

K-12 Education Funding Overview

**Eden Prairie
Chamber of Commerce
September 22, 2004**

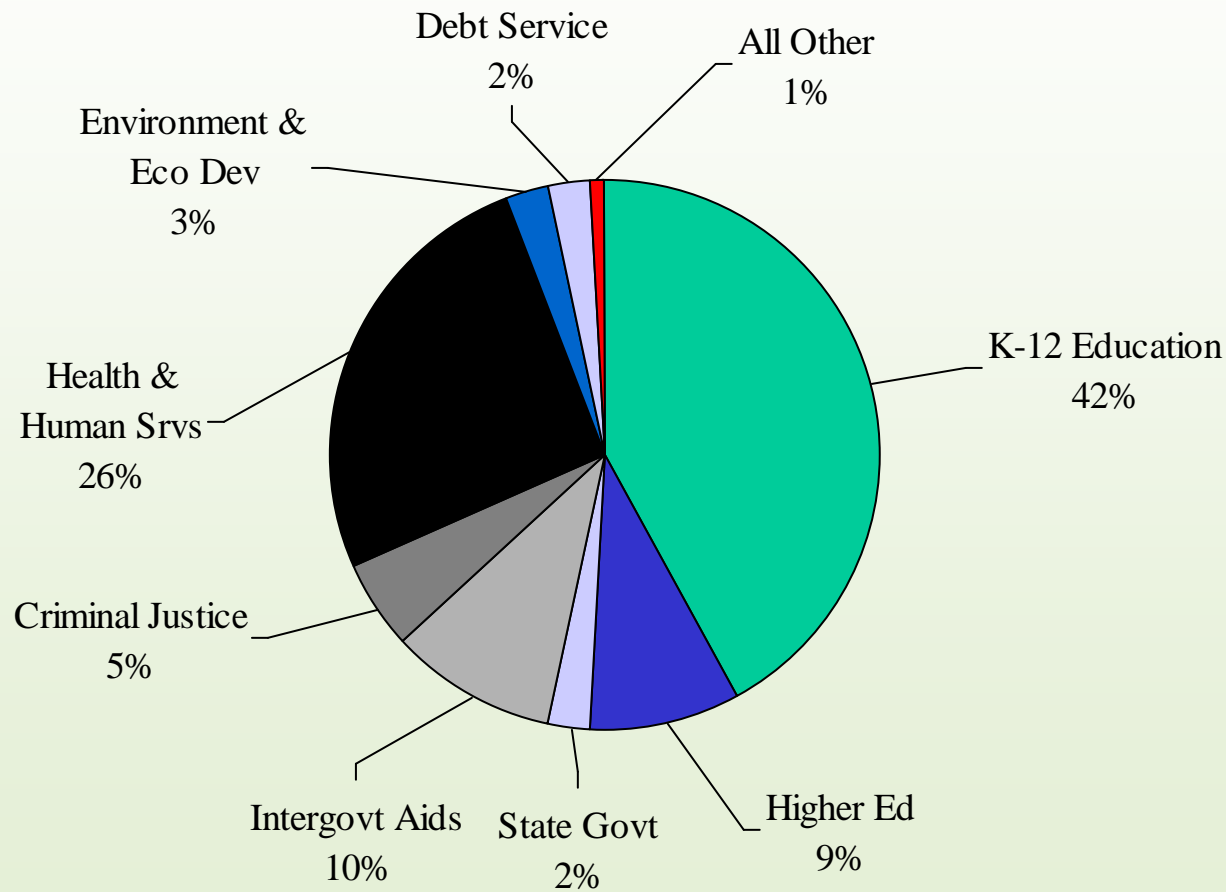
**Tom Melcher
Minnesota Department of Education**

