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Cash Flows

Minnesota's Fiscal Geography

Mapping Revenues and Spending

Minnesota taxpayers send about $10 billion each year to the state government in St. Paul. Some of this money pays for state government activities, but most goes back to local governments and individuals in the form of aid and grants.

All parts of the state receive benefits from state spending. However, the state's taxing and spending system redistributes money from some areas to other areas. *Cash Flows: Minnesota's Fiscal Geography* uses a series of maps to illustrate this pattern.

The state's major taxes — income, sales and gasoline — are collected based on how much people earn and how much they spend. Much state aid, on the other hand, is distributed based on need and historical spending patterns. Communities with more economic activity and higher incomes contribute more to the state treasury, while communities with lower income and economic activity pay less and often get more back.

Nearly half of the state's revenue comes from sales taxes and individual income taxes. Areas with above-average income or retail sales provide above-average revenue to the state. The state's school aid and local government aid programs, in turn, redistribute some of this revenue to cities, townships and school districts using formulas based on need and other factors. In addition, the state uses sales tax and income tax revenue to help pay for welfare grants and Medical Assistance. The result is that some communities get back more state tax dollars than others.

The maps in this report display some of the geographic patterns of these exchanges. The opening map shows which counties receive the most aid and credit for each dollar paid in major taxes. Other maps illustrate the patterns in income tax collection, high-value homes, state aid to local governments, property tax refunds, education aid, highway aid and higher education appropriations. Together, these maps provide a snapshot of how state cash flows — where it comes from and where it goes.

Inside

Return on the Tax Dollar – 2
High-Value Homes – 3
Income Tax Collections – 6
State Spending for Local Government Aid – 8
State-Paid Property Tax Relief – 10
Highway Aid – 11
State Spending for Schools – 12
State Spending for Higher Education – 14
Student Financial Aid – 15
State Human Services Spending – 16

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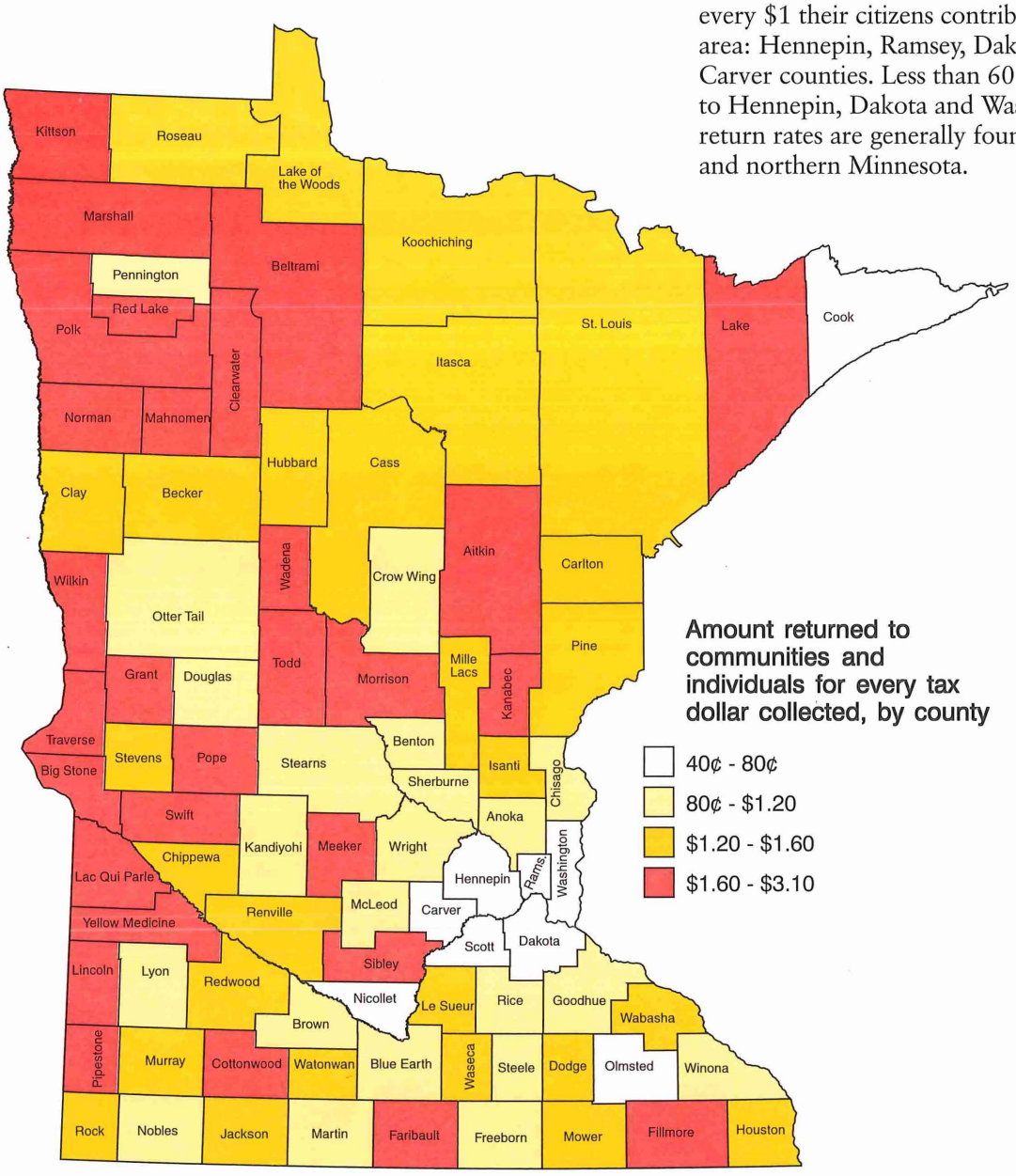
Return on the Tax Dollar

Of every tax dollar collected by the state of Minnesota, roughly 80 cents is returned to communities and individuals in the form of aid and grants. The remaining 20 cents pays for such things as state highways, appropriations to colleges and universities, prisons, state parks and state government.

Return on the tax dollar is not equal throughout the state. Some areas receive less than their citizens pay in, while other areas receive more. Tax revenues collected in any given location are redistributed throughout the state through a complex system of formulas based on need and other factors.

The map below shows which counties receive the most state aids and credits relative to the amount they pay in taxes. In general, suburban and urban counties pay more in taxes and receive less in state aid and grants than counties in northern Minnesota and others outside the Twin Cities area.

Of the nine counties that receive less than 80 cents in aid for every $1 their citizens contribute, six are in the metropolitan area: Hennepin, Ramsey, Dakota, Washington, Scott and Carver counties. Less than 60 cents on the dollar goes back to Hennepin, Dakota and Washington counties. The highest return rates are generally found in rural counties of western and northern Minnesota.



Note: About 20 cents of every tax dollar is spent on operation of state facilities and agencies, the benefits of which cannot easily be assigned to individual counties or communities. Data is from 1994 and 1995.

Source: Various state agencies, compiled by House Research; Minnesota Planning graphic

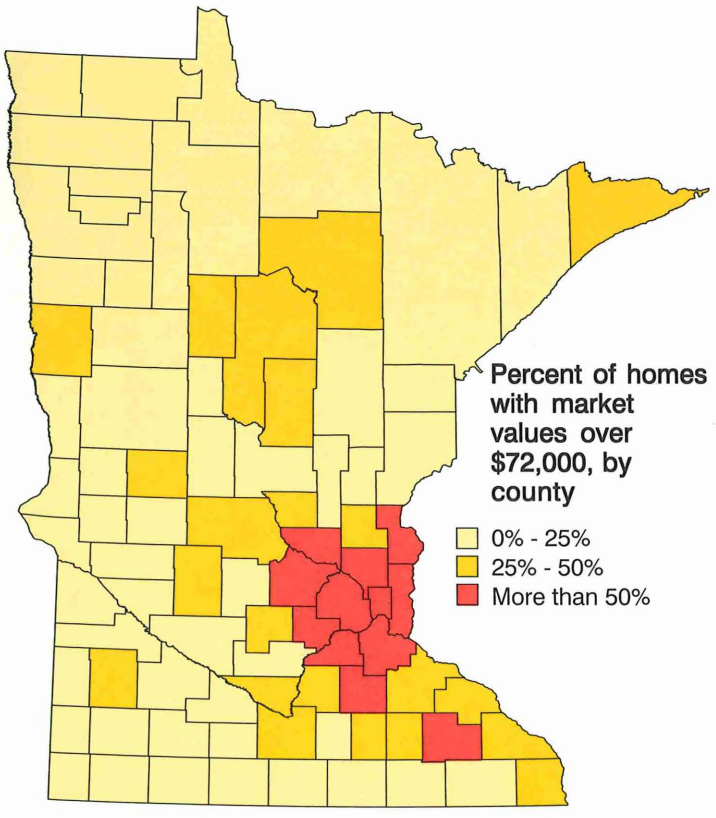
Aids and Grants Returned for Every Tax Dollar Collected

Tax revenues include sales taxes, individual and corporate income taxes, motor fuel taxes and vehicle license and excise taxes. On the spending, or return, side are major aid, grants and property tax credits to local units of government and individuals. Data is from 1994 and 1995.

