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March 10, 2025

Senator Mary Kunesch, Chair  
Senate Education Finance Committee  
Minnesota State Senate  
95 University Ave W  
Saint Paul, MN 55155

Dear Chair Kunesch and Members of the Senate Education Finance Committee,

On behalf of the Ely Public School District, I write to express our strong support for SF 1197 (Hauschild), which would establish School District Seasonal Tax Base Replacement Aid. This legislation is critical for school districts with high levels of seasonal recreational property, particularly in northeastern Minnesota, where a significant portion of the tax base consists of cabins, second homes, and other non-homesteaded properties.

Unlike districts with a strong commercial or industrial tax base, school districts in areas with a high percentage of seasonal properties cannot generate sufficient local revenue for education funding. Since seasonal recreational properties do not contribute to operating levies at the same rate as homesteaded properties, our schools face a disproportionate burden in funding essential educational services. SF 1197 provides a much-needed funding solution to ensure our students receive the same educational opportunities as those in other parts of the state.

**Why SF 1197 is Critical for School Districts in Seasonal Areas**

- **Unequal Tax Revenue for Schools** – In districts where a significant share of property is seasonal, local taxpayers must shoulder a heavier burden to fund education, creating a disparity in funding levels compared to districts with a more balanced tax base. This bill ensures equitable funding for all students, regardless of where they live.
- **Rural Schools Face Higher Costs** – Many schools in northeastern Minnesota serve large geographic areas with small populations, meaning higher transportation costs, facility maintenance expenses, and unique rural education challenges. This aid would provide essential financial relief to help rural districts maintain high-quality education programs.
- **Supporting Strong Schools Strengthens Communities** – Seasonal properties contribute significantly to the local economy through tourism and recreation, but local schools do

**MISSION STATEMENT**

The mission of Ely Public Schools is to educate all students in a positive and safe environment to become respectful and responsible persons who are lifelong learners

Rochelle Sjoberg, Chair  
Hollie Coombe, Clerk  
Thomas Omerza, Treasurer

Anthony Colarich, Director  
Jennifer Westlund, Director  
Erin Moravitz, Director

EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER

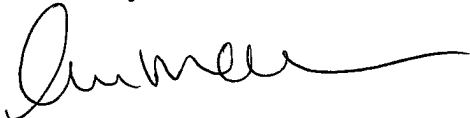
not benefit proportionally from these properties in their tax base. SF 1197 ensures that schools serving these areas receive the funding needed to sustain strong academic programs, attract and retain teachers, and maintain essential student services.

- Ensuring Fairness in School Funding – Minnesota has long worked toward equalizing education funding across all districts, and this bill is an important step in correcting a structural imbalance that places seasonal-heavy districts at a disadvantage.

The students in our district deserve access to the same educational opportunities as those in more urban or commercially developed areas. Without seasonal tax base replacement aid, rural districts like ours must make difficult budget decisions that impact class sizes, program availability, and staffing levels.

For these reasons, we strongly urge the Senate Education Finance Committee to support SF 1197. This bill is an essential step toward ensuring equitable school funding and long-term sustainability for rural school districts in northeastern Minnesota and other affected areas. Thank you for your time and leadership in addressing this critical issue. Please do not hesitate to reach out if we can provide further information or testimony in support of SF 1197.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne Oelke', with a long, sweeping horizontal line extending to the right.

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