

# News Release

Rosemount-Apple Valley-Eagan Public Schools

Educating our students to reach their full potential



**DISTRICT 196**  
One District. Infinite Possibilities.

FOR IMMEDIATE RELEASE  
October 10, 2018

Press Inquiries: Tony Taschner, communications director  
651-423-7775 • [tony.taschner@district196.org](mailto:tony.taschner@district196.org)

## **District 196 faces \$25 million shortfall due to inadequate state funding** Committee focusing on cuts for next two years and likely levy referendum vote next fall

ROSEMOUNT, Minn. – A District 196 Budget Steering Committee began meeting in September to identify up to \$25 million in cuts and revenue enhancements that will be needed to balance the budget over the next three years due to inadequate state funding for basic and special education.

The committee of district and school administrators will spend the next two months developing recommendations that will be presented at public meetings in December to get feedback from staff, parents and other district stakeholders. Final recommendations for cuts to next year's budget will be presented to the School Board Jan. 7, with approval expected at the Feb. 11 board meeting. The committee will also identify possible cuts for the 2020-21 school year, but the board will not take action on those recommendations. Cuts for 2020-21 would be needed only if additional funding is not approved by district voters in a local operating levy referendum that the board is likely to call for November 2019.

District parents, residents and staff are invited to share their suggestions for possible budget cuts. An electronic submission form is available on the front page of the district website at [www.District196.org](http://www.District196.org) and submissions will be accepted and shared with the committee through Nov. 9.

These will be the first significant budget cuts in District 196 since \$34 million of adjustments were implemented over a three-year period from 2009 to 2012. Those cuts included elimination of nearly 200 positions, including more than 100 teachers, reduced transportation service, elimination of after-school activity buses, an increase in fees for participation in cocurricular academic, arts and athletic activities, and elimination of three middle school sports. The board also negotiated labor agreements with no improvements to the salary schedule for nearly every employee group in the district for two years.

In 2013, District 196 voters approved an operating levy referendum that provided the district with an additional \$375 per pupil. None of the previous cuts were restored, but district leaders promised at least two years with no additional budget cuts. Director of Finance and Operations Jeff Solomon said it has been almost five years since the levy was approved and the district has not made any additional cuts to the classroom. That streak will end next year.

