

**John Bergs**  
Activities Director  
**Margot Hansen**  
Director of Teaching & Learning  
**Jeff Heine**  
Buildings & Grounds Director



**Chuck Keller**  
Business Director  
**Angie Kahle**  
Student Support Services Director  
**Dorothy Koller**  
Community Education Director

Ryan Laager, Ed.D., Superintendent

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## ORGANIZATIONAL BOARD MEETING

District Office, 130 South Willow Street, Belle Plaine, MN 56011

6:00 PM Monday, January 12, 2015

*Our mission is to pursue excellence in academics, programming, and the social and emotional development of our students. Fostering a culture of kindness, inclusion, and pride in ourselves, our school, and our community.*

1. Call to Order:

2. Resolution Appointing School Board Member:

Acting Chair Ludvik 3

3. Seating New Board Members & Oath of Office:

Acting Chair Ludvik 5

4. Election of 2015 School Board Officials:

Acting Chair Ludvik

1. Chair

2. Vice-Chair

3. Clerk

4. Treasurer

5. Acknowledgment of Visitors:

Board Chair

6. Other Items as Brought Before the Board & Approval of Agenda:

7. Consensus Items:

1. 2015 Official Depository

2. Official Newspaper

3. ISD #716 Authorization Resolution

6

**4. Establish Mileage Reimbursement**

**8. Discussion Items:**

**1. Superintendent Update** Dr. Smith **9**

**9. Action Items:**

**1. 2015 Regular Board Meeting Dates** Dr. Smith **91**

**2. Organizational Structure** Dr. Smith **92**

**3. Board Member Compensation** Dr. Smith

**10. Upcoming Meetings:**

**11. Adjourn:**

\_\_\_\_\_  
Board Clerk

\_\_\_\_\_  
Date

RESOLUTION FILLING SCHOOL BOARD VACANCY BY APPOINTMENT

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

WHEREAS, a vacancy exists in the office of school board member with a term expiring the first Monday in January, 2016; and

WHEREAS, the vacancy has occurred on or after the first day to file affidavits of candidacy for the school district general election or less than two years remain in the unexpired term; and

WHEREAS, Tracy O'Brien meets the qualifications established by Minnesota law to serve as a school board member;

NOW THEREFORE BE IT RESOLVED by the School Board of Independent School District No.716, State of Minnesota, as follows:

Pursuant to Minnesota Statutes, Section 123B.09, Subd. 5, Tracy O'Brien is hereby appointed to fill the vacancy and to serve the remainder of the unexpired term ending the first Monday in January, 2016.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_ and upon roll call vote the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed adopted.

STATE OF MINNESOTA

)

)SS

COUNTY OF SCOTT

I, the undersigned, being the fully qualified and acting Secretary/Clerk of Belle Plaine Public Schools, in Belle Plaine, State of Minnesota do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of the School District held on the 12<sup>th</sup> day of January, 2015, with the original thereof on file in my office, and the same is a full, true and complete transcript insofar as the same relates to the adoption of a resolution appointing Tracy O'Brien to an open school board position until a successor is elected to take office.

WITNESS MY HAND officially as such Secretary/Clerk this 12th day of January, 2015.

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Clerk

## **A CEREMONIAL FRAMEWORK FOR ADMINISTERING THE OATH OF OFFICE TO SCHOOL BOARD MEMBERS**

*Please ask the new board members to rise.*

*The current or acting board chair can read the following or your adaptation of it:*

It is an honor that you were elected to guide the education of our community's children. As you recite the oath of office, you assume a tremendous responsibility as a director of our school district with the duties empowered by the Minnesota Legislature. This power puts you and the other members of our school board in the position of being both morally and legally responsible for equitable, quality education of every student in the district.

In carrying out this responsibility, you will be asked to fulfill the roles of vision, structure, accountability, and advocacy. In providing vision, the board, with extensive participation of the community, envisions the community's educational future and then formulates the goals, defines the outcomes and sets the course for the public schools.

To achieve the vision, the board establishes a structure and creates an environment designed to ensure all students the opportunity to attain their maximum potential through a sound organizational framework.

Because as a board we must be accountable to the community, we must ensure a continuous assessment of student achievement and all conditions affecting the education of our children.

As board members, we serve as education's key advocate on behalf of students and our community schools to advance the vision for our schools.

Furthermore, we must strive to work together and with the superintendent and staff to lead the district toward fulfilling the vision we have created, fostering excellence for every student in the areas of academic skills and knowledge, citizenship and personal development.

Having signed the acceptance of office and oath of office, will you please publicly affirm your commitment by repeating the oath of office after me:

**I SWEAR/ THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND OF THIS STATE, AND THAT I WILL DISCHARGE FAITHFULLY THE DUTIES OF THE OFFICE OF SCHOOL BOARD MEMBER OF INDEPENDENT SCHOOL DISTRICT No. 716 TO THE BEST OF MY JUDGMENT AND ABILITY.**

*At this time the chair should shake hands with the new members and perhaps allow an opportunity for pictures to be taken.*

## CORPORATE AUTHORIZATION RESOLUTION

By: Belle Plaine Independent School District 716  
130 S Willow Street  
Belle Plaine, MN. 56011

A. I, \_\_\_\_\_, certify that I am Secretary (clerk) of the above named School District organized under the laws of Minnesota, Federal Employer I.D. Number 416008375, engaged in business under the name of Belle Plaine, Ind. School Dist. 716, and that the following is a correct copy of resolution adopted at a meeting of the Board of Directors of this corporation duly and properly called and held on January 12, 2015. These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

B. Be it resolved that,

- (1) The Financial Institution (State Bank of Belle Plaine) is designated as a depository for the funds of this school district.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by this Financial Institution.
- (3) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of this school district with this Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (4) Any of the persons named below, so long as they act in a representative capacity as agents of this corporation, are authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated below, from time to time with this Financial Institution, concerning funds deposited in this Financial Institution, moneys borrowed from this Financial Institution or any other business transacted and between this school district and this Financial Institution subject to any restrictions stated below.
- (5) Any and all prior resolutions adopted by the Board of Directors of this school district and certified to this Financial Institution as governing the operation of this school district's account(s), are in full force and effect, unless supplemented or modified by this authorization.
- (6) This school district agrees to the terms and conditions of any account agreement, properly opened by any authorized representative(s) of this school district, and authorizes the Financial Institution named above, at any time, to charge this school district for all checks, drafts, or other orders, for the payment of money, that are drawn on this Financial Institution, regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimens in section C. (or the facsimile signature specimens that this school district files with this Financial Institution from time to time) and contain the required number of signatures for this purpose.

C. If indicated, any person listed below (subject to any expressed restrictions) is authorized to:

(A) Chuck Keller, Business Manager

\_\_\_\_\_

(B) Amy Franck, Payroll

\_\_\_\_\_

(C) Kelly D. Smith, Superintendent

\_\_\_\_\_

Indicate A, B, and/or C

\_\_\_\_\_ C \_\_\_\_\_ (1) Exercise all of the powers listed in (2) through (6).

\_\_\_\_\_ A or C \_\_\_\_\_ (2) Open any deposit or checking account(s) in this school district.

\_\_\_\_\_ A, B, or C \_\_\_\_\_ (3) Endorse checks and orders for the payment of money and withdraw funds on deposit with this Financial Institution.

Number of authorized signatures required for this purpose \_\_\_\_\_ 2 \_\_\_\_\_.

\_\_\_\_\_ A & C \_\_\_\_\_ (4) Borrow money on behalf and in the name of this school district, sign, execute and deliver promissory notes or other evidences of indebtedness.

Number of authorized signatures required for this purpose \_\_\_\_\_ 2 \_\_\_\_\_.

\_\_\_\_\_ A & C \_\_\_\_\_ (5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owed or acquired by this school district as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.

Number of authorized signatures required for this purpose \_\_\_\_\_ 2 \_\_\_\_\_.

\_\_\_\_\_ A & C \_\_\_\_\_ (6) Enter into written lease for the purpose of renting and maintaining a Safe Deposit Box in this Financial Institution.

Number of Authorized persons required to gain access and to terminate the lease \_\_2\_\_.

D. I further certify that the board of Directors of this school district has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named who have full power and lawful authority to exercise the same.

