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DEPARTMENT OF EDUCATION

Memorandum

TO: School District Superintendents

FROM: Brenda Cassellius, Commissioner

DATE: November 30, 2017

SUBJECT: General Education Revenue Disparity Report

Enclosed is a copy of the general education revenue disparity report required by Minnesota Statutes, section 127A.51, which provides that:

By December 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by February 1.

For purposes of this section and section <u>126C.10</u>, adjusted general revenue means the sum of basic revenue under section <u>126C.10</u>, <u>subdivision 2</u>; referendum revenue under section <u>126C.17</u>; local optional revenue under section <u>126C.10</u>, <u>subdivision 2e</u>; and equity revenue under section <u>126C.10</u>, <u>subdivisions</u> 24a and 24b.

This report is based on actual data for Fiscal Year (FY) 2003 through 2016, and estimates for Fiscal Year 2017 through 2019.

The report shows that the ratio of the ninety-fifth percentile to the fifth percentile increases from 1.178 in FY 2017 to 1.183 in FY 2018 and decreases to 1.181 in FY 2019. In addition to the required reporting of the statewide average adjusted general revenue per pupil unit and the range between the fifth and ninety-fifth percentiles, information on other percentiles is included to provide a more complete picture of the distribution of adjusted general revenue among pupils and districts. The ratio of the ninetieth to the tenth percentile decreased from 1.172 in FY 2017 to 1.169 in FY 2018 and remains at 1.169 in FY 2019. The ratio of the ninety-

School District Superintendents November 30, 2017 Page 2

ninth to first percentile decreases between FY 2017 and FY 2018 from 1.273 to 1.269 and decreases in FY 2019 to 1.267.

The decrease in general education revenue disparities between FY 2015 and FY 2016 when location equity/local optional revenue is included is the result of legislation enacted in 2014 which changed location equity revenue to local optional revenue and made \$424 per pupil unit available to all districts statewide, regardless of geographic location or district pupil unit size.

A spreadsheet is available on the Minnesota Department of Education website that shows the data for each district in computing the statewide summary statistics for Fiscal Year 2015 through 2019. From the <u>MDE Home</u> page, select Data Center > Data and Analytics. Scroll down to School Finance Spreadsheets and select General Education. Choose Category General Education; Subcategory Revenue Disparities and Year 2017.

Questions concerning this report should be directed to <u>Michael Schwartz</u> (michael.schwartz@state.mn.us), Division of School Finance, at 651-582-8399 or <u>Tom Melcher</u> (tom.melcher@state.mn.us), School Finance Director, at 651-582-8828.

