

**INTEGRATION FUNDING
FY 2014 and Later**

This paper is to respond to a question asked by an Education Finance Working Group member during the July 31 meeting of the Working Group. The question was what will happen to integration funding for FY 2014 and later under current law if there is no change in law enacted during the 2013 legislative session. Outlined below is a summary

- 1) For taxes payable in 2013, the maximum integration levy for each district is the amount the district certified for taxes payable in 2012. (*Laws 2011 First Special Session*, Chapter 11, Article 2, Section 49, paragraph (f)). This is not impacted if there is no change in law.
- 2) Without a law change, there would be no integration aid for FY 2014 and later. The amount needed for integration aid based on the old formula is included in the budget forecast, but is not tied to any specific formula. Therefore, reinstating the old integration formula or an alternative formula that has the same cost wouldn't be tracked as a cost to the education committees. But the education committees could also decide to reallocate these funds to other formulas at no net cost to the committees (e.g., increase basic formula or literacy incentive aid), or reduce the spending targets for the education committees and use the savings to help balance the budget; (there is a \$1 billion state budget shortfall projected for FY 2014-15).
- 3) Without a law change, the integration levy goes away after taxes payable in 2013. Reinstating the levy would be tracked as a tax increase compared with current law.
- 4) Without a law change, there is no authority to levy for new facilities / technology leases for integration districts under MS 126C.40, subd. 6 for taxes payable in 2014 and later.
- 5) The current integration rule remains in effect (Minnesota Rule [3535](#)).
- 6) Minn. Stat. § 124d.855, enacted in 2011, remains in effect:

124D.855 SCHOOL SEGREGATION PROHIBITED.

The state, consistent with section 123B.30 and chapter 363A, does not condone separating school children of different socioeconomic, demographic, ethnic, or racial backgrounds into distinct public schools. Instead, the state's interest lies in offering children a diverse and nondiscriminatory educational experience.