In Witness Whereof, I have hereunto subscribed my name and signature

\_\_\_\_\_ January 12 ,2015

\_\_\_\_\_  
Secretary/Clerk

Belle Plaine Ind. School Dist. 716 Authorization Resolution

**Chuck Keller**  
Business Manager  
**Margot Hansen**  
Director of Curriculum & Assessment  
**Ken Wick**  
IT Director



**Chad Williams**  
Special Services Director  
**Jeff Heine**  
Buildings & Grounds Director  
**Nelson Ladd**  
Community Services Director

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January 6, 2015

To: Belle Plaine School District Parents

Fr: Kelly D. Smith, Superintendent

Re: Happy New Year & Cold Weather School Closing Guidelines and Information

Happy New Year to everyone! With the arrival of the New Year, we are experiencing some cold January weather as we return to our school schedule. Because of the cold temperatures and low wind chill predictions, I thought it would be good to review the cold weather closing criteria that the district uses when determining late starts, school closings or event cancellations.

Here are some guiding principles for closings in the event that decisions need to be made in the future.

\* Our school buses are housed indoors and are in excellent condition. In the unlikely event that mechanical failure would occur during cold weather, there are back up buses that can respond to lend assistance in short order.

\* Wind chill temperature, actual temperature and frostbite time frames are taken into consideration when making a decision to stay open or closed. I utilize the NOAA Wind Chill Chart (see enclosed) and the National Weather Service as resources. **As was communicated last year, if wind chill temperature projections indicate frostbite times of 10 to 30 minutes, it will be my recommendation to hold school as planned provided other issues such as snowfall, visibility & road conditions are acceptable.**

\* I believe that if we operate within the wind chill parameters set forth above, we are putting the safety of students first, but also providing opportunities to continue school on regularly scheduled days.

\* I ask that parents pay special attention to proper clothing for their children during the winter season and especially during these very cold conditions. Whether a child is in Kindergarten or in 12<sup>th</sup> grade, all students should have proper winter apparel including mittens and hat before venturing out.

\* If the decision is made to hold school on days of negative wind chills, it is the parent's final responsibility to determine whether it is safe for their child to go to school. Throughout our district,

we have so many different circumstances with different families that a single decision by the superintendent may not properly respond to the conditions of a particular family. If parents elect to hold their children home due to inclement weather, the absence will be considered an excused absence.

Please make certain that your alert system information is up to date in Infinite Campus as we rely on this system to communicate messages regarding school closures. Closings are also communicated via Twin Cities TV stations, WCCO Radio, KCHK Radio, the district website and my Twitter account (@BPTiger716). Please be prepared for school closings, but realize closing announcements may not be made until early morning of the day in question.

Take care everyone and stay warm!

Enc. – NOAA Wind Chill Chart



# Wind Chill Chart



		Temperature (°F)																	
		40	35	30	25	20	15	10	5	0	-5	-10	-15	-20	-25	-30	-35	-40	-45
Wind (mph)	Calm	40	35	30	25	20	15	10	5	0	-5	-10	-15	-20	-25	-30	-35	-40	-45
	5	36	31	25	19	13	7	1	-5	-11	-16	-22	-28	-34	-40	-46	-52	-57	-63
	10	34	27	21	15	9	3	-4	-10	-16	-22	-28	-35	-41	-47	-53	-59	-66	-72
	15	32	25	19	13	6	0	-7	-13	-19	-26	-32	-39	-45	-51	-58	-64	-71	-77
	20	30	24	17	11	4	-2	-9	-15	-22	-29	-35	-42	-48	-55	-61	-68	-74	-81
	25	29	23	16	9	3	-4	-11	-17	-24	-31	-37	-44	-51	-58	-64	-71	-78	-84
	30	28	22	15	8	1	-5	-12	-19	-26	-33	-39	-46	-53	-60	-67	-73	-80	-87
	35	28	21	14	7	0	-7	-14	-21	-27	-34	-41	-48	-55	-62	-69	-76	-82	-89
	40	27	20	13	6	-1	-8	-15	-22	-29	-36	-43	-50	-57	-64	-71	-78	-84	-91
	45	26	19	12	5	-2	-9	-16	-23	-30	-37	-44	-51	-58	-65	-72	-79	-86	-93
	50	26	19	12	4	-3	-10	-17	-24	-31	-38	-45	-52	-60	-67	-74	-81	-88	-95
	55	25	18	11	4	-3	-11	-18	-25	-32	-39	-46	-54	-61	-68	-75	-82	-89	-97
60	25	17	10	3	-4	-11	-19	-26	-33	-40	-48	-55	-62	-69	-76	-84	-91	-98	

Frostbite Times  30 minutes  10 minutes  5 minutes

$$\text{Wind Chill (°F)} = 35.74 + 0.6215T - 35.75(V^{0.16}) + 0.4275T(V^{0.16})$$

Where, T= Air Temperature (°F) V= Wind Speed (mph)

Effective 11/01/01

**Belle Plaine School District  
2014-15 Licensed Teacher Seniority List**

	<b>Last Name, First Name</b>	<b>Date of Hire/ (bd approved)</b>	<b>Area of Licensure</b>	<b>Expiration Date</b>	<b>File Folder Number</b>	<b>District Area of Service</b>	<b>Probation Year **</b>
1	Perkins, Rebecca	August 24, 1972	7-12 English-Language Arts K-12 Librarian K-12 Media Specialist	2019 2019 2019	203448	Secondary Language Arts	
2	Noah, Lyle	July 7, 1980	7-12 Social Studies All K-12 Physical Education 7-12 Coaching	2019 2019 2019	249105	Secondary Social Studies	
3	Hannon-Orr, Carol	August 24, 1981	K-12 Visual Arts	2018	271441	Secondary Art	
4	Schultz, Carol	September 19, 1983	1-6 Elementary Education	2019	247981	Title I	
5	Eischens, Janel	August 5, 1985	1-6 Elementary Education	2015	285751	Elementary Education	
6	LaJeunesse, Kristen	September 3, 1985	1-6 Elementary Education K-12 Learning Disabilities K-12 Mild to Moderate Mentally HD/CP	2016 2016 2016	290991	Elementary Education	
7	Foust, Richard	August 27, 1990	7-12 Life Science 7-12 Coaching	2018 2018	321797	Secondary Science	
8	Bremseth, Jan	August 12, 1992	1-6 Elementary Education	2018	269425	Elementary Education	
9	Green, Laurie	June 21, 1993	High School Consumer & Homemaking 7-12 Secondary Guidance & Counseling	2015 2015	286927	Secondary Guidance Counselor	
10	Stier, M. Susan	August 2, 1993	7-12 Mathematics	2015	305315	Secondary Mathematics	
11	Murphy, Cerisse	September 7, 1993	1-6 Elementary Education	2018	334582	Elementary Education	
12	Stevens, Traci	June 12, 1994	7-12 Spanish K-12 Bilingual/Bicultural Education	2016 2016	350189	Secondary Foreign Language	
13	Fraser, Donald	July 18, 1994	1-6 Elementary Education 7-12 Drivers Education	2019 2019	335758	Elementary Education	
14	Simones, Rose	July 28, 1995	1-6 Elementary Education	2016	351430	Elementary Education	
15	Brandt, Gloria	July 28, 1997	Pre K Family Ed/Early Childhood Educator Pre K-6 Elementary Education	2018 2018	298653	Elementary Education	
16	Amundson, E. Michelle	July 28, 1997	7-12 Mathematics K-12 Physical Education 7-12 Coaching Pre K-12 Developmental/Adapted Physical Ed.	2018 2018 2018 2018	331047	Elementary Physical Education	
17	Hartmann, Martha	July 27, 1998	1-6 Elementary Education 7-12 Coaching * Long-term Medical Leave for 13-14 & 14-15	2018 2018 2018	252213	Gifted/Talented Teacher	
18	Bergs, John	May 24, 1999	K-12 Physical Education 7-12 Coaching 9-12 Drivers Education	2018 2018 2018	365331	Secondary Physical Education	
19	Stolee, Amy	June 28, 1999	Pre K-6 Elementary Education	2017	340825	Elementary Education	
20	McDonald, Melanie	June 28, 1999	K-12 Instr (Band/Orch) and Classroom Music	2016	377742	Elementary Music	
21	Fogarty, Melanie	June 28, 1999	K-6 Elementary Education	2017	356178	Elementary Education	
22	Hartmann, Anthony	July 26, 1999	1-6 Elementary Education 9-12 Drivers Education	2015 2015	375490	Elementary Education	
23	Gwozdziejewicz, Kimberly	July 26, 1999	Pre K-6 Elementary Education	2019	366124	Elementary Education	
24	Grotberg, Caren	July 26, 1999	7-12 Home Economics - Full Time K-12 English as a Second Language High School Consumer and Homemaking Occupations High School Family Life Education	2016 2016 2016 2016	249087	Secondary Family Consumer Science District ESL	
25	Stauffer, Jerold	May 8, 2000	7-12 Business Education-All	2019	361585	Secondary Business Education	
26	Schroeder, Steven	May 8, 2000	7-12 Life Sciences	2019	297649	Secondary Science	
27	Mathiowetz, Bruce	July 24, 2000	High School Vocational Agriculture High School Teacher-Coord Ag Co-op Prog/NonFarm 5-12 Technology	2015 2015 2015	347678	Secondary Agriculture	