Topics of Discussion

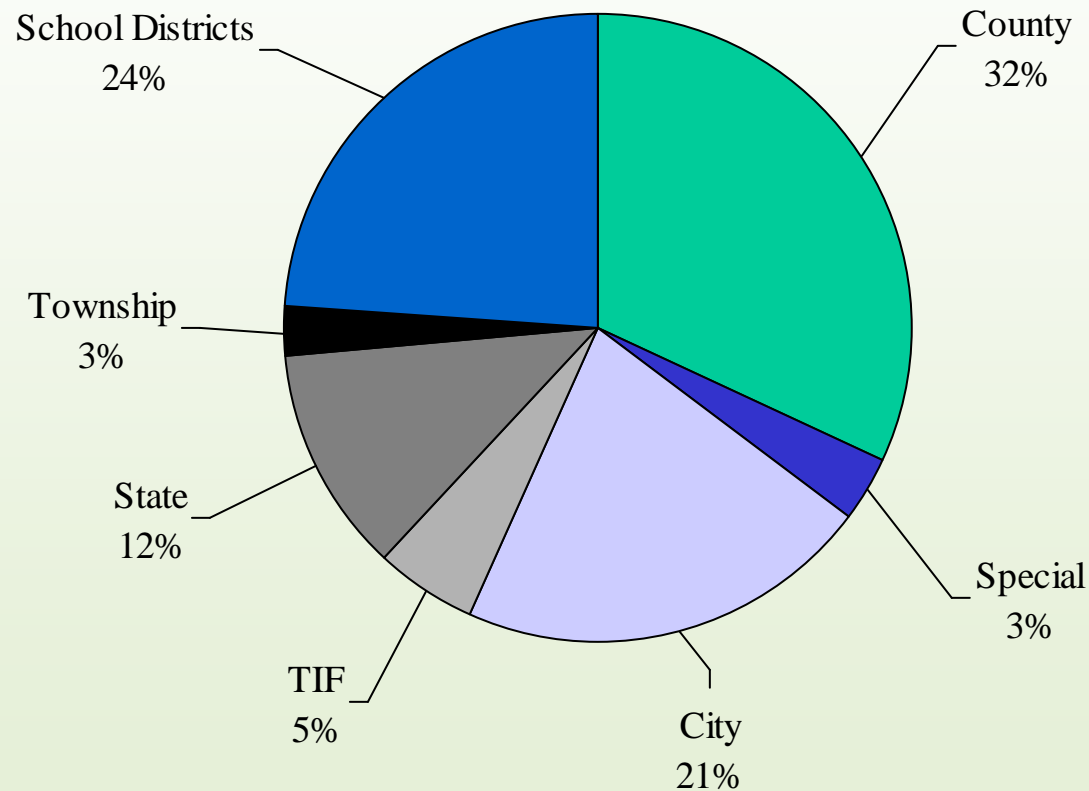
- K-12 Education Share of Public Finance Dollar
- K-12 Education Finance:
 - Revenues by Source and by Fund
 - Funding Formulas
 - School District Revenue Trends