Mahnomen	$3.10
Red Lake	2.68
Todd	2.51
Big Stone	2.43
Clearwater	2.23
Traverse	2.06
Faribault	2.01
Norman	1.99
Wadena	1.98
Swift	1.94
Lac Qui Parle	1.86
Yellow Medicine	1.81
Marshall	1.80
Polk	1.80
Kittson	1.77
Meeker	1.76
Lincoln	1.75
Kanabec	1.75
Wilkin	1.73

Morrison	$1.71	Watonwan	$1.51	St. Louis	$1.29	Stearns	$0.93
Pope	1.67	Chippewa	1.51	Redwood	1.28	Martin	0.92
Sibley	1.67	Cass	1.48	Hubbard	1.27	Goodhue	0.90
Fillmore	1.65	Rock	1.48	Freeborn	1.20	Sherburne	0.88
Lake	1.64	Waseca	1.45	Nobles	1.19	Blue Earth	0.87
Grant	1.62	Carlton	1.45	Pennington	1.19	Anoka	0.86
Beltrami	1.62	Koochiching	1.43	Otter Tail	1.17	Steele	0.86
Cottonwood	1.62	Itasca	1.41	Lyon	1.16	Crow Wing	0.86
Aitkin	1.60	Le Sueur	1.41	Kandiyohi	1.07	Nicollet	0.78
Pipestone	1.60	Becker	1.40	Chisago	1.07	Ramsey	0.75
Clay	1.59	Isanti	1.39	Benton	1.06	Cook	0.70
Pine	1.59	Stevens	1.36	Brown	1.04	Scott	0.66
Mille Lacs	1.58	Renville	1.36	Douglas	0.97	Olmsted	0.63
Lake of the Woods	1.57	Roseau	1.34	Rice	0.96	Carver	0.61
Houston	1.57	Wabasha	1.34	Winona	0.95	Dakota	0.59
Jackson	1.54	Murray	1.32	McLeod	0.95	Washington	0.59
Dodge	1.52	Mower	1.30	Wright	0.94	Hennepin	0.49

High-Value Homes



Note: Data is based on homestead market value determined by county assessors for property taxes payable in 1996.

Source: Department of Revenue; Minnesota Planning graphic

Minnesota's residential property tax system is based on a property's market value as determined by the county assessor. The portion of a home's value above $72,000 is taxed at a higher rate than the first $72,000 of its value. Thus, owners of higher-priced homes pay proportionately higher property taxes than owners of lower-priced homes.

In Minnesota, higher-value homes are clustered mainly in the Twin Cities area and Rochester. More than half the homes in the Twin Cities area and Olmsted County are worth more than $72,000. Higher-value homes are also common in southeastern Minnesota and in the lakes region of north-central Minnesota.

By contrast, in many rural areas of southern and western Minnesota, fewer than 15 percent of the homes are valued at more than $72,000.

Areas with concentrations of high-value homes have a greater capacity to raise revenue for necessary services. As a result, these communities receive less money from the state for school districts and local government aid.

Metropolitan-Area Home Values

The 1995 average homestead market values in the Twin Cities area ranged from $49,000 in Hilltop in Anoka County to $509,000 in Woodland in Hennepin County. The Twin Cities area accounted for about 68 percent of the state's total residential homestead value.

The average home value in Minneapolis, St. Paul and their closest suburbs is less than $100,000. Home values are higher in most outer-ring suburbs. Many have average values between $100,000 and $150,000. In the eastern and western suburbs and rural areas, near the St. Croix River and Lake Minnetonka, average home values rise to between $150,000 and $300,000. The costliest homes, averaging more than $300,000, are in four small suburbs: Dellwood, Minnetonka Beach, Sunfish Lake and Woodland.

Average Market Value of Twin Cities Homes

Anoka County

Lino Lakes	$116,940
Andover	109,485
Ramsey	100,789
Ham Lake	98,637
Columbus Twp	97,589
Oak Grove	93,211
Burns Twp	92,295
Circle Pines	91,379
Centerville	91,031
Blaine	87,716
Coon Rapids	87,458
Anoka	82,560
Spring Lake Park	82,147
Fridley	81,715
East Bethel	79,230
Linwood Twp	77,645
St. Francis	74,872
Lexington	73,713
Columbia Heights	70,823
Bethel	54,766
Hilltop	49,139

Carver County

Victoria	$167,592
Chanhassen	154,743
Laketown Twp	136,415
San Francisco Twp	123,957
Waconia Twp	121,367
Watertown Twp	120,878
Dahlgren Twp	120,452
Chaska	111,713
Waconia	104,622
Chaska Twp	100,500
Young America Twp	95,068
Camden Twp	94,461
Benton Twp	90,498
Hancock Twp	89,857
Hollywood Twp	89,570
Carver	80,764
Mayer	79,840
Watertown	79,414
Young America	77,783
Cologne	72,628
Norwood	66,798
Hamburg	62,804
New Germany	58,469

Dakota County

Sunfish Lake	$376,712
Mendota Heights	166,136
Lilydale	$136,149
Eureka Twp	126,995
Northfield	124,953
Marshan Twp	124,030
Nininger Twp	122,508
Lakeville	121,979
Randolph Twp	118,037
Eagan	117,630
Apple Valley	116,237
Ravenna Twp	114,994
Burnsville	112,850
Rosemount	112,765
Vermillion Twp	109,078
Greenvale Twp	108,842
Hampton Twp	105,505
Inver Grove Heights	103,377
Castle Rock Twp	102,784
Douglas Twp	96,952
Empire Twp	96,515
Hastings	91,534
West St. Paul	91,446
Farmington	90,729
Waterford Twp	87,896
Vermillion	86,101
Sciota Twp	84,314
Coates	83,636
Miesville	78,474
South St. Paul	76,982
Hampton	76,822
Mendota	72,934
New Trier	62,687
Randolph	62,547

Hennepin County

Woodland	$508,679
Minnetonka Beach	344,514
Orono	259,425
Deephaven	245,133
Greenwood	244,163
Wayzata	240,134
Medina	233,166
Tonka Bay	225,754
Minnetrista	214,618
Shorewood	209,814
Medicine Lake	204,129
Edina	179,153
Independence	156,847
Eden Prairie	155,571
Minnetonka	146,680
Plymouth	145,418
Corcoran	128,089
Excelsior	$125,783
Hassan Twp	124,813
Hanover	124,136
Golden Valley	120,910
Greenfield	120,274
Long Lake	117,905
Bloomington	116,713
Dayton	116,688
Maple Grove	116,420
Loretto	115,630
Rogers	113,702
Spring Park	111,932
Maple Plain	104,812
Mound	103,667
St. Anthony	101,472
Champlin	101,039
Hopkins	99,115
St. Louis Park	97,743
New Hope	94,852
Rockford	89,565
St. Bonifacius	87,970
Brooklyn Park	87,833
Richfield	86,537
Minneapolis	82,832
Osseo	80,089
Crystal	78,845
Robbinsdale	77,589
Brooklyn Center	72,949

Ramsey County

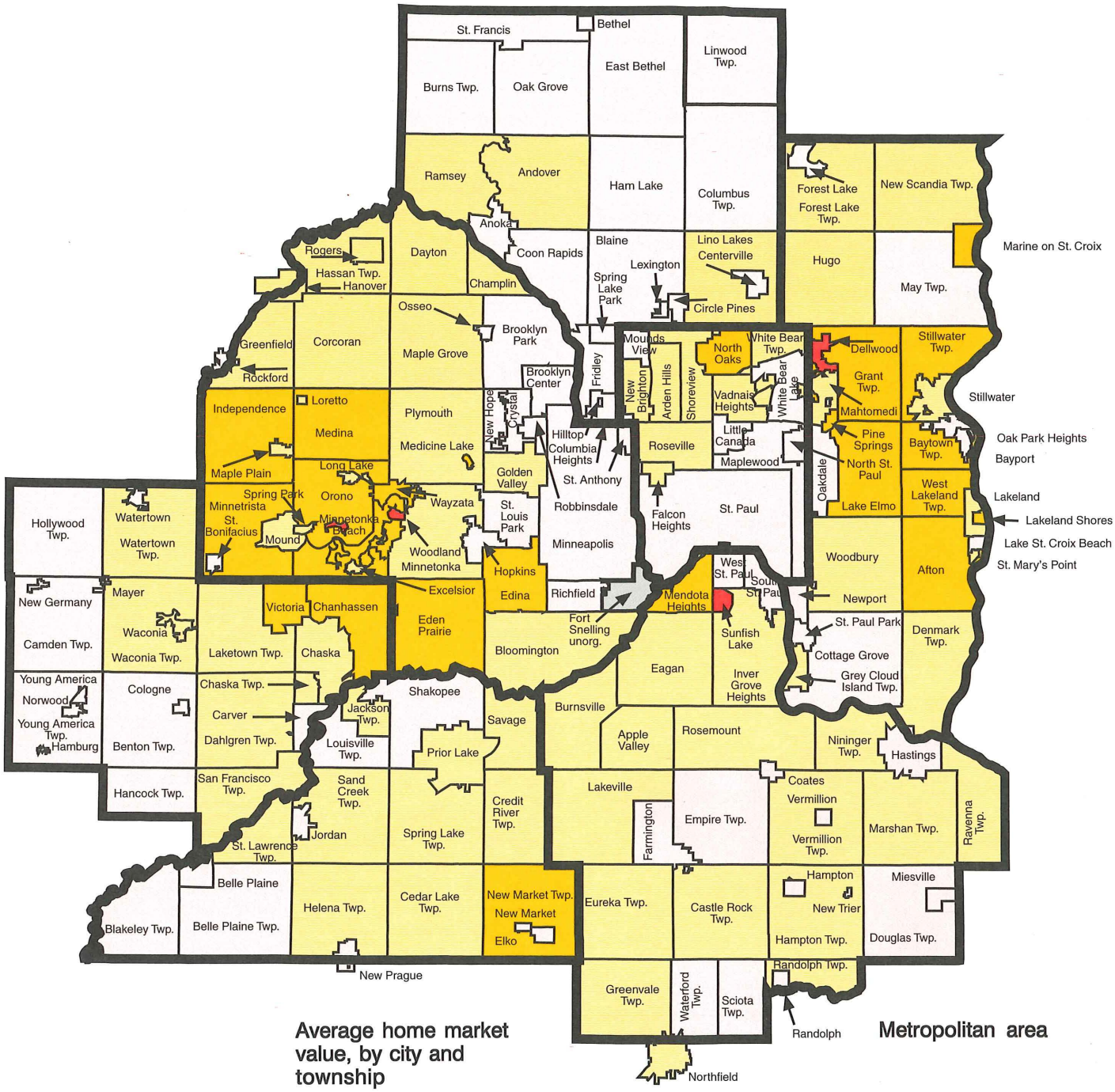
North Oaks	$290,207
Gem Lake	135,809
Arden Hills	132,186
Shoreview	118,536
Falcon Heights	117,594
White Bear Twp	113,548
New Brighton	113,177
Vadnais Heights	109,490
Roseville	101,942
Little Canada	95,424
White Bear Lake	94,782
Maplewood	94,584
Mounds View	89,758
North St. Paul	85,127
Spring Lake Park	81,472
St. Paul	76,928
Lauderdale	74,333

