



DO THE MATH^{MN} Q&A

Q. Why should I be interested in Do the Math^{MN}?

A. How much we invest in education is a source of constant, often passionate, debate. But the debate is frequently fueled by misperceptions about school funding, because the system is complex and the investments vary dramatically among Minnesota’s more than 340 school districts.

\$9,063

Average state & local funding per student

- **State funding** alone ranges from roughly \$7,000 to \$11,000 per student.
- **Local operating referenda** adds anywhere from \$0 to \$2,500 per student.

With some legislative candidates proposing to change how we fund schools in Minnesota, Do the Math^{MN} is intended to help you unravel some of the rhetoric about school funding in **YOUR district**.

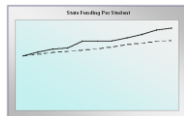
Q. Who is the Coalition of Minnesota Businesses (CMB) and why are we interested in school funding?

A. The CMB is composed of 11 organizations representing more than 20,000 employers across the state. Minnesota businesses have long been strong and generous supporters of public education because today’s students are tomorrow’s employees and entrepreneurs, consumers and community members. But we are also interested as taxpayers concerned about how our tax dollars are spent and the return on those investments.

Q. Where does the information come from and what will it tell me?

A. The data used by Do the Math^{MN} comes directly from the “14 Year General Revenue Spreadsheet” produced by the Minnesota Department of Education. We used the data to create three graphs for each school district:

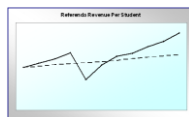
State Aid
 Per Student
 Compared to
 Inflation (CPI)
 1999-2009



Q. Why begin with 1999?

A. Some legislators and candidates are advocating K-12 funding reforms that are similar to those passed in 2001. Others are proposing to undo the 2001 reforms. A 10-year time frame provides some long-term perspective on K-12 funding and these proposals.

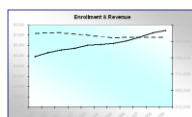
Referenda
 Per Student
 Compared to
 Inflation (CPI)
 1999-2009



Q. Why use the Consumer Price Index (CPI)?

A. When most of us talk about inflation, we’re talking about the Consumer Price Index. Education – like health care, energy and other sectors – may face different cost pressures, yet cost increases are typically presented in relation to the CPI.

Enrollment &
 Total State &
 Local Revenue
 1999-2009



Q. Why present revenue per pupil?

A. District revenue is based on the number of students served. To help you compare state and local funding over time, without the impact of enrollment changes, the first two graphs show per pupil revenue from state aid and local referenda. The third graph combines enrollment and total state and local revenue to show the relationship between the two.

Q. Does this include all district revenue?

A. No. Do the Math^{MN} includes state aid and referenda revenue, which accounts for about 90 percent of school district general fund revenues statewide. The “[14 Year General Revenue Spreadsheet](#)” produced by the [Minnesota Department of Education](#) does not include federal funds, local property taxes to pay for capital projects (buildings, athletic fields, etc.) and some minor revenue streams with specific purposes.

Q. Why do the figures on Do the Math^{MN} differ from those presented by my school district?

A. The figures may not be identical to information provided by the district for several reasons, including:

- The district is including federal funds.
- The district is counting students differently.
- The district is presenting “basic formula” revenue only. Often referred to as the “formula allowance,” this revenue is the base funding for our schools. Statewide it accounts for about two-thirds of district general fund revenue. Basic formula revenue does not, however, include the additional funding districts receive to teach special education students, low-income students, students with limited English skills, or other “categorical aids.”

Q. What is the CMB’s position concerning local referendum questions on the November ballot?

A. The CMB has absolutely no position on this year’s ballot initiatives. People in those communities are in the best position to evaluate those proposals.

Q. Is this a case for more or less investment in education?

A. Neither. The CMB supports substantial investment in education. But we do not take positions on specific funding levels. We are, however, very interested in **FUNDING RESULTS**. When offering or evaluating K-12 proposals, we apply four principles:

- | | |
|--|--|
| 1) Set world-class standards for our students | 3) Hold people accountable for results |
| 2) Measure student achievement against those standards | 4) Provide flexibility for educators and families to help all students learn |

Minnesotans have been generous supporters of education. But the debate needs to move beyond simply how much we spend on education to HOW that money is used and HOW we can improve Minnesota’s return on that investment. Our current K-12 system evolved over the past 50 years, supported by a rapidly growing workforce and expanding economy. Today, Minnesota’s future is being shaped by an aging population and slower growth in the workforce. That will slow growth in tax revenues while increasing spending pressures in health care and other areas. Meanwhile, our student body is increasingly diverse. While diversity brings new energy and opportunities, it has challenged our education system. Minnesota continues to lead the nation in education by many measures. Yet we also have some of the **widest achievement gaps** in the nation between white and minority students. And U.S. students are **average** by international standards. **More of the same won’t change that.**

Technically Speaking

State aid: Technically, this is called “non-referendum revenue” and refers to revenue driven by legislative decisions. Since 2003 “state aid” has been almost exclusively “state money.” In 2009, state aid is 96% state dollars.

Local referenda: This is money raised through voter-approved operating levies. Generally, people think of this as money from local property taxes. However, because Minnesota provides referendum aid to districts with lower property values, 12% of referendum revenue in 2009 comes from the state.

Enrollment: There are different ways to measure student enrollment. Do the Math^{MN} uses “average daily membership,” which is the total number of students enrolled.

General fund: Money used to pay general operating costs, such as teacher salaries, administrative costs, and to purchase textbooks and materials.