State General Fund Expenditures

2004-05 Biennium -- Feb. 04 Forecast -- \$28.111 Billion

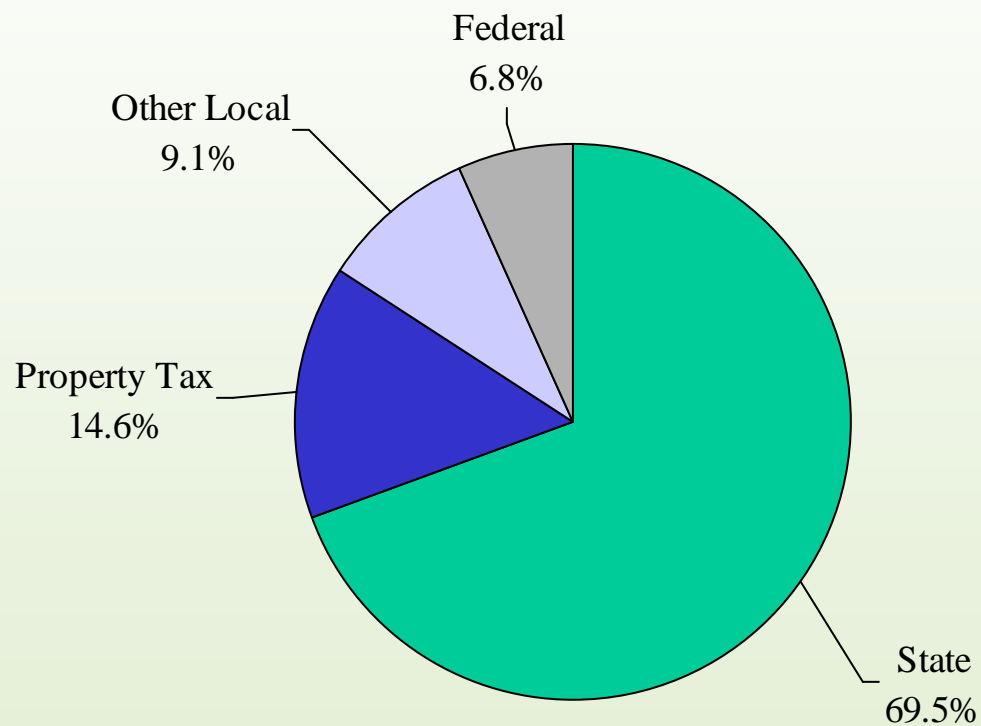


Property Taxes Payable in 2004 By Type of Government \$5.349 Billion

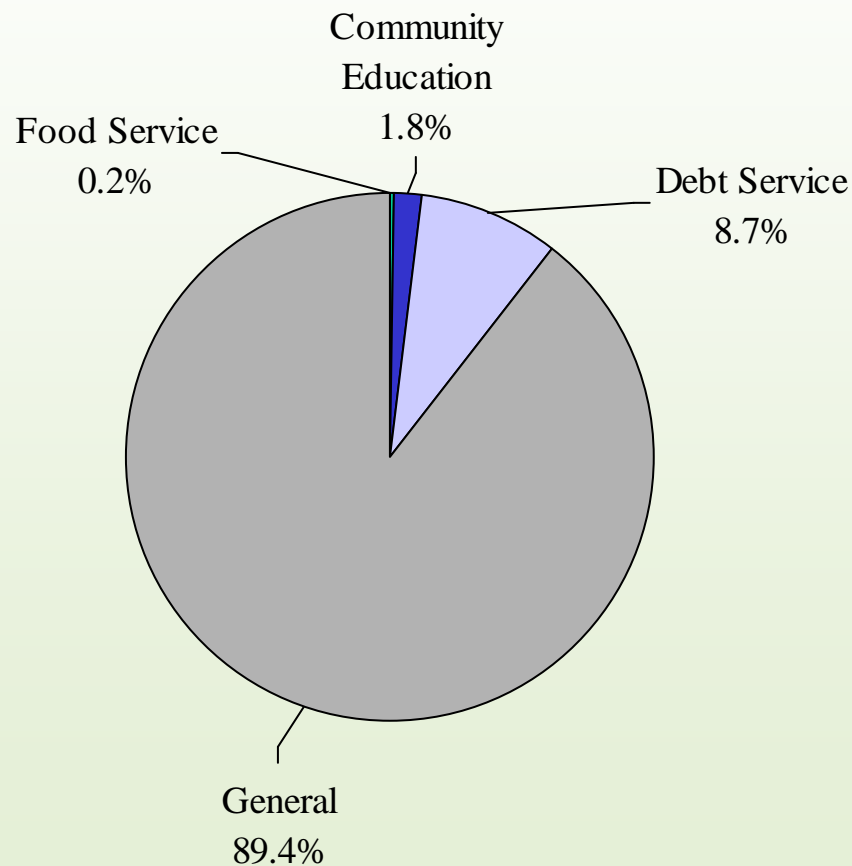


School District Revenue by Source

FY 2005 \$8.724 Billion

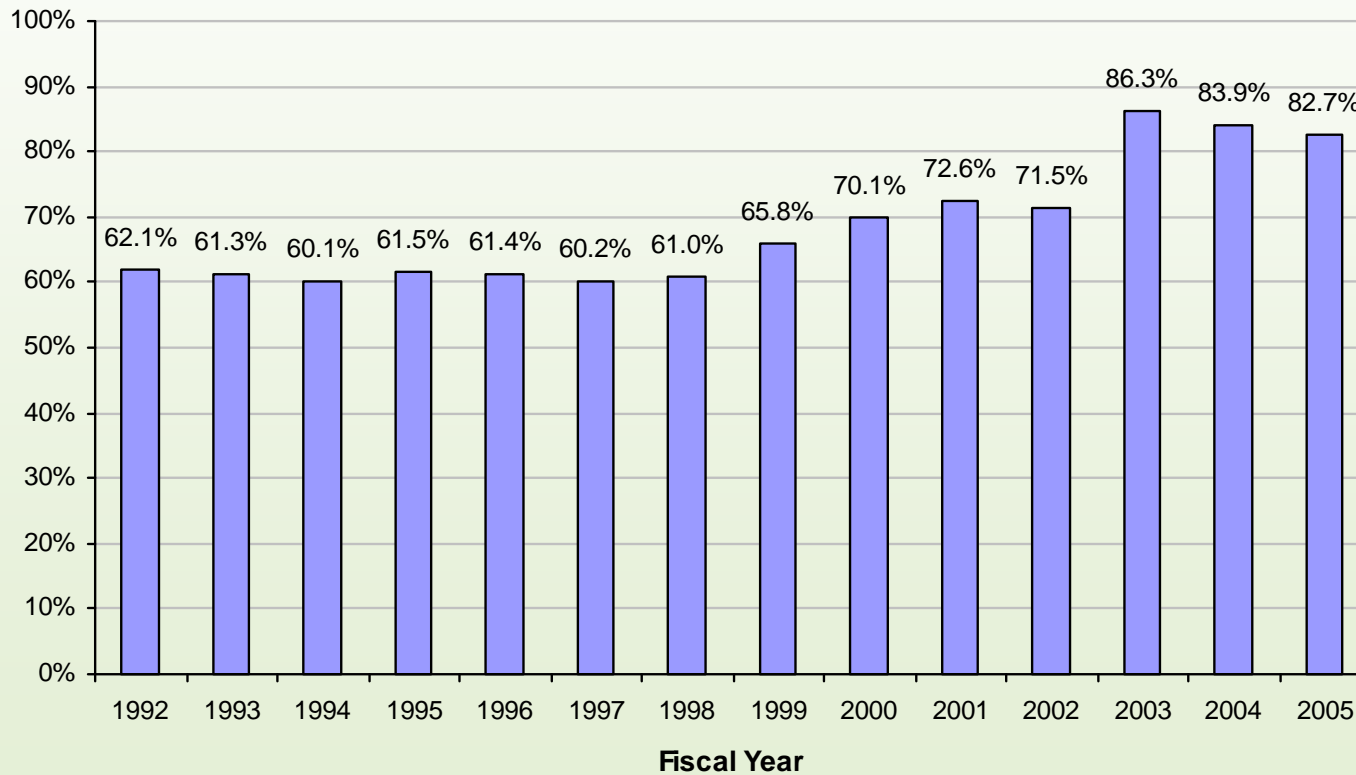


Percent of K-12 Aid & Levy by Fund FY 2005 \$7.365 Billion