Scott County

New Market Twp	$152,842
Cedar Lake Twp	135,732
Spring Lake Twp	$134,259
Credit River Twp	132,452
Jackson Twp	127,760
Helena Twp	124,488
Louisville Twp	120,715
Prior Lake	117,872
Sand Creek Twp	113,360
Savage	107,778
St. Lawrence Twp	101,332
Shakopee	94,874
Belle Plaine Twp	88,644
New Prague	81,900
Belle Plaine	80,031
Elko	79,053
Jordan	72,872
Blakeley Twp	68,272
New Market	66,876

Washington County

Dellwood	$312,333
West Lakeland Twp	183,299
Baytown Twp	182,715
Pine Springs	180,759
Grant Twp	178,353
Stillwater Twp	175,175
Afton	164,396
Lakeland Shores	163,389
Marine on St. Croix	159,909
May Twp	158,081
Birchwood Village	156,138
Lake Elmo	152,323
Denmark Twp	149,816
St. Mary's Point	139,619
Mahtomedi	135,128
Woodbury	129,449
Grey Cloud Island Twp	128,662
New Scandia Twp	124,283
Forest Lake Twp	118,729
Hugo	118,340
Lakeland	117,417
Stillwater	105,848
Bayport	99,682
Cottage Grove	93,340
Forest Lake	91,433
Oakdale	91,120
Oak Park Heights	90,053
Newport	88,512
Lake St. Croix Beach	84,060
St. Paul Park	76,370
Willernie	66,405



Note: For cities partially within the seven-county metropolitan area boundary, only the portion within the metropolitan area is included in average housing values. Fort Snelling and the city of Landfall have no homestead properties. The data reflects 1995 average home market value.

Source: Department of Revenue; Minnesota Planning graphic

Income Tax Collections

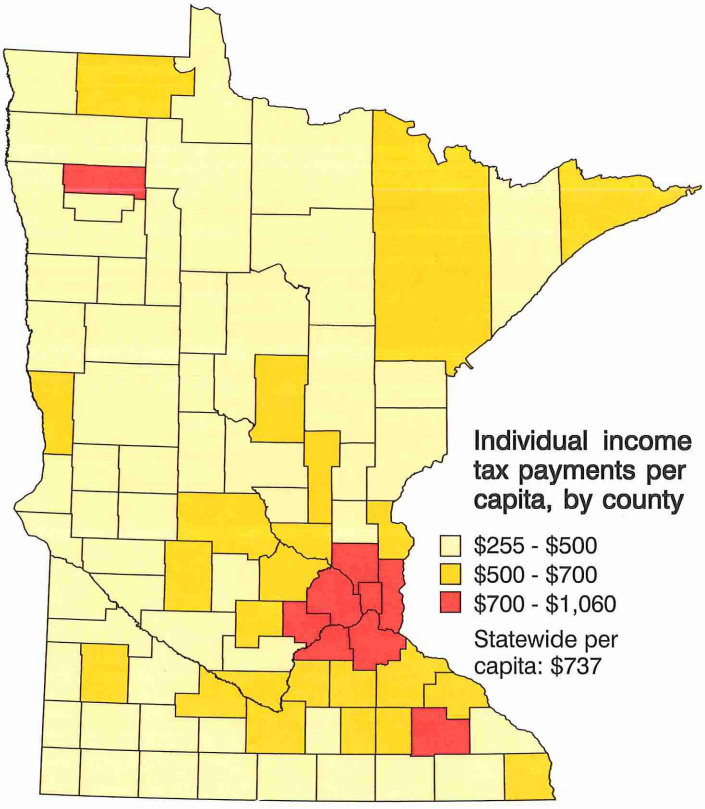
Individual income taxes make up the largest single slice of state revenue — 28 percent. Minnesota has a progressive income tax system; that is, the state taxes those who earn more at a higher rate. The rates range from about 6 percent for the lowest taxable incomes to 8.5 percent for any taxable income over $52,790 for those filing single returns and $93,340 for those filing jointly.

Because of this progressive tax system, the top 10 percent of Minnesota's high-earning households pay a very large share of the state's total income taxes. This group accounts for 37 percent of the total taxable income of all Minnesotans, but pays 51 percent of the taxes.

As a group, the 10 percent of households with the lowest income actually get more cash back from the state than they pay in, because of Minnesota's working family credit. A family of four with two dependents and annual taxable income at or below $28,495 qualifies for a credit.

Taxpayers in the Twin Cities area and Olmsted County pay the bulk of the state's individual income taxes. In 1995, the seven metropolitan area counties contributed 67 percent of the state's income tax revenue. The largest per capita amounts came from taxpayers in the counties of Hennepin ($1,060), Washington ($1,009), Carver ($1,006) and Dakota ($928).

Counties surrounding the metropolitan area also pay relatively high income taxes, ranging from $500 to $700 per capita. The lowest per capita amounts come from the rural counties of southern, western and northern Minnesota. These areas have fewer high-wage industries and fewer professional employees.



Note: Income tax data is for 1994 taxes (filed in 1995).
Source: Department of Revenue; Minnesota Planning

Per Capita Income Tax Collections, by County

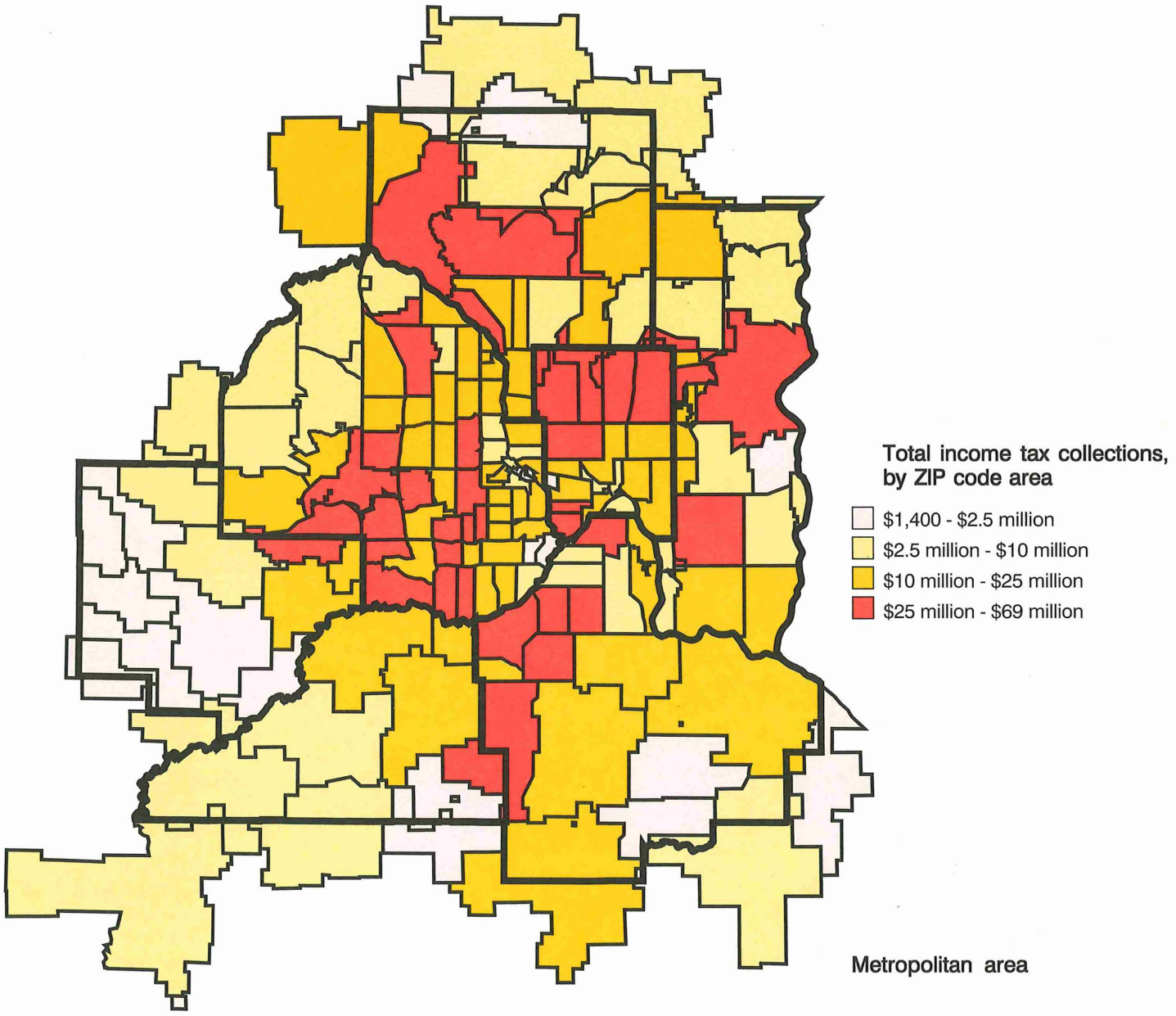
Hennepin	$1,060
Washington	1,009
Carver	1,006
Dakota	928
Scott	824
Olmsted	822
Ramsey	793
Anoka	723
Pennington	714
Sherburne	692
Chisago	660
Wright	649
Goodhue	645
Roseau	609
Blue Earth	608
Cook	607
Steele	602
McLeod	602
Nicollet	589
Rice	575
Crow Wing	564
Brown	561
Dodge	545
Lyon	539
Wabasha	534
Stearns	531
St. Louis	529
Wilkin	514
Mille Lacs	510
Le Sueur	509
Kandiyohi	508
Houston	503
Carlton	491
Waseca	488
Winona	487
Douglas	479
Lake	475
Mower	474
Martin	464
Isanti	464
Benton	463
Chippewa	460
Nobles	457
Redwood	454
Marshall	$449
Koochiching	448
Stevens	439
Itasca	437
Kittson	436
Grant	435
Renville	433
Meeker	432
Polk	428
Freeborn	424
Clay	423
Fillmore	417
Lake of the Woods	414
Watonwan	413
Beltrami	408
Yellow Medicine	404
Otter Tail	396
Norman	395
Faribault	381
Swift	378
Sibley	378
Pipestone	376
Morrison	375
Rock	374
Pope	373
Cottonwood	367
Pine	363
Becker	362
Aitkin	358
Traverse	357
Wadena	349
Lac Qui Parle	345
Murray	338
Big Stone	325
Jackson	322
Clearwater	322
Hubbard	320
Kanabec	318
Red Lake	316
Lincoln	295
Cass	293
Todd	286
Mahnomen	255