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28	Fahey, Amy	August 28, 2000	K-6 Elementary Education	2015	390672	Elementary Education	
29	Gerres, Megan	June 25, 2001	K-6 Elementary Education	2019	368024	Elementary Education	
30	Schmidt, Courtney	August 27, 2001	1-6 Elementary Education	2018	344534	Elementary Education	
31	Banks, Lori Robin	August 27, 2001	K-12 Mild to Moderate Mentally HDCC 1-6 Elementary Education	2018 2016	396642	Elementary Art	
32	Tremi, Lisa D.	January 27, 2003	K-12 Visual Arts	2016			
33	Tremi, Lisa D.	January 27, 2003	K-12 School Counselor	2017	406900	Elementary Counselor	
33	Kruschke, Jeanine	June 16, 2003	K-12 Instr.(Band/Orch) and Classroom Music	2017	385907	Secondary Instrumental Music	
34	Brueske, Melissa	June 23, 2003	Pre K-6 Elementary Education	2018	406559	Elementary Education	
35	Jacobson, Allison	May 24, 2004	7-12 English/Language Arts	2015	371646	Secondary Language Arts	
36	Geller, Sara	June 14, 2004	K-12 Physical Education	2018	408377	Secondary Physical Education	
37	Jacobson, Peter	June 14, 2004	Pre.K-12.Developmental/Adapted.Phv.Ed 7-12 English/Language Arts	2018 2015	371460	K-12 Media Integrationist	
38	Greisen, Marci	August 26, 2004	K-12 Media Specialist	2015			
39	Johnston, Justin	April 25, 2005	1-6 Elementary Education	2016	394370	Elementary Education	
40	Stoterau, Jenae	May 2, 2005	7-12 Social Studies - All	2017	396217	Secondary Social Studies	
41	Voigt, Megan	May 2, 2005	K-12 Principal	2015			
42	Werner, Jarod	May 2, 2005	K-6 Elementary Education	2015	421645	Special Education	
43	Pederson, Bradley	May 23, 2005	K-12 English as a Second Language	2015			
44	Laurent, Janelle	June 27, 2005	K-12 Learning Disabilities	2015			
45	Kalal, Angela	June 27, 2005	K-12 Emotional Behavior Disorders	2015			
46	Wick, Kenneth	June 27, 2005	Pre.K-12.Developmental/Adapted.Phv.Ed K-6 Elementary Education	2015 2019	419366	Elementary Education	
47	Miller, Mitch	August 28, 2006	5-8 Communication Arts/Literature	2019			
48	Endres, Amy	August 28, 2006	5-8 Mathematics	2019			
49	Rauh, Mary Beth	August 28, 2006	K-6 Elementary Education	2015	421141	Elementary Education	
50	Benson, Rachel	April 23, 2007	5-8 Science	2015			
51	Wellner, John	May 29, 2007	9-12 Chemistry	2015	423191	Secondary Science	
52	Deutsch, Joe	May 29, 2007	9-12 Physics	2015			
53	Bristlin, Jodi	May 29, 2007	K-6 Elementary Education	2015	423678	Elementary Education	
54	Nelson, Ross	June 25, 2007	Age 3-K.Pre-Primary	2015			
55	Kerkow, Rachelle	July 23, 2007	K-6 Elementary Education	2015	422918	Elementary Education	
56	Schultz, Pat	August 27, 2007	5-8 Mathematics	2015			
57	Vourlos, Kelly	August 27, 2007	K-8 Keyboard for Computer Application	2019	304050	Technology Coordinator	
			7-12 Social Studies-All	2019			
			7-12 Coaching	2019			
			7-12 Spanish	2016	350236	Secondary Math	
			7-12 Mathematics	2016			
			1-6 Elementary Education	2016	396197	Elementary Education	
			K-6 Elementary Education	2019	415711	Elementary Education	
			5-8 Mathematics	2019			
			K-12 Learning Disabilities	2017	436209	Special Education	
			K-12 Developmental Disabilities	2017			
			5-12 Social Studies-All	2018	409773	Secondary Social Studies	
			5-12 Technology	2017	430192	Secondary Industrial Technology	
			K-12 Mild to Moderate Mentally HDCC	2018	336296	Special Education	
			K-12 Moderate to Severe Mentally HDCC	2018			
			5-12 Social Studies-All	2016	430264	Secondary Social Studies	
			Pre K-12 Public School Nurse	2017	438350	School Nurse	
			K-12 Physical Education	2016	428162	Secondary Health & Physical Education	
			5-12 Health Education	2016			
			Pre K-12 School Social Worker	2017	437206	Secondary Social Worker	

**Belle Plaine School District  
2014-15 Licensed Teacher Seniority List**

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58	Smith, Adam	May 1, 2008	7-12 Mathematics	2015	389440	Secondary Mathematics	
59	Otto, Josh	May 1, 2008	5-12 Business	2018	431438	Secondary Technology	
60	Volek, Abbigail	May 27, 2008	B-Age 6 Early Childhood Special Education B-Grade 3 Early Childhood Education	2016 2016	430024	Elementary Education	
61	Kammerlander, Deb	May 27, 2008	High School Consumer and Homemaking/Family Life * Placed on ULA in May, 2011	2018	386782	Secondary Family & Consumer Science	
62	Miller, Kami	July 28, 2008	K-6 Elementary Education 5-8 Communication Arts/Literature	2018 2018	440906	Elementary Education	
63	Hennen, Matt	July 28, 2008	5-12 Communication Arts/Literature	2019	414301	Secondary Language Arts	
64	Piampiano, Carey	December 22, 2008	K-6 Elementary Education K-12 Learning Disabilities K-12 Autism Spectrum Disorders	2019 2019 2019	443886	Special Education	
65	Kienlen, Christina	March 23, 2009	Pre-K-12 Speech-Language Pathologist	2019	448550	Speech Pathologist	
66	Andert, Andrea	April 23, 2009	K-12 Developmental Disabilities	2019	447924	Special Education	
67	Otto, Bethany	May 26, 2009	5-8 Science 9-12 Life Science	2017 2017	430173	Secondary Science	
68	Adrian, Kelly	May 26, 2009	K-6 Elementary Education	2015	445601	Elementary Education	
69	Hanson, Melissa	May 26, 2009	5-12 Mathematics	2016	429357	Secondary Mathematics	
70	Gorton, Cheryl	June 22, 2009	K-12 Vocal and Classroom Music	2016	445997	Secondary Vocal Music	
71	Wallert, Jill	August 24, 2009	1-6 Elementary Education K-12 Mild to Moderate Mentally HD/CP	2018 2018	361835	Special Education/Rtl	
72	Chevalier, Melinda	March 22, 2010	K-12 Health Education K-12 Physical Education K-12 Principal	2015 2015 2016	371697	JH Dean/Activities Director	
73	Earney, Chelsey	June 28, 2010	K-12 Physical Education 5-12 Health Education Pre-K-12 Developmental/Adapted Physical Ed.	2015 2015 2015	455359	Elementary Physical Education	
74	Garvey, John	July 26, 2010	5-12 Social Studies-All	2016	427801	Secondary Social Studies	
75	Berg, Emily	October 25, 2010	K-6 Elementary Education	2015	443302	Response to Intervention (Rtl)	
76	Provancha, Jill	October 25, 2010	K-6 Elementary Education	2019	439736	Elementary Education	
77	Audette, Luke	May 23, 2011	5-12 Mathematics	2019	445717	Secondary Math	
78	Hanson, Liann	May 23, 2011	K-12 Principal District Superintendent	2019 2019	454880	Oak Crest Principal	
79	Jungwirth, Jennifer	June 27, 2011	K-12 Instr (Band/Orch) and Classroom Music	2018	442049	Elementary Music	
80	Poshkoff, Nicole	June 27, 2011	K-6 Elementary Education	2015	450914	Elementary Education	
81	Gaikowski, Brandon	June 27, 2011	K-6 Elementary Education Age 3-K Pre-Primary	2016 2016	461651	Elementary Education	
82	Bungarden, Sara	June 27, 2011	K-6 Elementary Education 5-8 Social Studies - All	2016 2016	428608	Response to Intervention (Rtl)	
83	Smith, Alicia	August 22, 2011	K-6 Elementary Education Age 3-K Pre-Primary	2015 2015	453090	Elementary Education	
84	Cantrell, Lori	November 28, 2011	K-12 Emotional Behavior Disorders K-12 Learning Disabilities	2017 2017	435723	Special Education	
85	Grabow, Jennifer	March 22, 2012	B-Age 6 Early Childhood Special Education	2017	463673	Early Childhood Special Education	3/3
86	Kreft, David	April 23, 2012	K-12 Principal 5-12 Social Studies - All	2015 2015	390177	JH-SH Principal	
87	DeWitte, Kimberly	May 14, 2012	K-12 Principal K-6 Elementary Education K-12 English as a Second Language Age 3-K Pre-Primary	2019 2019 2019 2019	415270	Chatfield Principal	