Percent of K-12 Aid & Levy From State Aid Fiscal Years 1992 to 2005

State Share of State-Local Tax Revenue for K-12 Education



K-12 Education Funding Formulas

Basic Per Pupil Formula

- \$4,601 per Adjusted Marginal Cost Pupil Unit

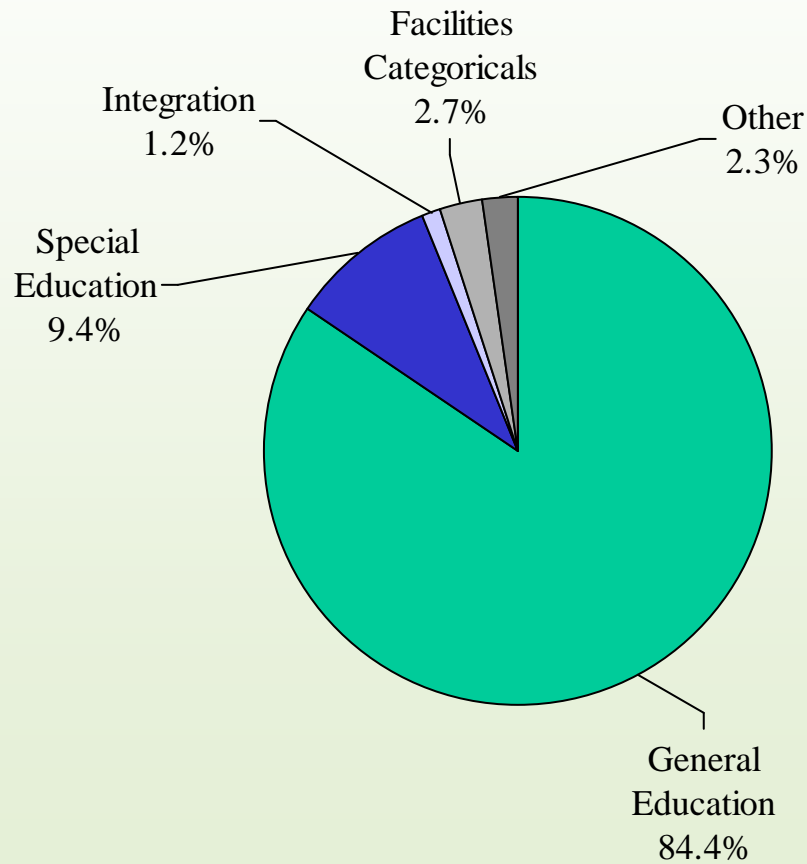
Cost Differentials

- General Education Program (e.g., compensatory)
- Categorical Aids & Levies (e.g., special education)