Metropolitan-Area Income Tax Collections

Within the metropolitan area, most state income tax money comes from taxpayers living in the suburbs, especially those in the south, west and north.

The map on this page shows the total amount of income taxes collected by ZIP code area. The income tax numbers on this map are not presented per capita, because population figures for ZIP code areas are not readily available. A high income tax value on this map may reflect high population density or high income or both.

Some densely populated ZIP code areas in the core of Minneapolis and St. Paul produce less than $10 million in income tax revenue. Other Minneapolis and St. Paul neighborhoods generate more revenue, but their contributions typically are still less than those of suburban areas.



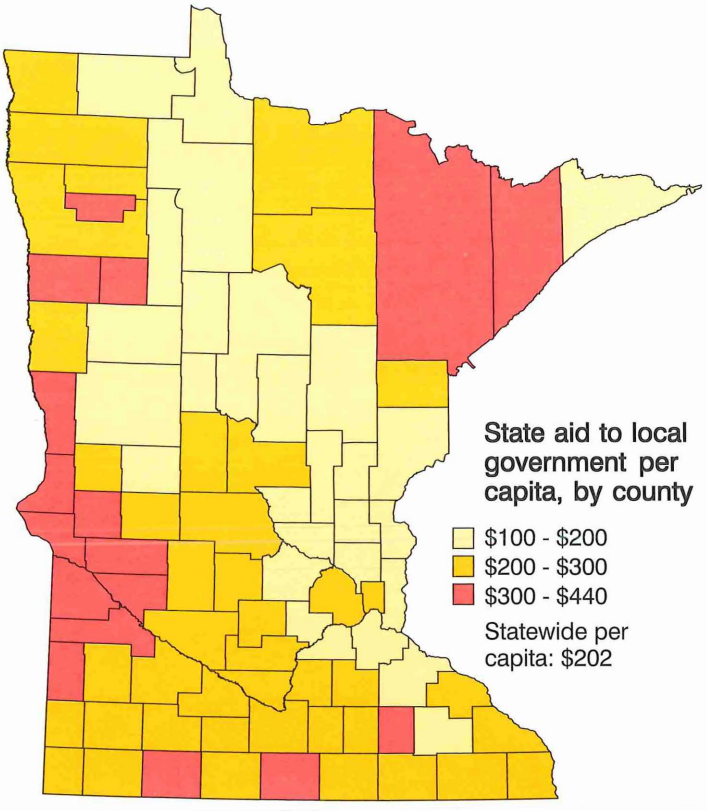
Note: Income tax data is for 1994 taxes (filed in 1995).
Source: Department of Revenue; Minnesota Planning graphic

State Spending for Local Government Aid

Minnesota's cities, counties, townships and school districts receive state aid from two major programs — local government aid and homestead and agriculture credit aid. Together, these two programs provided $935 million to local jurisdictions in 1995. Cities, townships, counties, school districts and other taxing districts received homestead and agriculture credit aid totaling $595 million; local government aid provided cities with $337 million and townships with $3 million. Both types of aid are general-purpose funds that local units of government can use for any local purpose.

Local government aid is distributed to cities and townships based on need and past aid levels. Communities with higher populations, declining populations, older housing, and less commercial and industrial property are considered higher-need. So-called "grandfather provisions" protect local governmental units from declines in their allocations; this practice directs higher payments to local governments that historically have received the most aid.

Homestead and agriculture credit aid is subtracted from a taxing jurisdiction's property tax levy, reducing the actual levy against property owners. Homestead and agriculture aid was originally intended to replace pre-1990 credits to individual taxpayers' bills. Now it is based on a jurisdiction's payment in the previous year and the tax base lost because of any legislative change in the tax rate on a certain class of property (for example, residential, commercial or industrial). For counties, the aid is also affected by growth in new households. Homestead and agriculture credit funds also have been used by the state to offset welfare program costs. In such cases, the state pays for the program but reduces the amount of homestead and agricultural credit aid to that jurisdiction.



Note: Data shows total local government aid and homestead and agriculture credit aid paid to a county, its cities, townships and school districts and other taxing districts in 1995.

Source: Minnesota Department of Revenue; Minnesota Planning

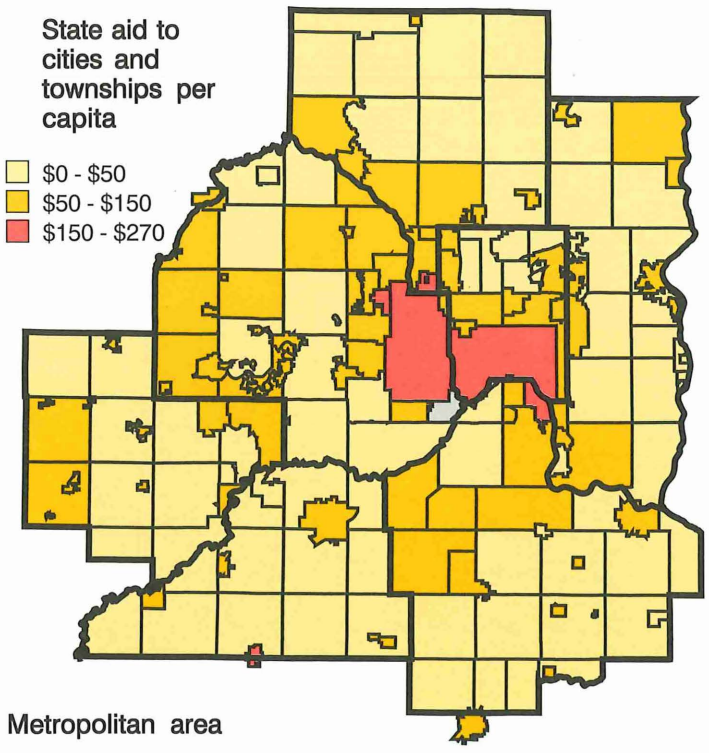
Per Capita Local Government Aid, by County

Big Stone	$433	Ramsey	$236
St. Louis	378	Todd	234
Wilkin	369	Lyon	234
Traverse	352	Pope	233
Red Lake	344	Steele	233
Jackson	336	Hennepin	231
Swift	334	Marshall	230
Lac Qui Parle	329	Wabasha	219
Chippewa	326	Rice	216
Norman	320	Stearns	209
Lincoln	314	Itasca	208
Yellow Medicine	313	Clay	206
Dodge	309	Meeker	206
Faribault	307	Kandiyohi	206
Lake	306	Morrison	202
Mahnomen	302	Olmsted	197
Stevens	301	Wadena	190
Mower	300	Otter Tail	186
Redwood	299	Lake of the Woods	185
Fillmore	297	Goodhue	184
Cottonwood	292	Cook	181
Polk	291	Chisago	181
Nobles	291	Kanabec	178
Murray	290	Douglas	178
Martin	282	Carver	168
Kittson	280	Anoka	166
Brown	277	Isanti	166
Sibley	276	Scott	165
Renville	275	Aitkin	164
Watonwan	273	Mille Lacs	163
Grant	273	Dakota	161
Freeborn	270	Washington	159
Pipestone	268	Benton	156
Carlton	266	Clearwater	156
Koochiching	262	Roseau	155
Le Sueur	261	Pine	154
Pennington	260	Crow Wing	142
Rock	254	Becker	142
Waseca	251	Wright	139
McLeod	248	Beltrami	126
Houston	245	Sherburne	120
Nicollet	242	Hubbard	113
Winona	241	Cass	105
Blue Earth	238		

The state map shows combined local government aid and homestead and agriculture credit aid, per capita, paid to all local governments, by county. The highest local-aid counties are located mostly in west-central and northeastern Minnesota. Most of these counties either lost population in recent years or had very small increases. Since part of the formula is based on historical levels of aid received, counties losing population continue to receive high per capita aid payments. Most of the seven-county metropolitan area, the I-94 corridor between the Twin Cities and St. Cloud, the corridor between the Twin Cities and Rochester, and the lakes region of north-central Minnesota have lower per capita aid levels. These are among the fastest growing areas in the state.