**Belle Plaine School District  
2014-15 Licensed Teacher Seniority List**

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88	Nelson, Natalie	May 14, 2012	5-12 Communication Arts/Literature K-12 Reading	2019 2019	448483	HS Language Arts	3/3
89	Graff, Katie	May 29, 2012	K-12 Physical Education 5-12 Health Education PreK-Adult Short Call Substitute	2015 2015 2015	451853	Elementary Physical Education	3/3
90	Gores, Brittany	June 25, 2012	K-12 School Counselor	2017	469456	Elementary Counselor	3/3
91	Cariveau, Jennifer	June 25, 2012	Pre K-6 Elementary Education	2017	391744	Elementary Education	3/3
92	Zwick, Nicholas	June 25, 2012	K-6 Elementary Education	2016	462003	Elementary Education	3/3
93	Loegering, Bernadette	April 22, 2013	1-6 Elementary Education	2015	330434	Elementary Education	2/3
94	Ristvedt, John	April 22, 2013	9-12 Life Sciences 9-12 Chemistry 9-12 Physics 9-12 Earth and Space Science	2019 2019 2019 2019	417705	Secondary Science	
95	Stevens, Katherine	April 22, 2013	5-12 Mathematics	2018	474961	Secondary Math	2/3
96	Velzke, Brianna	April 22, 2013	K-12 Vocal and Classroom Music	2018	475330	K-12 Music	2/3
97	Hess-Norskog, Stacey	April 22, 2013	Occupational Therapist			Special Education/OT	
98	Schroers, Samantha	May 28, 2013	K-6 Elementary Education	2017	468710	Elementary Education	2/3
99	Hohenstein, Amie	June 24, 2013	Licensed Alcohol and Drug Counselor			Chemical Health Specialist	2/3
100	Remick, Kristie	June 24, 2013	K-6 Elementary Education Age 3-K Pre-Primary	2018 2018	452322	Elementary Education	2/3
101	Douglas, Teila	July 22, 2013	1-6 Elementary Education	2019	473510	Response to Intervention (RtI)	2/3
102	Jans, Ashley	July 22, 2013	K-6 Elementary Education K-12 Emotional Behavior Disorders	2015 2015	447554	Special Education	
103	Williams, Chad	July 22, 2013	1-6 Elementary Education K-12 Emotional Behavioral Disorders K-12 Learning Disabilities Director of Special Education	2015 2015 2015 2015	389683	Director of Special Services	
104	Ploetz, Joe	July 22, 2013	1-6 Elementary Education K-12 Emotional Behavioral Disorders	2016 2016	396397	Special Education	2/3
105	Sammons, Sabrina	July 22, 2013	K-6 Elementary Education K-12 Emotional Behavior Disorders K-12 Learning Disabilities	2018 2018 2018	443321	Special Education	2/3
106	Hanson, Lana	August 26, 2013	5-8 Communication Arts/Literature 1-6 Elementary Education K-12 Learning Disabilities	2018 2018 2018	368018	Special Education	2/3
107	Vycital, Sarah	August 26, 2013	K-6 Elementary Education	2017	431669	Elementary Education	2/3
108	Stebbins, Jodi	August 26, 2013	K-6 Elementary Education Age 3-K Pre-Primary	2018 2018	420864	Gifted/Talented Teacher	2/3
109	Prom, Nicole	April 28, 2014	Pre K-12 School Psychologist	2017	455840	School Psychologist	1/3
110	Halverson, Renetta	April 28, 2014	Pre K-12 School Psychologist	2017	463664	School Psychologist	1/3
111	Jeurissen, Tina	May 27, 2014	K-12 Learning Disabilities 5-12 Mathematics	2018 2018	412792	Special Education	1/3
112	Emerson, Jessica	May 27, 2014	K-12 Emotional Behavior Disorders	2017	431575	Special Education - ADSIS	1/3
113	Seifert, Kale	May 27, 2014	5-12 Mathematics	2019	480545	Secondary Math	1/3
114	Petrasek, Kelly	May 27, 2014	B-Age 6 Early Childhood Special Education K-12 Autism Spectrum Disorders K-12 Developmental Disabilities	2019 2019 2019	448494	Early Childhood Special Education	1/3
115	Tesmer, Danielle	May 27, 2014	K-6 Elementary Education	2016	461479	Elementary Education	1/3
116	Perusse, Jennifer	June 23, 2014	K-6 Elementary Education Pre K-Adult Short Call Sub	2017 2016	451103	Elementary Education	1/3
117	Maass, Kallie	June 23, 2014	Pre K-12 Speech-Language Pathologist	2019	481434	Speech Pathologist	1/3

**Belle Plaine School District  
2014-15 Licensed Teacher Seniority List**

	<b>Last Name, First Name</b>	<b>Date of Hire/ (bd approved)</b>	<b>Area of Licensure</b>	<b>Expiration Date</b>	<b>File Folder Number</b>	<b>District Area of Service</b>	<b>Probation Year **</b>
118	<i>Zinken, Megan</i>	<i>June 23, 2014</i>	<i>K-6 Elementary Education</i>	<i>2017</i>	<i>467966</i>	<i>Elementary Education</i>	<i>1/3</i>
119	<i>Williams, Rebecca</i>	<i>June 23, 2014</i>	<i>5-12 Communication Arts/Literature</i>	<i>2015</i>	<i>455847</i>	<i>Secondary English</i>	<i>1/3</i>
120	<i>Niemela, Morgan</i>	<i>June 23, 2014</i>	<i>5-12 Communication Arts/Literature</i>	<i>2019</i>	<i>481680</i>	<i>Secondary English</i>	<i>1/3</i>
121	<i>Jacobson, Bryce</i>	<i>July 28, 2014</i>	<i>K-6 Elementary Education</i>	<i>2017</i>	<i>466028</i>	<i>K-12 Media Specialist</i>	<i>1/3</i>
122	<i>Rothstein, Carly</i>	<i>July 28, 2014</i>	<i>Pre K-Adult Short Call Sub K-6 Elementary Education</i>	<i>2017 2019</i>	<i>479885</i>	<i>Elementary Education</i>	<i>1/3</i>
123	<i>Carlson, Randy</i>	<i>July 28, 2014</i>	<i>7-12 Mathematics 7-12 Coaching</i>	<i>2017 2017</i>	<i>262322</i>	<i>Secondary Math</i>	<i>1/1</i>
124	<i>Tye, Karissa</i>	<i>August 25, 2014</i>	<i>K-6 Elementary Education</i>	<i>2016</i>	<i>463526</i>	<i>Elementary Education</i>	<i>1/3</i>
125	<i>Kirk, Matthew</i>	<i>August 25, 2014</i>	<i>Age 3-K, Pre-Primary K-6 Elementary Education</i>	<i>2016 2018</i>	<i>468663</i>	<i>Elementary Education</i>	<i>1/3</i>
126	<i>Hansen, Margot</i>	<i>August 25, 2014</i>	<i>1-6 Elementary Education</i>	<i>2017</i>	<i>388832</i>	<i>Curriculum &amp; Assessment TOSA</i>	<i>1/3</i>
127	<i>Savre, Lori</i>	<i>September 22, 2014</i>	<i>Pre K-12 Speech-Language Pathologist</i>	<i>2015</i>	<i>341201</i>	<i>Speech Pathologist</i>	<i>1/3</i>
	<b>Last Name, First Name</b>	<b>Date of Hire/ (bd approved)</b>	<b>Area of Licensure</b>	<b>Expiration Date</b>	<b>File Folder Number</b>	<b>District Area of Service</b>	<b>Probation Year **</b>
<b>ECFE</b>							
1	Prokosch, Sheri	September 6, 1996	Pre K-6 Elementary Education	2015	340387	ECFE Coordinator	
			Family Ed/Early Childhood Educator	2015			
			Parent and Family Education	2015			
2	Iverson, Rita	January 3, 2008	Parent and Family Education	2018	443785	ECFE Parent Facilitator	
3	Williamson, Kerri	December 23, 2009	K-6 Elementary Education	2018	434138	ECFE Teacher	
			B-Grade 3 Early Childhood Education	2018			
<b>PRESCHOOL PALS</b>							
1	Miner, Julie	December 3, 1996	Pre K-6 Elementary Education	2018	327325	Preschool Teacher	
2	Luskey, Becky	November 18, 1998	Pre K Education	2017	354772	Preschool Teacher	
			Parent and Family Education	2017			
3	Witt, Tracy	September 1, 2008	Pre K Education	2019	351205	Preschool Teacher	
			1-6 Elementary Education	2019			
**	<i>Italicized employees are still probationary.</i>						