Enclosure

School District Superintendents November 30, 2017 Page 3

MINNESOTA [EDUCA	TION		GENER	AL EDUC	CATION F	REVENU	E DISPA	RITY RE	PORT, N	1.S. 127/	A.51						DECE	MBER 2	2017 DIS	PARITY	REPORT		1		1
School Financ	e Division																											
1/30/17						Estimate	ed Gener	al Educa	tion Reve	enue Per	Weighte	d ADM																
	1					BASIC +	- SUPPL	EMENTA	AL + TRA	NSITION	+ REFE	RENDU	M + EQU	ITY REV	'ENUE													
	1					TRANSI	TION RE	VENUE I	S EXCLU	JDED AF	TER FY	2003												With	With	With	With	Wit
	9																							Location	Local	Local	Local	Loca
	· · ·					Because	of chang	ges in pu	pil weigh	ts, reven	ues for F	Y 2015	are not c	omparab	le to reve	nues for	earlier y	ears.						Equity	Optional	Optional		
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	F
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	201
STATE		()			· · · · · · · · · · · · · · · · · · ·	()				()			· · · · · · · · · · · · · · · · · · ·					()				()				(
AVERAGES	3,390	3,398	3,416	3,476	3,541	3,891	4,003	3,980	4,247	4,511	4,688	4,942	5,088	5,185	5,411	5,719	5,873	6,012	6,082	6,107	6,170	6,266	6,369	7,080	7,260	7,454	7,605	7,60
PERCENTILES	ę.																											
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1ST	3.050	3.050	3.050	3,150	3,205	3,440	3,550	3,530	3,740	3,964	4.078	4,604	4,611	4,614	4.819	5.056	5,156	5.207	5.206	5,200	5.256	5.305	5.383	6.265	6.392	6.676	6.836	6.83
5TH	3,050	3,050	3.050	3,150		3,469	3.577	3,530		3,964	4,309	4,604	4,611		4.856	5,109	5.239	5,306	5.290	5,280	5,332	5,389	5,486	6,275	6,794	6.947	7.071	
10TH	3,050	3.050	3.050	3,150	3.205	3,488	3,591	3,530		4,029	4,418	4.611	4,644	4,693		5,208	5,313	5,366	5.376		5,566	5,716	5,802	6,487	6.815	6,949	7.071	
20TH	3,050	3.050	3.054	3,150	3.222	3.570	3,717	3,744		4.302	4,465	4,643			5,130	5,396	5.587	5.664	5.682	5,726	5,788	5.850	5 966	6.657	6,816	6,950	7.071	
30TH	3,056	3.070	3,154	3,182	3.329	3,727	3.828	3.845		4,343	4,518	4,715		4,997	5.247	5,529	5,687	5,830	5,853	5.858	5,921	6.018	6,107	6,721	6,840	7.095	7.217	
4OTH	3,177	3,174	3,189	3.349	3,453	3.814	3,913	3,879		4,404	4,569	4,792	4,968	5,103	5.339	5,642	5,802	5,895	5,907	5,917	5,982	6.079	6.237	6,888	7.025	7,203	7.351	
5OTH	3.244	3.257	3,303	3,428	3,507	3,860	3,953	3.897	4,194	4,487	4,635	4,874	5.051	5,194	5,420	5,752	5,881	5,960	6.071	6.084	6,139	6,212	6.346	6,939	7.092	7,383	7.512	
60TH	3,373	3,383	3.377	3,471	3,526	3,893	4.001	3,972		4,525	4,688	4,971	5,137	5,304	5,545	5,818	5,963	6.084	6.223	6.218	6,260	6.364	6,441	7,210	7,394	7,602	7,762	
70TH	3,552	3,561	3,561	3.537	3,583	3,949	4,001	4.060	4,418	4,651	4,825	5.096	5,333	5,403	5.624	5,928	6.049	6.240	6,408	6,430	6,474	6.562	6,646	7,406	7.543	7,722	7.867	
80TH	3,611	3,626	3,637	3,628	3,645	4.074		4,000		4,031	4,873	5,209	5,434	5,484	5,690	5,963	6,155	6.393	6,490	6.531	6.618	6,780	6.843	7,400	7,814	8,009	8,170	
90TH	3,901	3,930	3,972	3,960	4.009	4,074		4,203		4,715	5.071	5,205	5,434	5,519		6,175	6.357	6,601	6,775		6,841	6,944	7.056	7,005	7,014	8,144	8,266	
95TH	4,181	4,124	4,124	4,109	4,009	.,		4,534		5,025	5,071	5,356	5,470			6.329	6,534	6,001	6,781	6,833	6,947	7.060	7,056	7,765	8.028	8,185	8.364	
99TH	4,101	4,124						5,057				5,893		5,967							6,999	7,120	7,186	8,200	8,333	8,497	8,677	
DOLLAR GAP	e.																									5		<u></u>
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90TH-10TH	851	880	922	810	804	838	811	804	817	897	653	745	834	826	811	967	1,044	1,235	1,399	1,330	1,274	1,228	1,255	1,279	1,172	1,194	1,195	1,19
95TH-5TH	1,131	1,074	1,074	959	957	1,033	1,108	1,081	1,065	1,061	882	858	959	989	982	1,220	1,294	1,411	1,491	1,553	1,615	1,671	1,683	1,581	1,234	1,238	1,293	1,28
99TH-1ST	1,789	1,747	1,636	1,526	1,519	1,617	1,581	1,527	1,520	1,507	1,481	1,290	1,366	1,353	1,318	1,493	1,487	1,648	1,702	1,759	1,743	1,815	1,803	1,935	1,941	1,821	1,842	1,82
RATIOS:																												
90TH-10TH	1.279	1.289	1.302	1.257	1.251	1.240	1.226	1.228	1.217	1.223	1.148	1.162	1.179	1.176	1.164	1.186	1.197	1.230	1.260	1.243	1.229	1.215	1.216	1.197	1.172	1.172	1.169	1.169
95TH-5TH	1.371	1.352	1.352	1.304	1.299	1.298	1.310	1.306	1.285	1.268	1.205	1.186	1.208	1.214	1.202	1.239	1.247	1.266	1.282	1.294	1.303	1.310	1.307	1.252	1.182	1.178	1.183	1.181
99TH-1ST	1.587	1.573	1.536	1.484	1.474	1.470	1.445	1.433	1.406	1.380	1.363	1.280	1.296	1.293	1.274	1.295	1.288	1.317	1.327	1.338	1.332	1.342	1.335	1.309	1.304	1.273	1.269	1.267