Local Government Aid to Metropolitan Area

Most local government aid in the metropolitan area goes to Minneapolis, St. Paul, some of their closest suburbs. Fast-growing communities with high property values receive lower levels of state aid. These are primarily second- and third-tier suburbs in the west, south and east.



Note: Data shows local government aid and homestead and agricultural credit aid paid to cities and townships in 1997. Fort Snelling receives no aid.

Source: Minnesota Planning

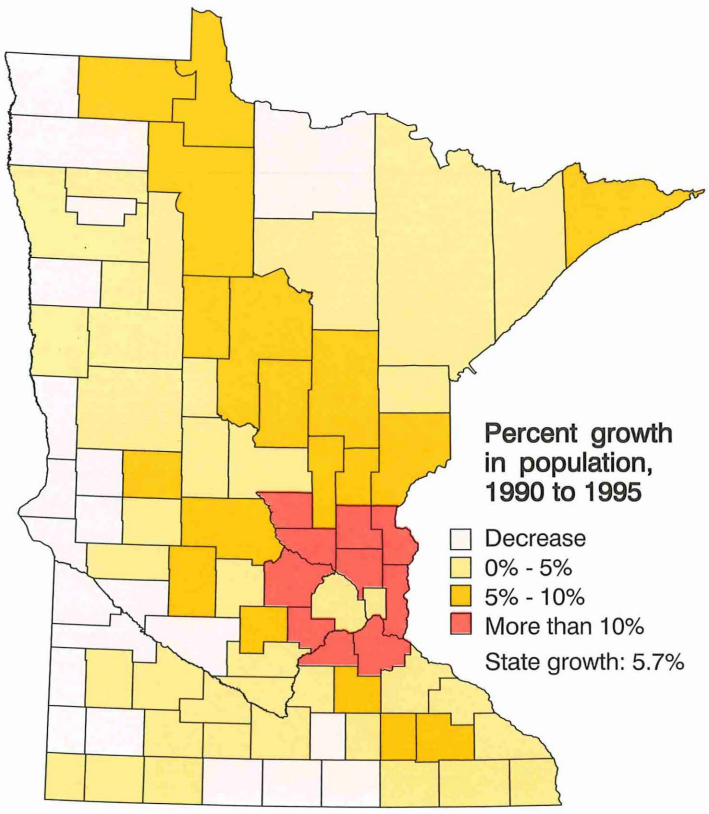
Fast-Growing Areas

Population is growing most rapidly in the suburban counties stretching from St. Cloud to the Twin Cities area. These counties had population increases exceeding 10 percent between 1990 and 1995, compared to increases of less than 5 percent in Hennepin and Ramsey counties.

A larger area of strong population growth extends from the Rochester area northwest through the lakes region to Lake of the Woods and Roseau counties in the far north.

Many agricultural counties in western and southern Minnesota lost population during the first half of the decade. Several of these counties have lost population since 1980 or before, but the rate of decline has slowed in most since 1990.

Twenty-eight counties outside the Twin Cities area lost population in the 1980s but are now growing again.



Source: Minnesota Planning

State-Paid Property Tax Relief

Minnesota has two property tax refund programs to give relief to taxpayers with lower incomes or high annual tax increases — the "circuit breaker" and the targeted refund program.

Homeowners and renters with low to moderate incomes are eligible for a property tax relief program known as the circuit breaker. Under the circuit breaker, homeowners with household incomes below $65,450 and renters with incomes below $38,170 may qualify for property tax refunds. In 1995, Minnesota paid refunds totaling $75 million to homeowners and $87 million to renters. The maximum possible refund in 1997 will be $470 for homeowners and $1,090 for renters.

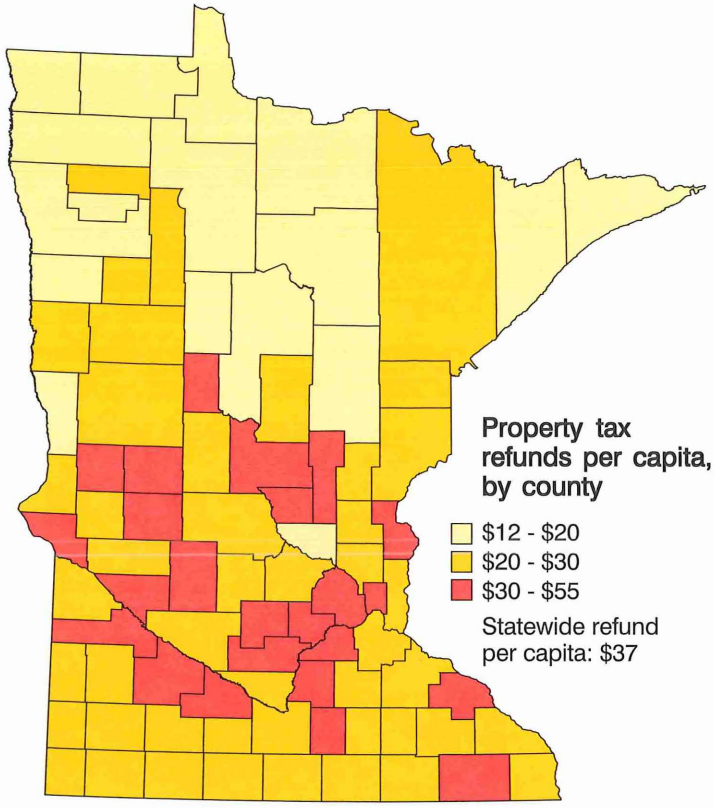
Taxpayers whose property tax bills rise at least 12 percent and at least $100 in a given year are eligible for property tax refunds of up to $1,000 under the targeted refund program.

Per capita property tax refunds in 1995 ranged from $53 in Hennepin County to $12 in Lake of the Woods County. Amounts were highest in southern Minnesota and lowest in northern Minnesota. Hennepin and Ramsey counties were among those receiving the highest refunds. Refunds are highest in areas where property taxes are high compared to household income.

High property tax refunds flow to many areas in Minneapolis, St. Paul and their closest suburbs. These are areas that do not produce large amounts of income tax revenue. Refund amounts are lower in suburban areas that generate large amounts of income tax revenue.

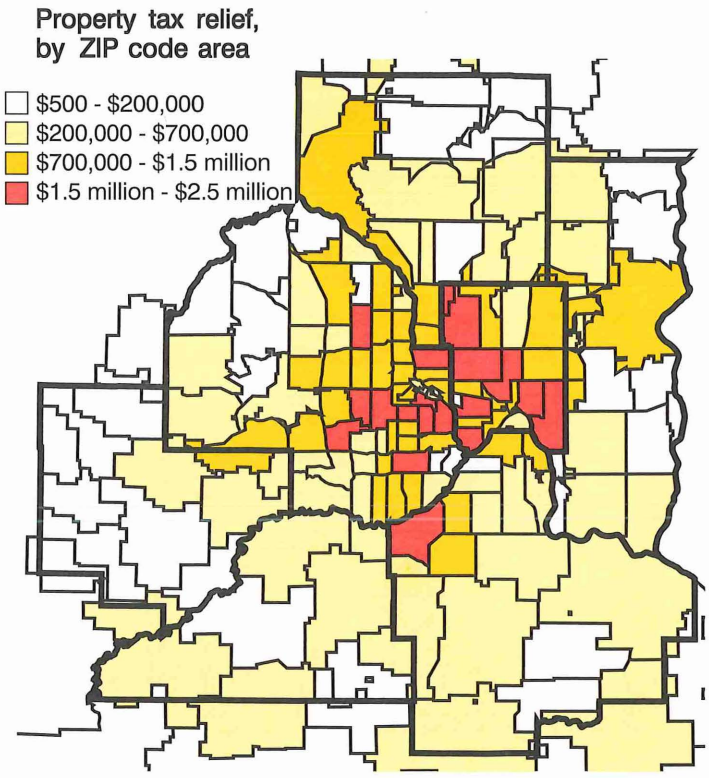
The metropolitan-area map shows the total property tax refunds in each ZIP code area. The numbers are not presented per capita because population figures for ZIP code areas are not readily available.

A high property tax refund value on this map may reflect a large number of rental units, high population density, high refund amounts or all three. In any case, the central cities receive more property tax refund money than the outer-ring suburbs.



Note: Per capita property tax refunds, include those paid by the state to homeowners and renters under the circuit breaker program and to other homeowners under the targeted refund program. Data shows refunds paid in 1995.

Source: Department of Revenue; Minnesota Planning



Note: Data shows refunds paid in 1996.