# **Financing Education In Minnesota 2014-15**



**A Publication of the Minnesota House of  
Representatives Fiscal Analysis Department**

**September 2014**

# **Financing Education in Minnesota**

## **2014-15**

*A Publication of the Minnesota House of Representatives Fiscal Analysis Department*

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## Introduction



“The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”

- Minnesota Constitution, Article XIII, Section 1

The financing of elementary and secondary education in Minnesota comes through a combination of state-collected taxes (primarily income and sales) and locally collected property taxes. Revenue to school districts is received in three major categories, all of which are described in greater detail in this booklet. In summary, the three categories are:

1. State Education Finance Appropriations (funded with state-collected taxes)
  - A. General Education Aid - The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program.
  - B. Categorical Aids - Categorical revenue formulas are generally used to meet costs that vary significantly between districts (i.e., special education) or promote certain types of programs (i.e., literacy aid, adult basic education aid).

2. State Paid Property Tax Credits (funded with state-collected taxes)

Property tax credits reduce the amount of property taxes paid. To make up for this reduction, the state pays the difference between what was levied in property taxes and what is actually received in property taxes to school districts and other taxing districts.

3. Property Tax Levies

Property tax levies are made with voter approval, or at the discretion of individual school boards, usually up to limits or for expenditures in categories authorized in law by the Legislature. The largest share of the property tax levies made by school districts is from voter-approved levies: the excess operating referendum and debt service levies.

## Minnesota Education Finance Terms

General Education Program - The general education program is the method by which school districts receive the majority of their financial support.

### 1. Basic General Education Formula Revenue and Student Achievement Levy

The basic general education formula establishes the minimum level of funding for school districts. Basic general education aid is determined by multiplying the formula allowance by adjusted pupil units. The basic formula allowance is set each year in legislation. Beginning in fiscal year 2015, a tax rate for the new student achievement levy is established that raises \$20,000,000 annually, statewide.

<u>School Year</u>	<u>Formula Allowance</u>	<u>Tax Rate</u>
2005-06	4,783	0.00%
2006-07	4,974	0.00%
2007-08	5,074	0.00%
2008-09	5,124	0.00%
2009-10	5,124	0.00%
2010-11	5,124	0.00%
2011-12	5,174	0.00%
2012-13	5,224	0.00%
2013-14	5,302	0.00%
2014-15	5,831 (a)	0.33% (b)

- (a) The net formula increase in 2014-2015 is \$105 – an \$80 per pupil increase was authorized during the 2013 legislative session, and an additional \$25 per pupil was authorized during the 2014 legislative session. However, due to pupil weighting changes that go into effect for 2014-15, the formula allowance is adjusted to reflect these changes.
- (b) See further explanation and a district example of the new student achievement levy on page 33.

Of a district's basic general education revenue, a fixed dollar amount per average daily membership (\$299 for kindergarten pupils and \$459 for first through sixth grade pupils) must be reserved for the purpose of reducing or maintaining the district's average class size for kindergarten through third grade classrooms. The goal is to have average class sizes be 17 students to 1 full-time classroom teacher for these grade levels.

## **2. Extended Time Revenue**

Extended time revenue replaced the former learning year pupil program, where a district that had students enrolled for more than a standard school year equivalent could generate additional revenue for those students. Under prior law, learning year pupils could generate up to a total of 1.5 headcount students in average daily membership (ADM) for a school district. Currently, extended time revenue allows students to generate up to an additional 0.2 (for a total of 1.2 maximum) ADM, which is then used to calculate the district's weighted pupil count, which is multiplied by the extended time formula amount of \$5,017 to calculate extended time revenue. The revenue can be used for extended day, week or year programs. 135 districts qualify for a total of \$76.6 million in extended time revenue.

## **3. Gifted and Talented Revenue**

Districts qualify for \$13 per pupil for gifted and talented revenue. Gifted and talented revenue must be used to identify gifted and talented students, to provide programming for those students and to provide staff development for teachers of those students. All districts and charter schools qualify for a total of \$11.9 million in gifted and talented revenue.

## **4. Declining Enrollment Revenue**

New for fiscal year 2015, districts that experience declining enrollment from year to year are eligible for declining enrollment revenue. Previously, declining enrollment revenue was captured as part of "marginal cost pupil unit" calculations in many funding formulas. Due to pupil weighting simplification effective for fiscal year 2015, a separate declining enrollment category is established. Declining enrollment revenue acknowledges that lost per pupil funding due to fewer students does not always align neatly with the district's ability to cut its personnel and other operating costs. The declining enrollment formula is 28% (\$1,633 for FY 2015) of the current year formula allowance times the difference between the current year and previous year weighted pupil count.

## **5. Basic Skills Revenue**

Basic skills revenue includes compensatory, English learner (EL) (formerly limited English proficiency) and EL concentration revenues. The funding for basic skills revenue is based on separate formulas for the individual components. The components are:

- **Compensatory revenue.** School sites where pupils eligible for free and reduced priced lunches attend receive compensatory revenue based on the number of eligible pupils at the site. Compensatory revenue per pupil increases as the percent of free and reduced price pupils at a particular school site increases (however, the percent is capped).
- **English Learner (formerly Limited English Proficiency) revenue.** Districts receive EL revenue based on the number of students with limited proficiency in English for their first six years (up from five years beginning in fiscal year 2015) of enrollment in Minnesota public schools. In addition, a per pupil amount is provided to districts with

concentrations of EL students. The per pupil funding increases as the concentration increases (though the concentration percentage is capped).

All school districts will receive some portion of \$572.6 million in basic skills revenue, which includes \$523.3 million in compensatory revenue and \$49.3 million in the EL revenues.

## **6. Sparsity Revenue**

Sparsity revenue provides additional revenue for small and isolated schools. This revenue acknowledges the higher cost of necessarily small education programs, where options to increase the number of students in a school would require students to travel an unacceptable amount of time. There are two parts to the sparsity formula, one for secondary schools and one for elementary schools. The secondary school sparsity formula takes into account a secondary school's enrollment, distance from the secondary school to the nearest secondary school and the geographic area of the secondary school attendance area. The elementary sparsity formula provides additional funding for elementary schools that average 20 or fewer pupils per grade and that are 19 miles or more from the nearest elementary school. Districts that are relatively small in enrollment and large in geographic area tend to have the largest sparsity allowances. 97 districts and 149 charter schools (based on the state average sparsity revenue per pupil) receive a total of \$24.8 million in sparsity revenue.

## **7. Transportation Sparsity Revenue**

Transportation sparsity revenue provides districts with additional funding based on the number of pupils per square mile in a school district. \$63 million of transportation sparsity revenue is divided among 303 districts and 148 charter schools, with revenue amounts per district ranging up to \$984 per pupil unit.

## **8. Operating Capital Revenue**

Operating capital revenue replaced the capital expenditure facilities and capital expenditure equipment formulas. The operating capital formula has a component representing the former equipment and technology formulas (\$79 per pupil unit), and a component representing the former facilities formula (\$109 times the district's maintenance cost index). Operating capital revenue is an equalized formula. The equalizing factor is \$14,500 of adjusted net tax capacity per pupil unit. Operating capital revenue ranges from \$197 to \$281 per pupil unit per district and totals \$206.4 million statewide.