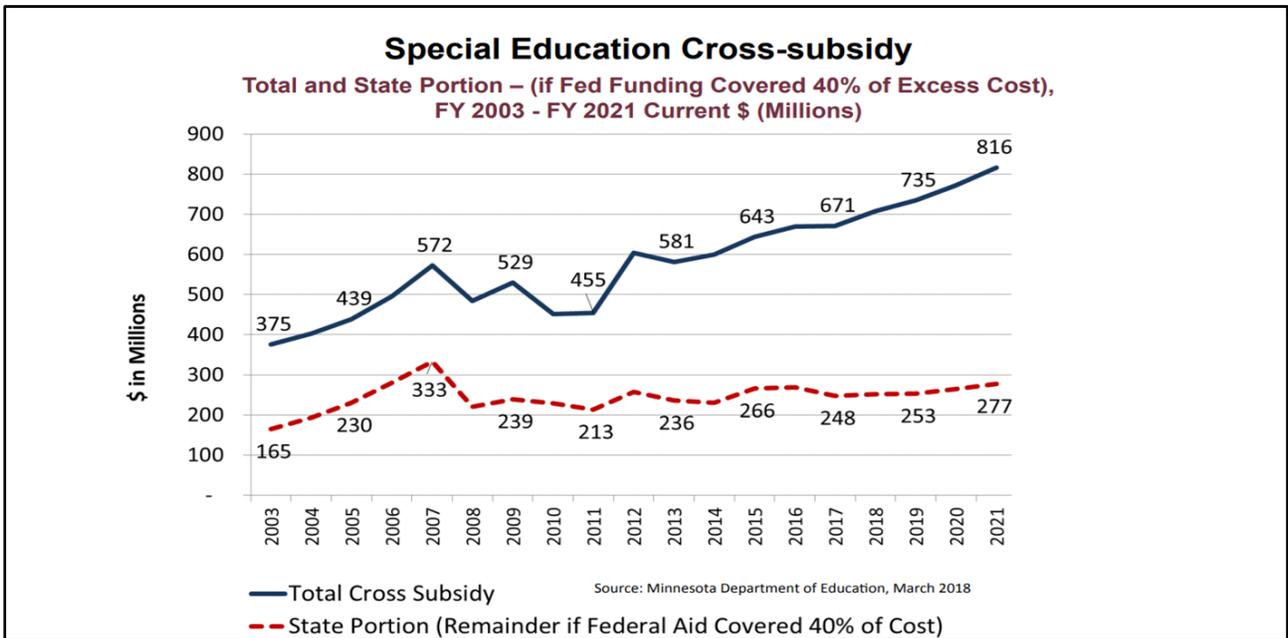
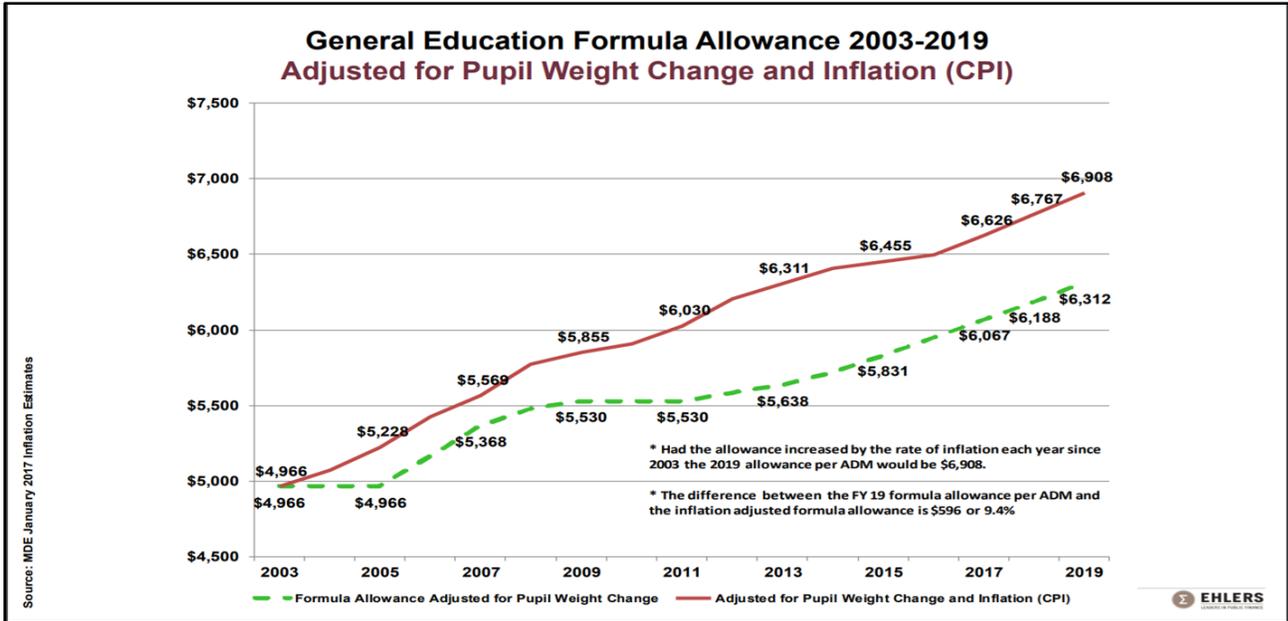
Solomon said the budget adjustments are necessary because basic education funding from the state has not kept pace with inflation and funding for special education, which is shared by the state and federal governments, falls far short of the actual cost of providing these mandated services.

The general education formula allowance is the single biggest source of revenues that Minnesota school districts receive. Since 2003, the gap between the actual and inflation-adjusted formula allowance has grown to \$596 per pupil (*see graph*). If the general education formula had kept pace with inflation since 2003, Solomon said District 196 would be receiving an additional \$18 million in state funding this school year.

The lack of adequate funding for special education is an even costlier issue for Minnesota school districts. This school

year, the estimated gap between state and federal funding for special education and the actual cost of providing the service, known as the special education “cross-subsidy,” will top \$700 million statewide (*see graph*). In District 196 alone, the funding shortfall for special education is estimated to be \$28 million this year. As a result, the district will need to use general fund dollars to make up the difference.

Lack of funding was identified as the most serious issue facing the district in a survey of 400 randomly selected District 196 residents conducted last spring. In that same survey, 91 percent of respondents rated the quality of education provided by the district as excellent or good and 96 percent believe the community receives a good value from its investment in the schools.



###

District 196 provides boundless opportunities and infinite possibilities for more than 28,000 students in early childhood, K-12 and adult education programs, as well as community education programs for lifelong learners of all ages. District 196 serves more than 150,000 residents in Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights, Lakeville and Empire and Vermillion townships in Dakota County, Minnesota. For more information, visit [www.District196.org](http://www.District196.org).