Source: Department of Revenue; Minnesota Planning graphic

Highway Aid

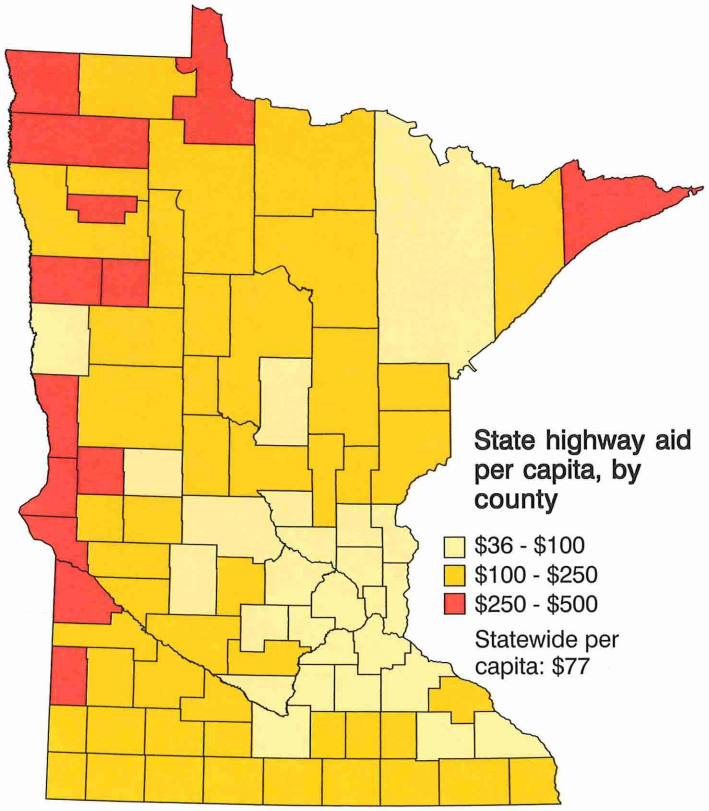
The state distributed more than $350 million in highway aid in 1994 to counties, cities and townships. Local governments use this money to maintain certain streets and highways, as well as township bridges and roads.

Funding comes from motor vehicle and motor fuel taxes, which are deposited in the Highway User Tax Distribution Fund. Counties receive 29 percent of these taxes to maintain nearly 30,000 miles of state-aid highways. Funds are apportioned to each county primarily based on construction and maintenance needs and the county's portion of state-aid roads and registered motor vehicles. Roads in this system connect major destinations within counties.

Cities receive 9 percent of the taxes, based on population and need, to maintain 2,500 miles of municipal state-aid streets. These streets link destinations within urban areas. Approximately 2 percent goes to townships.

The bulk of the taxes from the Highway User Tax Distribution Fund — 62 percent — is kept by the state for construction and maintenance of the 12,000-mile trunk highway system. These highways are the interstates and other principal highways that link the state's communities and enable travel between states. Funds for these highways are not included on the map.

The state map shows the total amount of state highway aid received by counties, cities and townships per capita for each of Minnesota's 87 counties. Aid per capita is generally higher in less populous areas. The number of miles of county and municipal roads in the state-aid system varies by county, largely based on population density and county size. This contributes to differences in per capita aid. Each county's mileage in the state-aid system has remained about the same since it was established in 1957.



Notes: Data is from 1994 and includes aid received by counties, cities and townships from the Highway User Tax Distribution Fund.

Source: Department of Transportation; Minnesota Planning

Per Capita Highway Aid

Kittson	$483
Lake of the Woods	465
Cook	462
Red Lake	450
Martin	392
Traverse	369
Wilkin	320
Norman	318
Marshall	295
Lac Qui Parle	265
Grant	261
Big Stone	254
Lincoln	250
Clearwater	249
Jackson	239
Yellow Medicine	235
Rock	230
Murray	228
Lake	227
Pope	207
Fillmore	204
Polk	200
Swift	199
Aitkin	196
Pine	192
Roseau	189
Koochiching	187
Cottonwood	178
Renville	175
Redwood	172
Faribault	172
Pipestone	168
St. Louis	167
Chippewa	167
Pennington	162
Stearns	159
Nobles	156
Watonwan	154
Cass	150
Mcleod	143
Wabasha	141
Hubbard	138
Wadena	137
Waseca	137
Kanabec	$133
Houston	132
Otter Tail	127
Todd	125
Itasca	124
Dodge	120
Freeborn	118
Becker	114
Lyon	112
Meeker	111
Beltrami	110
Mower	110
Mille Lacs	109
Morrison	103
Carlton	103
Stevens	102
Brown	101
Le Seuer	98
Nicollet	95
Douglas	94
Scott	93
Kandiyohi	89
Goodhue	88
Blue Earth	87
Clay	86
Mahnomen	77
Isanti	76
Winona	75
Rice	71
Chisago	65
Wright	63
Benton	62
Crow Wing	61
Sherburne	61
Carver	58
Steele	53
Olmsted	52
Hennepin	43
Ramsey	41
Sibley	39
Dakota	38
Anoka	37
Washington	37

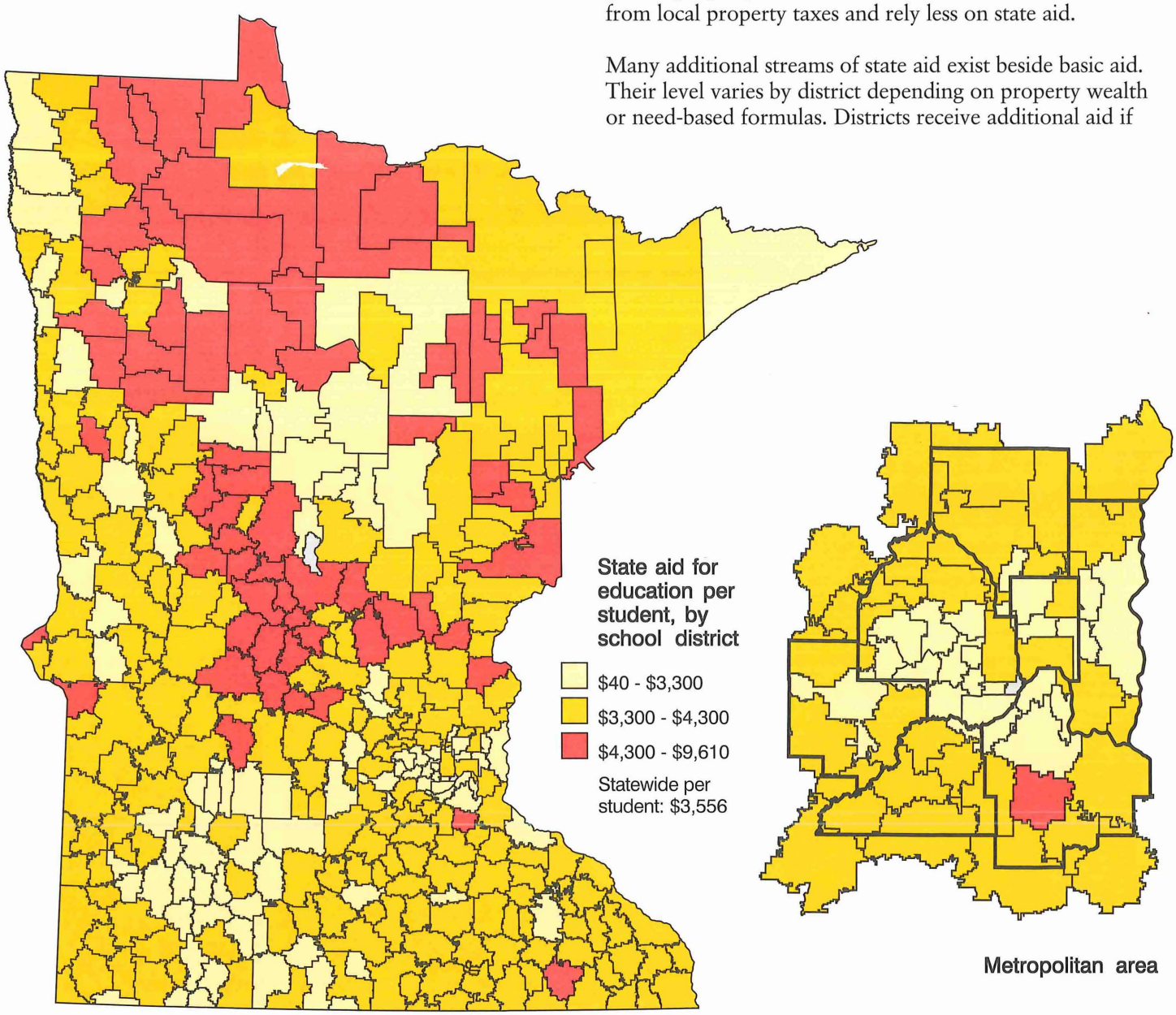
State Spending for Schools

State aid to school districts for kindergarten through 12th-grade education is the largest single expenditure in the state budget. The state distributed aid totaling $2.9 billion to Minnesota school districts in 1996.

In addition to state aid, school districts raised about $2 billion from local property taxes in 1996, and received some federal funds.

The map shows the sum of most state aids and grants distributed to school districts. Basic education aid makes up the largest portion of state funding. Basic education aid is distributed based on the value of property in each school district. This aid makes up the difference between a state-guaranteed target amount per pupil and the amount a district can raise from a uniform state-mandated property tax rate. The target was $3,205 per pupil in 1996. Districts with greater property wealth must raise more of their revenue from local property taxes and rely less on state aid.

Many additional streams of state aid exist beside basic aid. Their level varies by district depending on property wealth or need-based formulas. Districts receive additional aid if



Note: Data shows net state aid per student for the 1995-96 school year, for all 364 school districts, excluding charter schools. Net state aid is total aid less any local levy adjustments returned to the state. Students are counted by and accredited to the school districts they attend. Data does not include federal spending, state property tax credit or local levy revenues. No data is included for Fort Snelling, Camp Ripley, and several other small parcels.