## **9. Equity Revenue**

Equity revenue is intended to reduce the per pupil disparity between the highest and lowest revenue districts on a regional basis. For the purposes of equity revenue, there are two regions in the state: the seven-county metropolitan area and the balance of the state. In each region, districts are ranked according to their basic and referendum revenue. There are three components to the equity formula: regular, low-referendum and a supplemental amount. The regular component is based on a district's ranking in their region (rural or metro), the low-referendum component provides additional revenue for districts with referendum amounts below 10 percent of the state average referendum amount, and the supplemental component is a fixed amount (\$50 per pupil) for all districts. Only districts below the 95<sup>th</sup> percentile of revenue in referendum and basic revenue are eligible for the regular and low-referendum equity revenue, except districts in cities of the first class as of 7/1/99 (Minneapolis, St.

Paul and Duluth), which are automatically excluded. Equity revenue is an equalized formula, equalized at the same rate as the second tier of referendum revenue, or \$510,000 of referendum market value per pupil.

For the regular equity program, a district without an excess levy referendum is eligible for \$14 per pupil unit. A district with an excess levy referendum is eligible for \$14 per pupil unit, plus an additional amount based on their percentile ranking. To determine how much regular equity revenue a district receives, the district's equity index is calculated by dividing the difference between a district's basic and referendum revenue by the regional 95<sup>th</sup> percentile of basic and referendum revenue. The result is multiplied by \$80. The product of that calculation is added to the basic \$14 to generate the district's equity revenue.

Districts with referendum amounts below 10 percent of the state average referendum amount are also eligible for the supplemental low-referendum equity portion of equity revenue. Qualifying districts receive an amount per pupil equal to the difference between their referendum amount and 10 percent of the state average referendum amount, with a \$100,000 limit.

For districts in the seven county metropolitan area, the revenue amount resulting from both the regular and low-referendum equity calculations is multiplied by 1.25.

Finally, all districts are eligible for an additional \$50 per pupil.

Statewide, all districts qualify for equity revenue, sharing a total of \$106.4 million, with revenue amounts ranging from \$51 to \$277 per pupil per district.

## **10. Small Schools Revenue**

School districts (excluding charter schools) with fewer than 960 pupil units qualify for small schools revenue, with the revenue amount per pupil increasing as the enrollment size of the district decreases. The maximum amount a district could theoretically qualify for under the formula is \$544 per pupil. 162 school districts qualify for \$16.1 million in aid. Effective Fiscal Year 2015 the small schools revenue program is expanded to include small high schools in districts with more than one high school in geographically isolated areas.

## **11. Transition Revenue**

Transition revenue guarantees a district that changes to various funding formulas will not result in the district receiving less money in the current year than it received in the prior year. It is in essence a "hold harmless" provision. For example, the 2013 legislature made changes to the special education revenue program. A district that received special education revenue under the pre-2013 funding formulas would be able to continue funding its program at the same level as the previous year, regardless of changes to the formula that would otherwise indicate that the district was eligible for less revenue. Transition revenue is undesignated revenue which may be used for any general fund purpose. Transition revenue is a mix of aid and levy, levied against referendum market value using \$510,000 per pupil as the equalizing factor. \$31.0 million of transition revenue is divided among 196 school districts and 39 charter schools.

## **12. Referendum Revenue**

Referendum revenue allows districts to increase their general fund revenue with the approval of the voters in the district and, beginning in fiscal year 2015, in limited cases, by board approval. A referendum to obtain voter approval for an increase in general fund revenue may be held on the first Tuesday following the first Monday in November (Election Day). Elections may be held at a different time if the election is held by mail ballot. If a district is in statutory operating debt and receives the commissioner's approval, the district may hold an additional election on a different day. A referendum election may be held in the calendar year before it is levied or one year earlier.

A number of changes to the referendum revenue program take effect for fiscal year 2015. These changes include:

- A new, three tier equalization aid formula for referendum revenue as follows:
  - First tier revenue (up to \$300 per pupil) equalized at \$880,000
  - Second tier revenue (between \$300 to \$760 per pupil unit) equalized at \$510,000
  - Third tier revenue (revenue from \$760 to 25 percent of the basic formula allowance - \$1,457.75 for FY 2015) equalized at \$290,000. Districts that qualify for sparsity revenue are not subject to the third tier revenue limit of \$1,457.75 for equalization. All revenue above \$760 is eligible for equalization at the \$290,000 level for sparsity districts.
  
- Authority for school boards to convert up to \$300 per pupil of existing referendum authority to “board approved” authority. The board may retain this authority for up to five years, at which time it must vote to reauthorize the referendum revenue authority. A district that has less than \$300 in referendum authority may convert that existing authority to board approved authority and add new board approved authority up to the \$300 limit. Districts with no existing referendum revenue authority may authorize the full \$300 per pupil in board approved authority.
  
- Because of overall pupil weighting changes taking effect in fiscal year 2015, each district’s referendum authority per pupil will be adjusted to reflect new pupil weights (assuring that total referendum *revenue* remains the same). Referendum revenue will be calculated on an “adjusted pupil unit” basis versus the previous “resident marginal cost pupil unit” basis. Referendum revenue is henceforth based on the number of served students (taking into account open enrollment), versus resident students. Newly recalculated referendum allowances will factor in these previous alternative attendance adjustments.
  
- Referendum equalization aid will continue to be based on resident pupil units even though total referendum revenue is now calculated based on adjusted pupil units. Districts are guaranteed the same amount of equalization aid for FY 2015 as they would have received under the old system.
  
- The referendum cap is adjusted to account for use of “adjusted” versus “resident” pupil units and pupil weighting changes. For fiscal year 2015, the new standard cap is \$1,845. For fiscal year 2016 and later, the standard cap will be adjusted based on changes in the Consumer Price Index. Districts eligible for sparsity revenue are NOT subject to the standard referendum cap.

The referendum revenue formula is an equalized formula; that is, the state pays in aid the difference between what is raised by a local levy and a guaranteed revenue amount.

Equalization is used to make property tax burdens for districts with similar per pupil referendum revenues, but varying tax bases the same. The relationship of a district's referendum market value per pupil unit to the equalizing factor (\$880,000 in the case of the first \$300 of referendum revenue) indicates how much referendum revenue the district will receive from property taxes. If a district's property valuation per pupil unit were \$440,000 for example (50 percent of \$880,000), the district would receive 50 percent of its revenue from its referendum levy and 50 percent from state equalization aid. If a district's referendum market value per pupil unit is greater than \$880,000, that district will receive all of its referendum revenue from the local levy. The closer a district's referendum market value per pupil is to \$0, the higher the percentage of state aid the district receives for referendum levies below \$300 per pupil. The same district with \$440,000 per pupil in market value would levy 86 percent ( $\$440,000 / \$510,000 = .86$ ) of the revenue for a referendum amount between \$300 and \$760 per pupil, and 100 percent of the revenue for a referendum amount between \$760 and \$1,458 per pupil.

For 2014-15, districts have referendums totaling \$739.5 million in revenue, with amounts ranging up to \$4,056 per pupil unit. Some districts with referendum revenue receive referendum equalization aid, which totals \$182.1 million statewide (and is included in the \$739.5 million).

Referendum levies must be certified on referendum market value rather than adjusted net tax capacity (ANTC). (ANTC provides tax advantages for residential and agricultural property compared to commercial and industrial property; referendum market value treats most residential and commercial property the same.) Agricultural land and seasonal recreational cabin properties are excluded from referendum market value.

### **13. Location Equity Revenue**

Beginning in fiscal year 2015, a new category of general education revenue, entitled location equity revenue, is established. Districts with any part of their district in the seven-county metropolitan area are eligible for up to \$424 per pupil in location equity revenue. Districts with over 2,000 students (often referred to as regional center districts) are eligible for \$212 in location equity revenue. ***For fiscal 2016 and later, all districts, regardless of location or enrollment size, are eligible for \$424 per pupil in "local optional revenue" (program name change is effective for FY 2016).***

A district's existing referendum revenue authority is reduced by the amount of location equity revenue the district accesses. Districts with no existing referendum authority (or with authority less than the location equity revenue cap) may authorize location equity revenue as a new source of funding, up to the \$424/\$212 per pupil limit. For many districts, location equity revenue will not be new revenue since a large percentage of districts have existing referendum revenue authority at or above the \$424/\$212 per pupil threshold. In either case, districts may see a change in the mix of state aid versus local levy due to enhancements in equalization aid effective for fiscal year 2015.

Like referendum revenue, location equity revenue is an equalized formula certified on referendum market value. It is equalized at the same rate as the second tier of referendum revenue, or \$510,000 of referendum market value per pupil. For fiscal year 2015, an estimated 97 districts qualify for

location equity revenue. Total location equity revenue for fiscal year 2015 is projected to be \$244.5 million - \$206.3 million coming from local levy and \$38.2 million coming from state aid.

