



Memorandum

To: School District Superintendents

From: Brenda Cassellius, Commissioner

Date: November 29, 2018

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 [126C.10](#), adjusted general revenue means the sum of basic revenue under section [126C.10, subdivision 2](#); referendum revenue under section [126C.17](#); local optional revenue under section [126C.10, subdivision 2e](#); and equity revenue under section [126C.10](#), subdivisions 24a and 24b.

This report is based on actual data for Fiscal Year (FY) 2003 through 2017, and estimates for Fiscal Year 2018 through 2020.

The report shows that the ratio of the 95th percentile to the fifth percentile decreases from 1.183 in FY 2018 to 1.181 in FY 2019 and increases to 1.219 in FY 2020. ***Since the disparity ratio is increasing for FY 2020, the commissioner must submit recommended options for limiting the disparity to the education committees of the legislature by February 1, 2019.***

In addition to the required reporting of the statewide average adjusted general revenue per pupil unit and the range between the fifth and 95th 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 90th

to the 10th percentile stays constant at 1.169 in FY 2018 and FY 2019 then increases to 1.202 in FY 2020. The ratio of the 99th to first percentile decreases between FY 2018 and FY 2019 from 1.269 to 1.267 and decreases in FY 2020 to 1.244.

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.

The 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 2020. From the [department homepage](#), select Data Center > Data and Analytics. Scroll down to School Finance Spreadsheets and click **General Education**. Choose Category: **General Education**; Subcategory: **Revenue Disparities** and Year: **2018**.

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

Enclosure

Minnesota Department of Education	General Education Revenue Disparity Report, Minnesota Statutes, section 127A.51																		DECEMBER_2018_DISPARITY_REPORT										
School Finance Division																													
11/26/18	Estimated General Education Revenue Per Weighted ADM (average daily membership)																												
	Basic + Supplemental + Transition + Referendum + Equity Revenue																												
	Transition revenue is excluded after Fiscal Year (FY) 2003																												
	Because of changes in pupil weights, revenues for FY 2015 are not comparable to revenues for earlier years.																												
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	With Local Equity	With Local Optional	With Local Optional	With Local Optional	With Local Optional	With Local Optional	
	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	2019	2020
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	7,602	7,807
Percentiles:																													
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	6,836	7,111
5th	3,050	3,050	3,050	3,150	3,205	3,469	3,577	3,530	3,740	3,964	4,309	4,604	4,611	4,614	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	7,069	7,193
10th	3,050	3,050	3,050	3,150	3,205	3,488	3,591	3,530	3,762	4,029	4,418	4,611	4,644	4,693	4,931	5,208	5,313	5,366	5,376	5,470	5,566	5,716	5,802	6,487	6,815	6,949	7,071	7,070	7,194
20th	3,050	3,050	3,054	3,150	3,222	3,570	3,717	3,744	4,029	4,302	4,465	4,643	4,715	4,863	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	7,071	7,195
30th	3,056	3,070	3,154	3,182	3,329	3,727	3,828	3,845	4,101	4,343	4,518	4,715	4,845	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	7,217	7,365
40th	3,177	3,174	3,189	3,349	3,453	3,814	3,913	3,879	4,140	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	7,344	7,500
50th	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	7,519	7,685
60th	3,373	3,383	3,377	3,471	3,526	3,893	4,001	3,972	4,271	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	7,752	8,002
70th	3,552	3,561	3,561	3,537	3,583	3,949	4,093	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	7,864	8,124
80th	3,611	3,626	3,637	3,628	3,645	4,074	4,217	4,203	4,473	4,719	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	7,663	7,814	8,009	8,170	8,155	8,412
90th	3,901	3,930	3,972	3,960	4,009	4,326	4,402	4,334	4,579	4,926	5,071	5,356	5,478	5,519	5,741	6,175	6,357	6,601	6,775	6,800	6,841	6,944	7,056	7,765	7,986	8,144	8,266	8,266	8,648
95th	4,181	4,124	4,124	4,109	4,162	4,502	4,684	4,611	4,805	5,025	5,191	5,462	5,570	5,603	5,838	6,329	6,534	6,717	6,781	6,833	6,947	7,060	7,170	7,856	8,028	8,185	8,364	8,350	8,771
99th	4,839	4,797	4,686	4,676	4,724	5,058	5,131	5,057	5,260	5,471	5,559	5,893	5,977	5,967	6,138	6,549	6,643	6,855	6,908	6,959	6,999	7,120	7,186	8,200	8,333	8,497	8,677	8,663	8,848
Dollar Gaps:																													
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	1,196	1,454
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	1,281	1,577
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	1,827	1,737
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	1.202
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	1.219
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	1.244

2018 General Education Revenue Disparity Report.