Source: Department of Children, Families and Learning; Minnesota Planning graphic

they have significant concentrations of students on welfare; a small, dispersed population, or many highly paid, experienced teachers. The state also distributes aid for such things as transportation, special education, desegregation, concentrations of students with limited English ability, vocational education, adult education, early childhood education and debt service.

The highest per student aid amounts flow primarily to smaller rural districts in northern and central Minnesota that have some combination of low property wealth, a concentration of low-income students or sparse populations. Districts receiving the least state aid include Twin Cities suburbs, prosperous farm areas in the southwest and the Red River Valley, the lakes region of north-central Minnesota and a few cities with large power plants, such as Red Wing and Becker. Low-aid districts typically have fewer low-income students and greater tax wealth from high-value commercial, industrial, farm or residential property.

Within the Twin Cities area, the lowest levels of state education aid go to a ring of suburbs from Wayzata in the west to Burnsville in the south, Stillwater in the east and Roseville in the north. These districts have high property values and rely heavily on local property taxes to fund schools. Minneapolis ($4,048 per student), St. Paul ($4,120 per student) and many outer-ring suburbs receive moderate levels of state aid. Few metropolitan school districts receive high levels.

Top 75 and Bottom 75 Districts: State Aid per Student

Top 75

Pine Point	$9,601
Nett Lake	8,552
South Koochiching	7,067
Red Lake	6,606
Grygla	6,172
Goodridge	6,121
Kelliher	5,822
Littlefork-Big Falls	5,470
Nashwauk-Keewatin	5,446
Hill City	5,346
Greenbush-Middle River	5,325
Cromwell	5,079
Blackduck	5,073
Bertha-Hewitt	5,057
Greenway	5,051
Braham	5,029
Belgrade-Brooten	5,028
Eagle Valley	4,995
Wadena-Deer Creek	4,962
Staples-Motley	4,916
Cass Lake	4,895
Ogilvie	4,860
Little Falls	4,849
Browns Valley	4,777
Barnum	4,770
Red Lake Falls	4,736
Bagley	4,729
East Central	4,721
Milaca	4,717
Browerville	4,710
Albany	4,677
Fosston	4,677
Mahnomen	4,670
Waubun	4,666
Eden Valley	4,657
Sebeka	4,656
Swanville	4,653
New York Mills	4,650
Upsala	$4,644
Chisholm	4,622
Norman County East	4,600
Kimball	4,598
Hibbing	4,596
Thief River Falls	4,593
Pierz	4,590
Silver Lake	4,572
Holdingford	4,569
Willmar	4,558
Eveleth-Gilbert	4,534
Roseau	4,523
Duluth	4,490
Parkers Prairie	4,485
Virginia	4,481
Melrose	4,474
Farmington	4,467
Warroad	4,454
North Branch	4,442
Menagha	4,433
Long Prairie-Grey Eagle	4,398
Fertile-Beltrami	4,387
Bemidji	4,375
Hawley	4,375
Mesabi East	4,364
Badger	4,360
Ortonville	4,359
Kingsland	4,352
Sauk Centre	4,351
Paynesville	4,326
Foley	4,320
Willow River	4,300
Mountain Iron-Buhl	4,299
Verndale	4,282
Faribault	4,274
Proctor	4,263
Montgomery-Lonsdale	4,258

Bottom 75

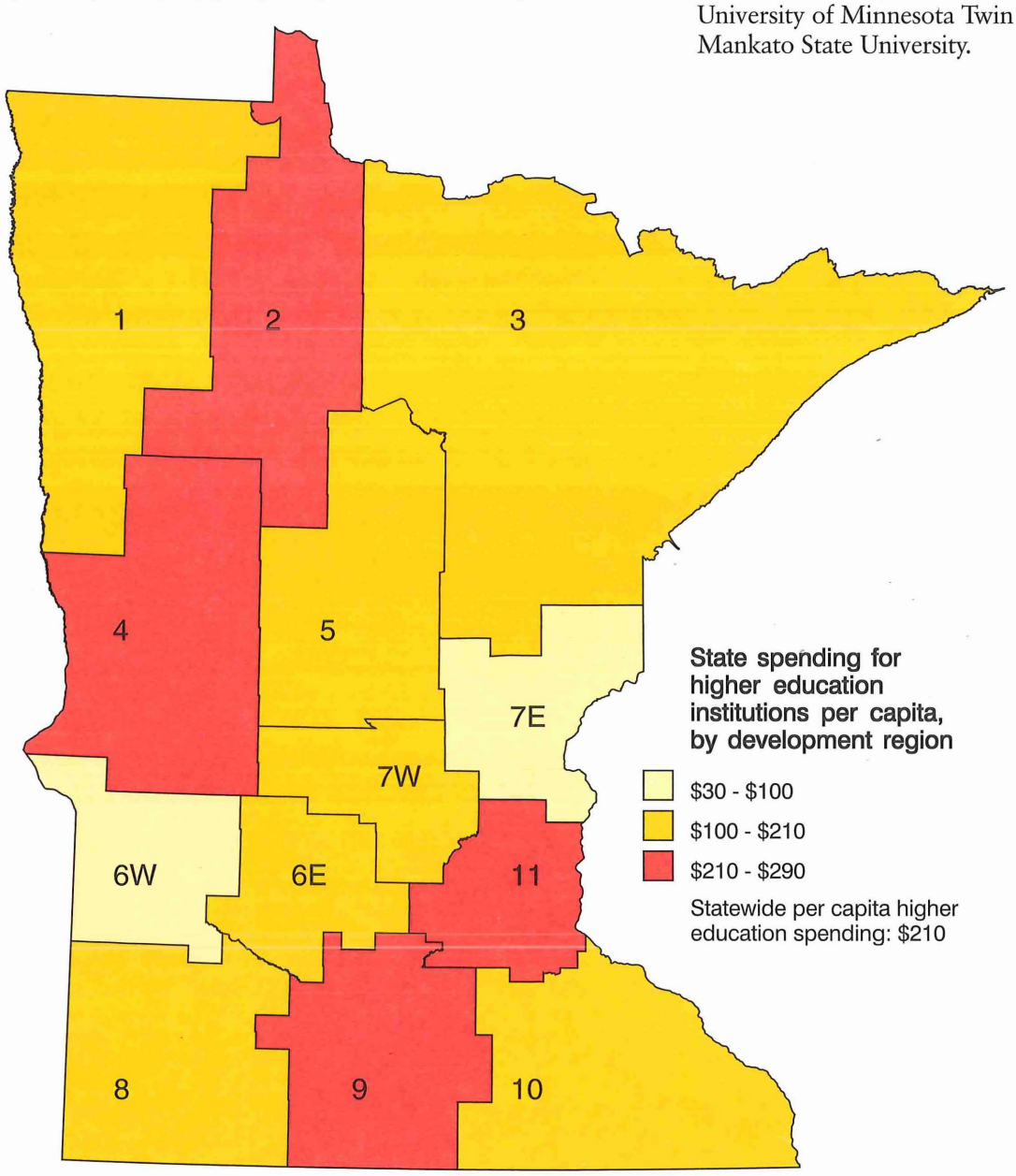
Aitkin	$3,174
Rochester	3,172
Burnsville	3,154
Medford	3,150
Tracy	3,121
Mountain Lake	3,110
GFW	3,109
Lakefield	3,093
Ellsworth	3,087
Cedar Mountain	3,083
Warren-Alvarado-Oslo	3,068
Elmore	3,047
Milroy	3,037
N. St. Paul-Maplewood	3,017
Butterfield	3,013
Robbinsdale	2,992
Mahtomedi	2,986
Wabasso	2,975
Spring Lake Park	2,969
Belview-Danube-Renville-Sacred Heart	2,965
Round Lake	2,964
Lamberton	2,958
Westbrook	2,948
Climax	2,944
Crosby-Ironton	2,940
Audubon	2,940
Russell	2,937
Argyle	2,896
Columbia Heights	2,895
Buffalo Lake-Hector	2,884
Heron Lake-Okabena	2,857
Mounds View	2,834
Sanborn	2,825
Stillwater	2,814
Grand Rapids	2,787
Mentor	2,773
Chokio-Alberta	2,749
Pillager	$2,694
Comfrey	2,664
St. Anthony	2,661
Delavan	2,642
Herman-Norcross	2,598
Monticello	2,460
Granada-Huntley	2,413
Eden Prairie	2,377
Walker-Hackensack-Akly.	2,371
Fisher	2,367
Minnetonka	2,353
Walnut Grove	2,350
Winsted	2,342
Martin County West	2,321
Roseville	2,306
Richfield	2,252
Stephen	2,148
Westonka	2,140
Campbell-Tintah	1,934
Storden-Jeffers	1,923
Orono	1,897
Prinsburg	1,886
Wayzata	1,855
Borup	1,799
Cook County	1,741
Battle Lake	1,681
Remer	1,602
Ceylon	1,571
Sioux Valley	1,438
W. St. Paul-Mendota Hts.	1,403
Kittson Central	1,401
Bloomington	1,295
Hopkins	1,217
St. Louis Park	1,192
Edina	820
Red Wing	778
Pequot Lakes	529
Becker	46

State Spending for Higher Education

Minnesota spends nearly $1 billion per year, or $210 per capita, in appropriations to state universities, community colleges and technical colleges. The majority of this money is spent in the metropolitan region. This region contains the University of Minnesota Twin Cities campus, which accounts for about 74 percent of the region's $605.8 million allocation.