Districts that qualify for “alternative” or “grandfather” referendum revenue caps, and choose to access location equity revenue will have their cap reduced by the amount of their location equity allowance. Districts subject to the standard referendum cap will not have their referendum allowance reduced by the amount of their location equity allowance.

Equalizing Factor - The dollar amount used to calculate the state and local shares in formulas that are equalized. Most equalizing factors are fixed, such as that for operating capital revenue, which is set at \$14,500. A fixed equalizing factor is a guarantee by the State that a certain tax rate will generate a certain amount of revenue for a school district, regardless of the district’s property value. In the case of operating capital revenue, the State guarantees that a 1% tax rate will generate \$145 (.01 x \$14,500) in revenue for the district, whether it is raised via the local property tax, or provided by the State. The percent of revenue in a given formula which will be raised through local levies is equal to the district’s property value (in ANTC or market value for referendum) divided by the equalizing factor. In the case of operating capital revenue, for example, a district with \$7,250 in ANTC per pupil unit will raise 50% of its revenue locally ( $\$7,250 / \$14,500 = .5$ ), with the balance being provided as state aid.

Pupil Weighting - A weighted count of pupils used to determine revenue in many funding formulas. Beginning in fiscal year 2015, pupil weights are changed significantly. The old versus new weights are as follows:

<b>Grade Level</b>	<b>FY 2014</b>	<b>FY 2015 and later</b>
One Kindergarten Pupil	= .612 pupil units	1.0 pupil units (full)/.55 (half)
One Elementary Pupil (grade 1-3)	= 1.115 pupil units	1.0 pupil units
One Elementary Pupil (grade 4-6)	= 1.06 pupil units	1.0 pupil units
One Secondary Pupil (grade 7-12)	= 1.3 pupil units	1.2 pupil units

A Preschool Pupil with Disabilities is counted as 1.0 pupil unit for the ratio of hours of service to 825, with a minimum of .28 ADM and a maximum of 1.0 pupil unit.

Adjusted Pupil Units (APU) – each student is weighted by grade level according to the weights listed above. For example, if a district has 1,000 students in grades seven through twelve, its adjusted pupil count for these secondary students is 1,200 (1,000 x 1.2 pupil units).

Weighted Average Daily Membership (WADM) is another term for Adjusted Pupil Units (APU). It is the total of the above weighted pupil unit categories for a school district.

Pupils in Average Daily Membership (ADM) is the total headcount of students in a school district. Each student may not count for more than 1.0 ADM.

*In the examples presented in this booklet, “pupil units” means adjusted pupil units, unless otherwise noted.*

Categorical Revenues - Additional resources for specific school programs. Examples of categorical revenues include:

1. Special Education Revenue
2. School Lunch Aid
3. Debt Service Equalization Aid

Market Value - The value assigned to property by an assessor. Referendum market value (RMV) allows for certain types of property that have classification rates below one to have a lower market value than the value assigned by the assessor, and excludes cabins and agricultural land.

Property Tax Classification Rates - Percentages applied to the market value of property to arrive at the adjusted net tax capacity. For example, residential homestead property under \$500,000 has a class rate of 1 percent; the amount over \$500,000 has a class rate of 1.25 percent.

Adjusted Net Tax Capacity (ANTC) - The property value used for calculating most school taxes. ANTC is determined by equalizing differences in tax capacities by property type in different counties. This equalization process compares market values to actual sales and is intended to neutralize the effect of differing assessment practices. Also, the ANTC reflects the application of the classification rates to the market value of property.

Tax Capacity Rate - The rate of taxation for a specific program. Tax capacity rates are expressed as a percent of the adjusted net tax capacity. Many tax capacity rates are set in law.

UFARS (Uniform Financial Accounting and Reporting Standards) - A statewide accounting procedure that must be used by school districts to record financial transactions and report financial information to the State Department of Education.

School Funds - A set of financial accounts to manage school operations.

*A. Operating Funds*

- i. General Fund – general operations of the school district including salaries and benefits, instructional materials, supplies and custodial operations, transportation, ongoing capital expenditures and equipment
- ii. Food Service Fund – school lunch and breakfast programs
- iii. Community Service Fund – community service, early childhood family education, adult and recreation programs

*B. Non-Operating Funds*

- i. Building Construction Fund – bond proceeds used to pay for building construction
- ii. Debt Service Fund – used to pay principal and interest on building project bonds
- iii. Trust Fund
- iv. Agency Fund

Districts Off The Formula - In districts with high property values per pupil unit, the levy rate for particular programs may generate revenue that is equal to or greater than the total revenue the district is entitled to for the program. These districts are referred to as being “off the formula” for that program, because all of the revenue is paid by local property taxes.

## General Education Program Revenue

General education revenue is a combination of several revenue categories that provide the major share of funding for school districts. Most of the general education revenue is for the general operation of the school district and is not designated by the state for a specific purpose. General education revenue is part aid and part levy; the levies for general education include the student achievement levy and levies for the local portions of equity, transition, operating capital, referendum and local optional revenue. These local portions of general education revenue are equalized.

The basic general education formula for 2014-15 is \$5,831 per pupil unit and the student achievement levy is .33 percent times the adjusted net tax capacity (ANTC) of the district. Basic general education revenue plus several additional components (extended time, gifted and talented, declining enrollment, small schools, basic skills, secondary sparsity, elementary sparsity, transportation sparsity, operating capital, equity, pension adjustment, transition, referendum and local optional) make up total general education revenue.

### Example - General Education Program Revenue

#### Gopherville School District

(\$ per pupil unit)

Number of Pupil Units *	=	900
Basic Revenue	=	\$5,831
Extended Time Revenue	=	\$30
Gifted & Talented Revenue	=	\$13
Declining Enrollment	=	\$85
Small Schools	=	144
Basic Skills Revenue	=	\$50
Secondary Sparsity Revenue	=	\$10
Elementary Sparsity Revenue	=	\$0
Operating Capital Revenue	=	\$200
Transportation Sparsity Revenue	=	\$62
Equity Revenue	=	\$100
Transition Revenue	=	\$16
Referendum Revenue	=	\$300
Local Optional Revenue	=	\$424

General Education Revenue = (Basic Revenue + Extended Time Revenue + Gifted & Talented Revenue + Declining Enrollment Revenue + Small Schools Revenue + Basic Skills Revenue + Secondary Sparsity Revenue + Elementary Sparsity Revenue + Operating Capital Revenue + Transportation Sparsity Revenue + Equity Revenue + Transition Revenue + Referendum Revenue + Local Optional Revenue) x Pupil Units

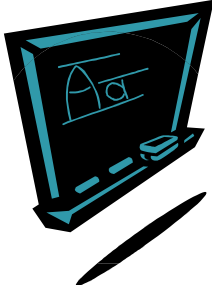
$$= (\$5,831 + \$30 + \$13 + \$85 + \$144 + \$50 + \$10 + \$0 + \$200 + \$62 + \$100 + \$16 + \$300 + \$424) \times 900$$

$$= \$7,265 \times 900$$

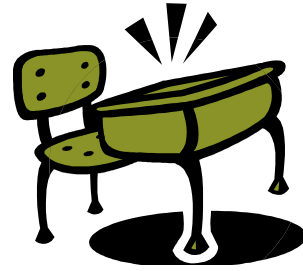
$$= \$6,538,500$$

\* As noted earlier, all references to “pupil units” are references to adjusted pupil units.

## Basic Aid



Basic aid is also referred to as basic formula revenue. Basic aid is calculated formula allowance (\$5,831 for fiscal year the district's adjusted pupil units (APU).



formula, or as the basic 2015) times [126C.10, 2]

### Example – Basic General Education Aid

#### Gopherville School District

FY 2015 Adjusted Pupil Units (APU)	1,000
General Education Formula Allowance	\$5,831

#### Formula Calculation

$$\begin{aligned} \text{Basic Revenue} &= \text{Adjusted Pupil Units} \quad \times \quad \text{General Education Formula Allowance} \\ &= \quad \quad \quad 1,000 \quad \quad \quad \times \quad \quad \quad \$5,831 \\ &= \quad \quad \quad \$5,831,000 \end{aligned}$$

## Extended Time Revenue

Extended time revenue replaces the former learning year pupil program, which allowed districts with students enrolled for more than a standard school year equivalent to generate additional revenue for those students. Extended time revenue allows students to count as up to an additional 0.2 (for a total of 1.2 maximum) ADM, which is then used to generate an APU based on the student's grade level. The APU total for extended time ADM is then multiplied by the extended time formula amount to calculate total extended time revenue. The extended time formula amount is fixed at \$5,017. Extended time revenue can be used for extended day, week or year programs. [126C.05, 15; 126C.10, 2a]



### Example – Extended Time Revenue

#### Gopherville School District

ADM between 1.0 and 1.2	=	10
APU for ADM between 1.0 and 1.2*	=	10
Formula Allowance for Extended Time	=	\$5,017

#### Extended Time Revenue

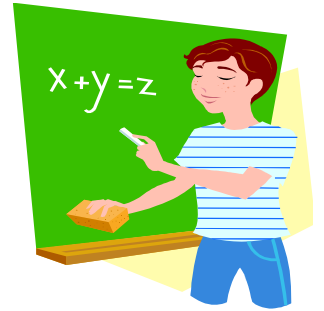
$$\begin{aligned} &= \text{APU for ADM between 1.0 and 1.2} \times \text{Extended Time Formula Allowance} \\ &= 10 \times \$5,017 \\ &= \$50,170 \end{aligned}$$

\*Assumes all extended time students in this example are in grades 1 through 6.

