

Do the Math^{MN} State & local School Funding In YOUR School District



September 8, 2008

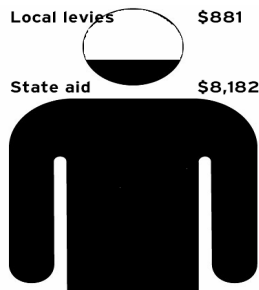
To: **Candidates for State House of Representatives**

Fr: Charlie Weaver, Executive Director, Minnesota Business Partnership
David Olson, President, Minnesota Chamber of Commerce

Re: Do the MathMN – State & Local Funding in Your School District

Everyone agrees. World-class education is the key to the future. For our children. For our businesses. And for our state. But are we investing enough in education? Or are we short-changing our future? The answer, of course, is a matter of opinion – heated political debate – and location.

\$9,063 per student



Statewide, Minnesota school districts this school year will receive an average of **\$9,063** per student in general education revenue from state and local sources.

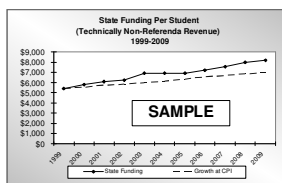
- **State funding** accounts for 90 percent of the total.
- **Local operating levies** account for 10 percent of that figure.

Behind those statewide averages, however, are wide variations in funding.

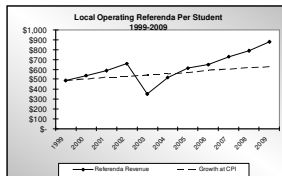
- **State funding** ranges from roughly **\$7,000** to **\$11,000** per student.
- **Local operating levies** add anywhere from **\$0** to **\$2,500** on top of state aid.

To help Minnesotans better understand funding for their school districts, the Coalition of Minnesota Businesses (CMB) has created www.DotheMathMN.com. The website turns detailed district-by-district information from the Minnesota Department of Education's 14 Year General Revenue Spreadsheet into three easy-to-read graphs that show changes in state aid, local operating referenda, enrollment and total revenue between from 1999 to 2009.

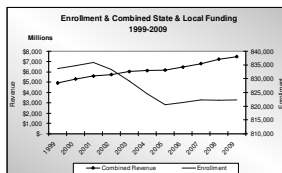
For example, in **Sample District**, located in your legislative district:



- **State funding = \$7,793** per student in 2009, compared to the statewide average of **\$8,182**.
 - Between 1999 and 2009, state funding rose **24.5** percent after adjusting for inflation.



- **Local operating referenda = \$1,394** per student, compared to a state average of **\$881**.
 - Between 1999 and 2009, the change in local operating referenda per student, after adjusting for inflation, was **40.6** percent.



- **Combined, total state and local funding** in the district rose from **\$57.9 million** in fiscal year 1999 to **\$89.6 million** in the current 2009 fiscal year.
 - Over the same period, **enrollment** went from **10,426** to **9,750**.

Individual graphs for each of Minnesota's school districts are available at www.DotheMathMN.com.

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 employers have long been strong and generous supporters of public education. Most attended Minnesota public schools and have children or grandchildren enrolled in public schools today. We depend on schools to prepare students to become productive employees and entrepreneurs, consumers and community members. But we are also interested in education as taxpayers concerned about how our tax dollars are spent and the return on those investments.

Q. Where does the information come from?

A. The [“14 Year General Revenue Spreadsheet”](#) produced by the Minnesota Department of Education.

Q. Why begin with 1999?

A. Some legislators and candidate 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.

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.

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 your district for several reasons, including:

- The district is including federal funds, which aren’t included in this summary. (Statewide, federal funds provide about 5% of district revenues.)
- The district is counting students differently.
- The district is presenting “basic formula” revenue, which accounts for two-thirds of district general fund revenue statewide. Often referred to as “the formula allowance,” this amount doesn’t include additional revenue that districts receive for low-income students, English language learners, special education, etc.

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 or local ballot initiatives. 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 |

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.