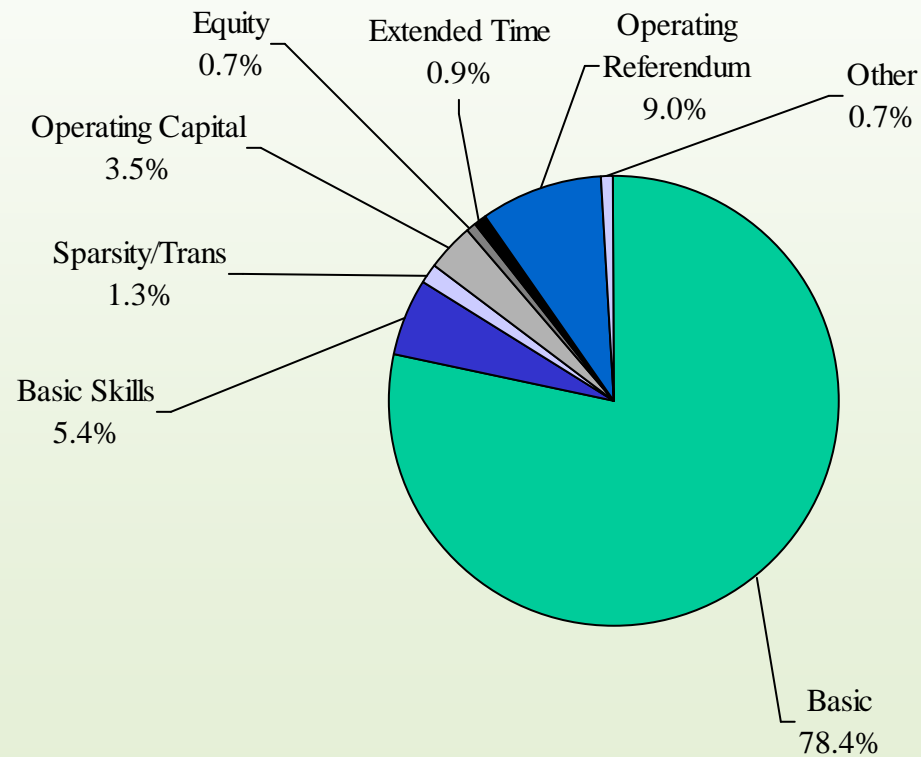
Additional Voter-Approved Revenue

- Operating
- Capital

School District General Fund State Aid & Levy Revenue by Funding Category FY 2005 -- \$6.581 Billion



General Education Revenue by Component FY 2005 -- \$5.552 Billion



Total K-12 Revenue per Pupil (ADM)

All Funds – All Sources

<u>FY</u>	<u>Amount</u>	<u>% Chg</u>	<u>% Chg Adj. for Infl.</u>
2000	\$ 8,445	6.0%	3.0%
2001	9,024	6.9	3.3
2002	9,366	3.8	2.0
2003	10,006	6.8	4.5
2004	10,393	3.9	2.1
2005	10,610	2.1	0.8
2006	10,823	2.0	0.6
2007	11,056	2.2	0.4

General Fund Revenue per Pupil (ADM) From State Aids & Levies Including Operating Referendum

<u>FY</u>	<u>Amount</u>	<u>% Chg</u>	<u>% Chg Adj. for Infl.</u>
2000	\$6,650	6.0 %	3.0%
2001	7,057	6.1	2.6
2002	7,247	2.7	0.9
2003	7,725	6.6	4.3
2004	7,904	2.3	0.5
2005	8,004	1.3	0.0
2006	8,070	0.8	-0.6
2007	8,163	1.2	-0.5

General Fund Revenue per Pupil (ADM) From State Aids & Levies Excluding Operating Referendum

FY	Amount	% Chg	% Chg Adj. for Infl.
2000	\$6,118	5.6%	2.7%
2001	6,474	5.8	2.3
2002	6,594	1.8	0.1
2003	7,376	11.9	9.4
2004	7,392	0.2	-1.5
2005	7,395	0.0	-1.2
2006	7,407	0.2	-1.3
2007	7,427	0.3	-1.4

General Education Formula Allowance

Annual Increases, Excluding Roll-Ins: Since 2000

<u>FY</u>	<u>Increase</u>	<u>% Chg</u>	<u>% Chg Adj. for Infl.</u>
2000	\$167	4.7%	2.2%
2001	157	4.2	1.1
2002	104	2.6	1.1
2003	104	2.6	0.6
2004	0	0.0	-1.7
2005	0	0.0	-1.2