

CITIZENS LEAGUE REPORT

No. 102

**City of Minneapolis  
Act to create a Modified ISD**

**January 1959**

Citizens League  
601 Syndicate Building  
Minneapolis 2, Minnesota

January 29, 1959

TO: Board of Directors

FROM: Education and Taxation and Finance Committees

SUBJECT: Report on special act for a modified independent school district

The Education and Taxation and Finance Committees, after making recommendations for changes in the general school law (Chapter 122) for a modified independent school district for Minneapolis, have reviewed the proposed special bill for achieving a modified independent school district. The proposed special bill has been prepared by the City Attorney's office and has been presented to the Hennepin County legislative delegation by the Board of Education. A copy is attached.

We have found that the proposed special bill generally carries out the intent of our previous recommendations, which we had considered at length. We therefore recommend approval of the bill draft in principle.

However, our review has revealed a number of specific provisions which we believe should be modified in order to more clearly carry out our recommendations. These are as follows:

Section 3, Subd. 8. This provision says that before the School Board shall issue bonds, it shall first submit a proposed resolution stating the purpose of the proposed issue to the City Planning Commission for approval "as to site location."

We believe such approval should be broader than site location so that it could encompass such considerations as timing of bond issues or timing of construction to coordinate with other City bond issues or construction. Final decision would still rest with the Board of Education. We suggest that the words "as to site location" be stricken.

Section 6, Subd. 1. This provision says that the School Board may not levy a property tax in excess of the authorized mill rate in effect the preceding year, plus an amount to cover the agreed cost of services previously furnished the school district by the municipality without cost to the district.

We believe that this provision would be easier to understand and would present fewer problems of interpretation if the present mill levy, together with the cost of services now provided by the City but to be assumed by the School Board, were transformed to a cost per resident pupil unit, and this dollar figure inserted as the existing tax limitation. Our arguments favoring a limitation in terms of cost per resident pupil unit, rather than in terms of a maximum mill levy, have been previously presented to the Committees and need not be restated. In addition, we believe that the limit should be applicable to all local taxes and not just property taxes, so that this special law will be appropriate in the event a replacement non-property tax source is found. Finally, we believe that a provision should be added incorporating a cost-of-living factor to be applied to the tax limitation; there is no sound reason to force the School Board to propose a higher tax limitation if the increased expenditures are attributable solely to an inflationary trend.

Section 6, Subd. 2 (a). This provision states that when the School Board desires to increase the tax limitation, it shall adopt a resolution indicating, among other things, the then current mill rate limitation.

In harmony with what we have said before, we believe this should be a dollar limit per resident pupil unit.

Section 6, Subd. 5. This provision deals with petitioning for and holding an election on a proposed increase in the tax limitation. We suggest that the statement on the ballot delete the alternative "\$ \_\_\_\_\_ per capita" since it is recommended that the limit shall be stated only in dollars per resident pupil unit.

Section 7. This provision states that the special act shall become effective upon approval by a majority vote of the voters of the school district.

We believe this should provide for a "majority vote of those voting on the question."