Minnesota Department of Education

M E M O R A N D U M

TO: School District Superintendents
FROM: Brenda Cassellius
Commissioner
DATE: September 27, 2013
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 October 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted marginal cost pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the ninety-fifth 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 ninety-fifth 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 January 15.*
>
> *For purposes of this section and section 126C.10, adjusted general revenue means:*
>
> *(1) for Fiscal Year 2002, the sum of basic revenue under section 126C.10, subdivision 2, supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue under section 126C.10, subdivision 20; referendum revenue under section 126C.17; and equity revenue under section 126C.10, subdivisions 24a and 24b; and*
>
> *(2) for Fiscal Year 2003 and later, the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; and equity revenue under section 126C.10, subdivisions 24a and 24b.*

This report is based on actual data for Fiscal Years 2003 through 2012, and estimates for Fiscal Years 2013 and 2014.

The report shows a slight decrease in the ratio of the ninety-fifth percentile to the fifth percentile from 1.296 in FY 2013 to 1.290 in FY 2014. 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 and the rate of the ninety-ninth to first percentile, both increase slightly between FY 2013 and FY 2014.

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 Years 2011 through 2014. View spreadsheet, under School Finance Spreadsheets, select General Education, subcategory is Revenue Disparities.

Questions concerning this report should be directed to Bob Porter, Division of School Finance, at 651-582-8851 or bob.porter@state.mn.us, or to Tom Melcher, School Finance Director, at 651-582-8828 or tom.melcher@state.mn.us.

MINNESOTA DEPARTMENT OF EDUCATION — OCTOBER_2013_DISPARITY_REPORT

School Finance Division

09/23/13

GENERAL EDUCATION REVENUE DISPARITY REPORT, M.S. 127A.51

Estimated General Education Revenue Per Weighted ADM

BASIC + SUPPLEMENTAL + TRANSITION + REFERENDUM + EQUITY REVENUE

TRANSITION REVENUE IS EXCLUDED AFTER FY 2003

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
STATE AVERAGES	4,942	5,088	5,185	5,411	5,719	5,873	6,012	6,082	6,107	6,170	6,251	6,350
PERCENTILES:												
1ST	4,604	4,611	4,614	4,819	5,056	5,156	5,207	5,206	5,200	5,256	5,305	5,383
5TH	4,604	4,611	4,614	4,856	5,109	5,239	5,306	5,290	5,280	5,332	5,387	5,487
10TH	4,611	4,644	4,693	4,931	5,208	5,313	5,366	5,376	5,470	5,566	5,694	5,788
2OTH	4,643	4,715	4,863	5,130	5,396	5,587	5,664	5,682	5,726	5,788	5,848	5,960
3OTH	4,715	4,845	4,997	5,247	5,529	5,687	5,830	5,853	5,858	5,921	6,006	6,080
4OTH	4,792	4,968	5,103	5,339	5,642	5,802	5,895	5,907	5,917	5,982	6,057	6,208
5OTH	4,874	5,051	5,194	5,420	5,752	5,881	5,960	6,071	6,084	6,139	6,194	6,317
6OTH	4,971	5,137	5,304	5,545	5,818	5,963	6,084	6,223	6,218	6,260	6,356	6,416
7OTH	5,096	5,333	5,403	5,624	5,928	6,049	6,240	6,408	6,430	6,474	6,558	6,635
8OTH	5,209	5,434	5,484	5,690	5,963	6,155	6,393	6,490	6,531	6,618	6,719	6,818
9OTH	5,356	5,478	5,519	5,741	6,175	6,357	6,601	6,775	6,800	6,841	6,924	7,045
95TH	5,462	5,570	5,603	5,838	6,329	6,534	6,717	6,781	6,833	6,947	6,979	7,077
99TH	5,893	5,977	5,967	6,138	6,549	6,643	6,855	6,908	6,959	6,999	7,075	7,183
DOLLAR GAPS:												
90TH-10TH	745	834	826	811	967	1,044	1,235	1,399	1,330	1,274	1,230	1,257
95TH-5TH	858	959	989	982	1,220	1,294	1,411	1,491	1,553	1,615	1,592	1,590
99TH-1ST	1,290	1,366	1,353	1,318	1,493	1,487	1,648	1,702	1,759	1,743	1,769	1,800
RATIOS:												
90TH-10TH	1.162	1.179	1.176	1.164	1.186	1.197	1.230	1.260	1.243	1.229	1.216	1.217
95TH-5TH	1.186	1.208	1.214	1.202	1.239	1.247	1.266	1.282	1.294	1.303	1.296	1.290
99TH-1ST	1.280	1.296	1.293	1.274	1.295	1.288	1.317	1.327	1.338	1.332	1.333	1.334