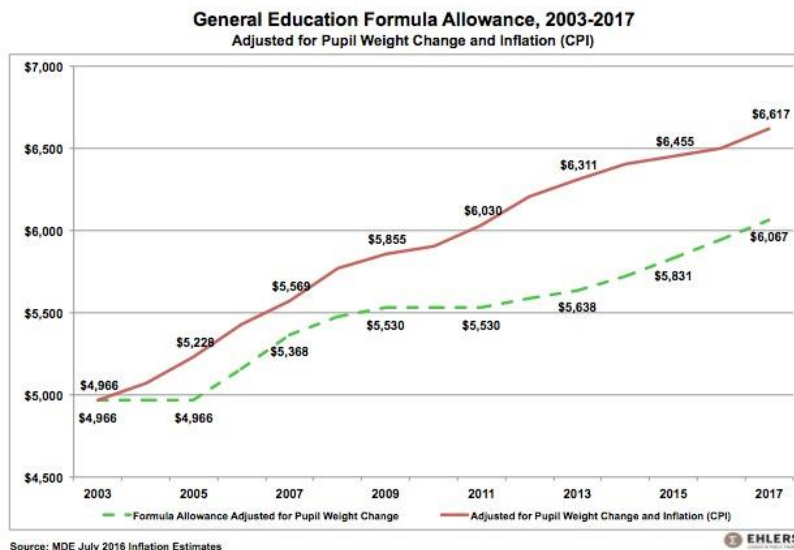
2017 LEGISLATIVE PRIORITIES

On behalf of the district's more than 150,000 residents and 28,000 students, the members of the School Board, administration and Legislative Advisory Council support these priorities for E-12 education and ask Minnesota legislators and the governor to take the following actions during the 2017 legislative session:



1. Stabilize state funding for education by increasing the general education formula allowance and reducing the special education cross-subsidy

The general education formula is the single largest source of funding for all school districts in the state. General education increases have lagged inflation for more than a decade, resulting in program cuts, property tax increases and a growing disparity in educational opportunities from one district to the next. If general education funding had just kept pace with inflation since 2003, it would be \$550 per pupil more than it is today (\$6,067 per pupil actual compared to \$6,617 adjusted for inflation, see graph).



The state and federal governments mandate special education services but fund just 59 percent of what it actually cost District 196 to deliver those services last year. The other 41 percent (\$25.8 million) in unfunded special education costs, known as the cross-subsidy, were paid for out of the district's general fund. All districts would benefit from a reduction in their cross-subsidy.

2. Increase equalization aid to reduce taxpayer and funding disparities

Equalization aid helps balance the impact of school taxes for residents in districts with differing levels of property wealth. Those with less commercial/industrial property, like District 196, have lower property wealth and receive equalization aid. Unfortunately, the factors used to calculate equalization aid have not kept pace with the growth in property values over time and no longer provide the intended level of equalization or taxpayer fairness.

3. Make supplemental compensatory funding permanent for more districts

Districts receive compensatory funding to help meet the educational needs of students living in poverty. Regular compensatory funding is based on a school's concentration of students in poverty. The Compensatory Revenue Pilot Project was enacted in 2005 to provide supplemental compensatory funding to districts with a high number of students in poverty spread evenly across the district. Only seven districts are included in the pilot and District 196 is not among them, despite having a higher number of students in poverty than four of the seven districts currently receiving this funding. Establishing a formula to make supplemental compensatory funding permanent would better serve students in districts like District 196 with high numbers (but not a high concentration) of students in poverty.

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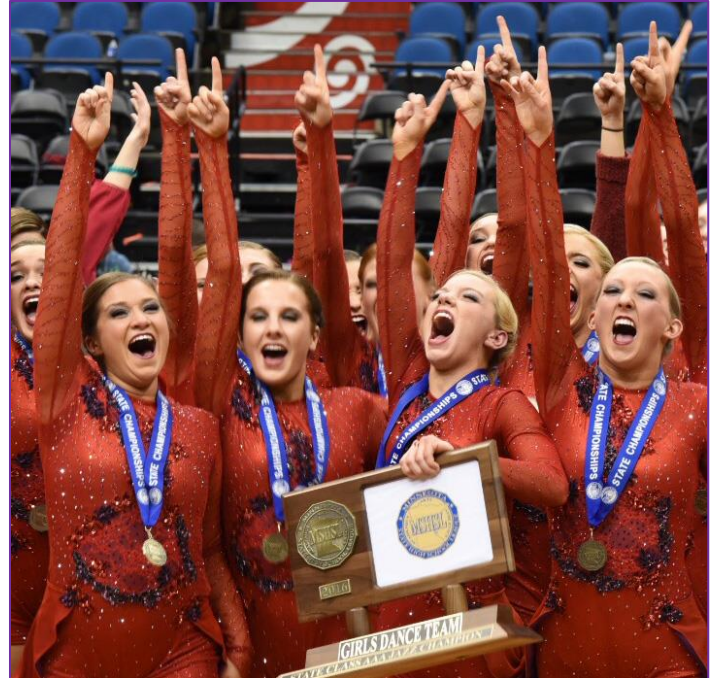
ABOUT DISTRICT 196

Demographics

- Fourth largest district in Minnesota, serving more than 150,000 residents in Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights and Lakeville, and Empire and Vermillion townships
- 28,000 students (34% students of color; 25% living in poverty; 6% receiving English Learner services and 14% receiving special education services)
- 3,700 full- and part-time employees

Student Achievement

- District 196's four high schools have a four-year graduation rate of 90% and approximately 90% of all graduates indicate plans to continue their education after high school.
- In 2016, District 196 high school students scored 1.9 points higher than the Minnesota ACT average, which was highest in the nation among states that offer the ACT to all students. The district average was 23.0 compared to the state average of 21.1 and national average of 20.8 out of a possible 36.0.



Financial Facts

- District 196 has a record of conservative budgeting and spending. Compared to averages for districts in the Twin Cities metro area and statewide, District 196 consistently spends less per pupil on administration, transportation, maintenance and support services, and more than average on regular classroom instruction.
- District 196 is regularly recognized for excellence in financial reporting and transparency in budgeting. The district has received the Certificate of Excellence in Financial Reporting for 14 years in a row and in 2015 earned a Meritorious Budget Award from the Association of School Business Officials International.

Local Investment in Education

- Property taxes make up 20 percent of all revenues District 196 will receive this year. Almost half (48 percent) of those local revenues are for voter-approved bond and operating levy referendums that provide facilities and program support.
 - ✓ In November 2013, after three consecutive years of budget cuts, District 196 voters approved a 10-year, inflation-adjusted operating levy referendum that is providing local funding of \$1,532 per pupil this year.
 - ✓ In November 2015, District 196 voters approved a bond and capital projects levy referendum totaling \$180 million to make needed facility improvements and increase access to technology for all students.

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