This map shows state appropriations for higher education systems per capita, grouped by economic development regions. These 13 regions were established in 1969. Their boundaries are based on a variety of cultural, political and social characteristics. The regions were created to coordinate intergovernmental cooperation and comprehensive planning within their boundaries.

The highest per capita amounts are in Region 2 with Bemidji State University, Region 4 with Moorhead State University and the University of Minnesota Morris; Region 11 with the University of Minnesota Twin Cities; and Region 9 with Mankato State University.



Allocations per capita, by development region

Region 2 – Headwaters	$289
Region 4	258
Region 11 – Metropolitan	247
Region 9	218
Region 3 – Arrowhead	209
Region 1 – Northwest	202
Region 8 – Southwest	172
Region 7W	167
Region 10	122
Region 6E – Mid-Minnesota	114
Region 5	102
Region 6W – Upper Minnesota Valley	67
Region 7E – East Central	36

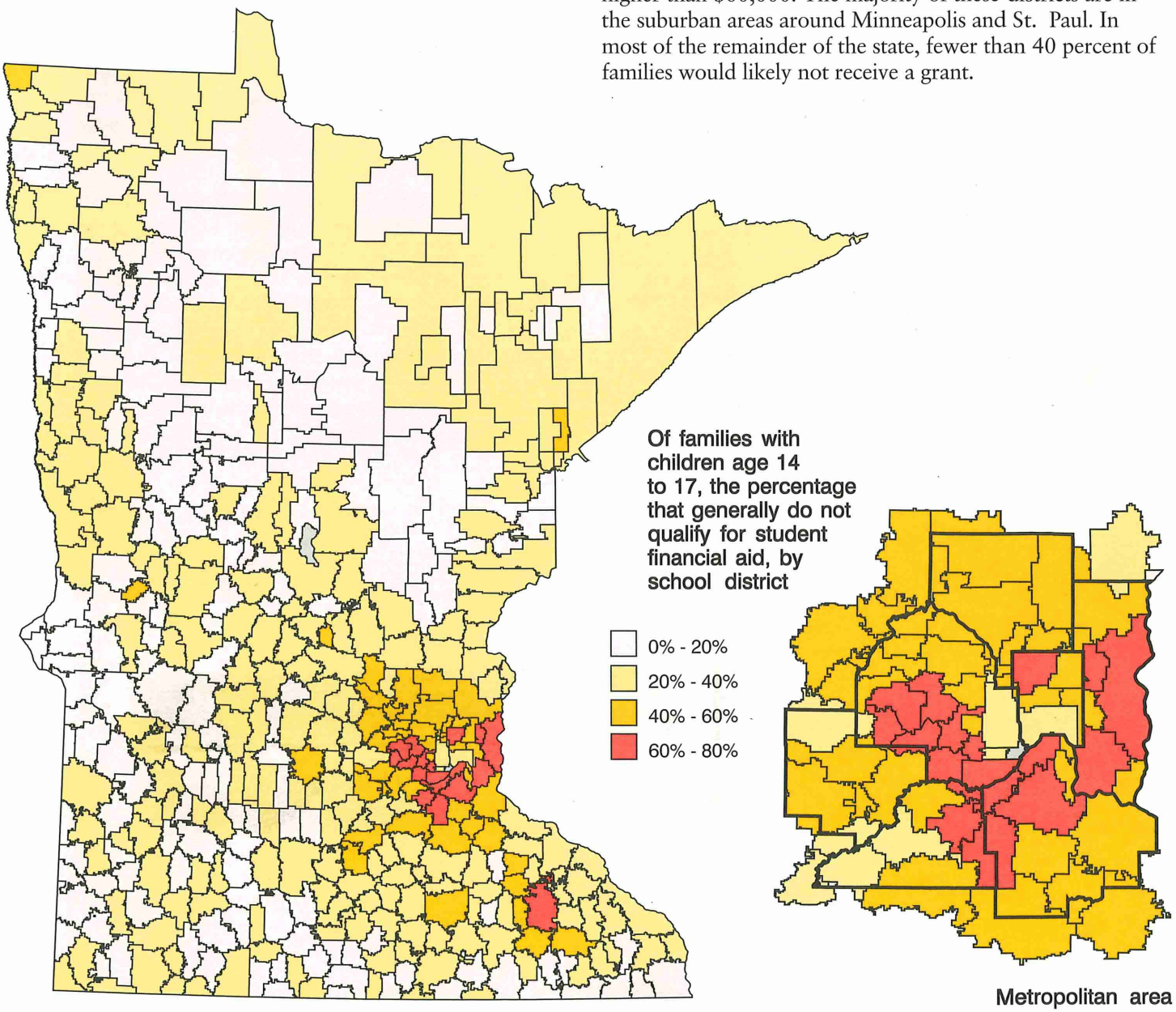
Note: Data includes all direct appropriations to the University of Minnesota and Minnesota State Colleges and Universities in fiscal year 1996; it does not include the Higher Education Services Office.

Source: University of Minnesota and Minnesota State Colleges and Universities; Minnesota Planning graphic

Student Financial Aid

A substantial amount of the state's support for higher education goes to students and their families in the form of student financial aid. In 1996, the state awarded more than 63,000 grants for a total of $88.3 million. State grants are available to Minnesota residents for undergraduate education at public or private institutions within the state. Awards generally are targeted to low-income families who are least able to pay a student's price of attendance. Factors besides income that determine amounts of awards include family size, tuition costs, and amount of federal financial aid that a student receives. Although the state grant program has no explicit limits based on family income, students from families with annual incomes exceeding $60,000 commonly do not receive awards.

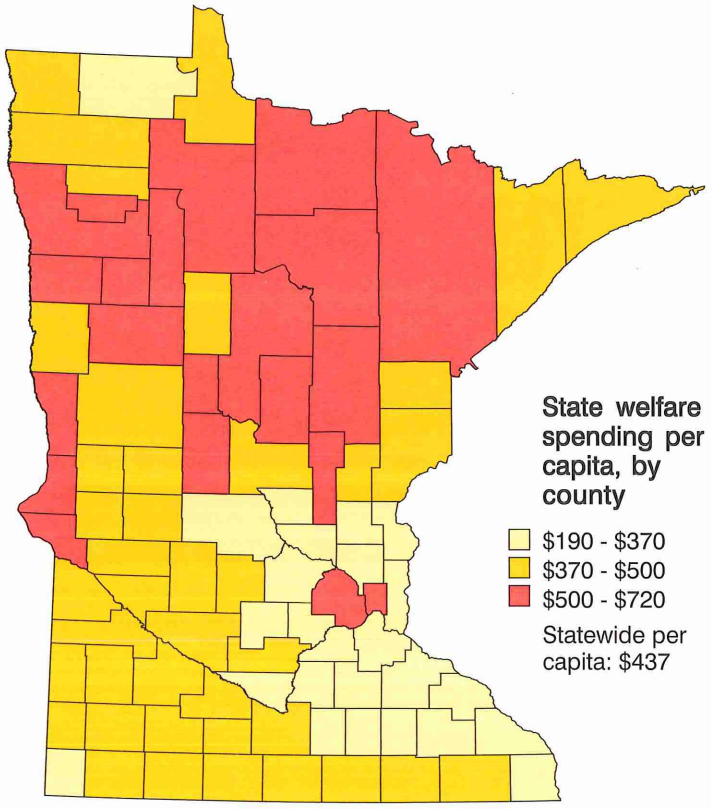
This map shows school districts in which high percentages of families with children age 14 to 17 are unlikely to receive financial aid to attend college because their incomes are higher than $60,000. The majority of these districts are in the suburban areas around Minneapolis and St. Paul. In most of the remainder of the state, fewer than 40 percent of families would likely not receive a grant.



Note: Data includes the percentage of families with children age 14 to 17 that had an income of more than $47,510 in 1989, which equates to approximately $60,000 in 1996 dollars. Families with incomes above this level generally do not qualify for state financial aid. The map uses 1990 census data, the most current available with household income figures. No data is included for Fort Snelling, Camp Ripley and several other small parcels.

Source: U.S. Census Bureau; Minnesota Planning graphic

State Human Services Spending



Note: Data includes all state aid and payments to counties for cash assistance, medical programs and social services for calendar year 1995.

Source: Department of Human Services; Minnesota Planning

Minnesota spent about $2 billion from state tax revenues for human services administered by counties in 1995. These payments included cash assistance to poor individuals, medical payments to nursing homes and other health care providers for care of low-income people, and social service grants to counties for mental health, developmental disabilities, child care, chemical dependency, child welfare and other services.

State taxes financed about 42 percent of welfare expenditures in 1995. Federal aid contributed about 47 percent and local taxes 9 percent. The map does not include health care payments for uninsured families through MinnesotaCare, direct state grants to social service agencies and tribes, or homestead and agricultural credit aid payments that help counties pay for human services.

The largest per capita amounts of welfare grants go to the state's urban counties, containing the cities of Minneapolis, St. Paul and Duluth; to northern counties with large concentrations of low-income families or the elderly; and to some sparsely populated western counties with high percentages of elderly citizens. Minneapolis and St. Paul account for about three-fourths of grants to Hennepin and Ramsey counties. The lowest per capita amounts go to the suburban Twin Cities area and to growing counties in central and southeastern Minnesota.

Minnesota Planning is charged with developing a long-range plan for the state, stimulating public participation in Minnesota's future and coordinating activities with state agencies, the Legislature and other units of government.

Upon request, *Cash Flows* will be made available in an alternate format, such as Braille, large print or audio tape. For TTY, contact Minnesota Relay Service at (800) 627-3529 and ask for Minnesota Planning.

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