## Gifted and Talented Revenue



Gifted and talented revenue is equal to \$13 per adjusted pupil unit. A district's gifted and talented revenue must be used to identify gifted and talented students, to provide programs for those students, and to train teachers for working with gifted and talented students. [126C.10, 2b]



### Example – Gifted and Talented Revenue

#### Gopherville School District

Adjusted Pupil Units (APU) = 1,000  
Gifted & Talented Revenue Formula Amount = \$13

Gifted and Talented Revenue

$$\begin{aligned} &= \text{APU} \times \text{Gifted \& Talented Formula Allowance} \\ &= 1,000 \times \$13 \\ &= \$13,000 \end{aligned}$$

## Declining Enrollment Revenue

New for fiscal year 2015, districts that experience declining enrollment from year to year are eligible for declining enrollment revenue. Previously, declining enrollment revenue was captured as part of “marginal cost pupil unit” calculations in many funding formulas. Due to pupil weighting simplification effective for fiscal year 2015, a separate declining enrollment category is established. Declining enrollment revenue acknowledges that lost per pupil funding due to fewer students does not always align neatly with the district’s ability to cut its personnel and other operating costs. The declining enrollment formula is 28% of the current year formula allowance times the difference between the current year and previous year weighted pupil count. [126C.10, 2d]



### Example – Declining Enrollment Revenue

#### Gopherville School District

Adjusted Pupil Units - Current Year (2014-15)	=	950
Adjusted Pupil Units - Previous Year (2013-14)	=	1,000
General Education Formula Allowance	=	\$5,831

#### Declining Enrollment Revenue

= (28% of Formula Allowance) x the greater of a) Zero or  
b) (APU previous yr – APU current year)

$$= (.28 \times \$5,831) \quad \times \quad (1,000 - 950)$$

$$= \$1,633 \quad \times \quad 50$$

$$= \$81,650$$

## Basic Skills Revenue

Basic skills revenue includes compensatory revenue, English learner (EL) revenue and EL concentration revenue. While these revenues are combined into a single category, the total revenue is based on separate formulas for the individual components. [126C.10, 4; 126C.15; 124D.65]

**Compensatory revenue.** Districts receive additional funding, called compensatory revenue, for students eligible to receive free and reduced price lunches, based on the count on October 1 of the previous year. Compensatory revenue must be allocated to the school site in which the pupil who generated the revenue receives instruction, and must be used to meet the educational needs of pupils whose educational progress related to state or local content or performance standards is below the level that is appropriate for pupils at that age level. Each school's site decision-making team, or instruction and curriculum advisory committee if there is no site decision-making team, must make recommendations on how the revenue is to be spent. Districts that receive compensatory revenue must maintain separate accounts for the revenue and report on its expenditure.



Compensatory revenue for each building in the district is calculated by multiplying compensation pupil units times the general education formula allowance minus \$839 (\$4,992 for FY 2015). Compensation pupil units equal  $0.6 \times$  [the sum of the number of students receiving free lunch and  $0.5 \times$  students receiving reduced price lunches]  $\times$  the lesser of (a) 1, or (b) the quotient of the following calculation divided by 80: the number of free lunch pupils plus half the number of reduced price lunch pupils divided by the total number of pupils times 100.

**English Learner programs revenue.** School districts with English learning (EL) (formerly limited English proficient) students receive aid to recognize the additional cost of educating these students. For funding purposes, an EL student is defined as one whose primary language is not English, whose English language skills do not allow full classroom participation, whose prior year score on an emerging academic English test is below the cutoff score, and who is enrolled in an EL educational program but has not been enrolled in Minnesota public schools for six or more years. (Eligibility for EL services was increased from 5 years to 6 years, effective for fiscal year 2015). Also new for fiscal year 2015, a student who has passed the emerging academic English test, but has not yet received six years of EL services is eligible to continue to be counted as eligible for EL funding if the student's classroom teacher determines that the student has not demonstrated academic language proficiency in English.

EL regular revenue is equal to \$700 times the greater of 20 or the number of eligible EL pupil units. Districts also receive EL concentration revenue, which provides additional revenue when a district has a higher concentration of EL pupils. EL concentration revenue is computed by taking the lesser of 1, or the result of dividing the concentration percentage (which is 100 times the ratio of current year EL pupils to total average daily membership) by 11.5 and multiplying that number by the number of current year EL students and the concentration revenue formula amount of \$250.

Example – Compensatory Component of Basic Skills

Gopherville School District, Central School

Number of pupils (October 1 <sup>st</sup> enrollment)	=	800
Number of pupils receiving free lunches	=	100
Number of pupils receiving reduced price lunches	=	200
General Education Formula Allowance	=	\$5,831

Compensation  
pupil units =  $(100 + (200/2)) \times .6 \times \text{the lesser of (a) 1 or (b):}$   $\frac{(100+(200/2))}{100 \times \frac{800}{80}}$

=  $120 \times \text{the lesser of (a) 1 or (b) } \frac{25.0}{80}$

=  $120 \times \text{the lesser of 1 or .313}$

=  $120 \times .313 = 37.6$

Maximum Compensatory

Revenue	=	Compensatory pupil units	x	General Ed Formula Allowance - \$839
	=	37.6	x	\$5,831 - \$839
	=	37.6	x	\$4,992
	=	\$187,699		

Gopherville School District, Country School

Number of pupils (October 1 <sup>st</sup> enrollment)	=	200
Number of pupils receiving free lunches	=	10
Number of pupils receiving reduced price lunches	=	20
General Education Formula Allowance for Compensatory	=	\$5,831

Compensation  
pupil units =  $(10 + (20/2)) \times .6 \times \text{the lesser of (a) 1 or (b):}$   $\frac{(10+(20/2))}{100 \times \frac{200}{80}}$

=  $12 \times \text{the lesser of (a) 1 or (b) } \frac{10.0}{80}$

=  $12 \times \text{the lesser of 1 or .125}$

=  $12 \times .125 = 1.5$

Maximum Compensatory

Revenue	=	Compensatory pupil units	x	General Ed Formula Allowance - \$839
	=	1.5	x	\$5,831 - \$839
	=	1.5	x	\$4,992
	=	\$7,488		

Example – English Learner Component of Basic Skills

Gopherville School District

Number of Pupils	=	1,000
Number of Eligible EL Students	=	68
Concentration Revenue Formula Amount	=	\$250

EL Revenue = Regular Revenue + EL Concentration Revenue

EL Regular Revenue

$$\begin{aligned} &= \$700 \times \text{the greater of a) 20 or b) Eligible EL Pupil Units} \\ &= \$700 \times \text{the greater of a) 20 or b) 68} \\ &= \$700 \times 68 \\ &= \$47,600 \end{aligned}$$

EL Concentration Revenue

$$\begin{aligned} &= 2014-15 \text{ EL Students} \times \text{Concentration Formula} \times \text{Concentration Pupil Units} \\ &= 68 \times \$250 \times \text{the lesser of (a) 1 or (b): } \frac{68}{100 \times \frac{1000}{11.5}} \\ &= 68 \times \$250 \times \text{the lesser of 1 or .59} \\ &= 68 \times \$250 \times .59 \\ &= \$10,030 \end{aligned}$$

EL Total Revenue = EL Regular Revenue + EL Concentration Revenue

$$\begin{aligned} &= \$47,600 + \$10,030 \\ &= \$57,630 \end{aligned}$$

Example – Total Basic Skills Revenue

Gopherville School District

Compensatory Revenue (Central School Site)	\$187,699
Compensatory Revenue (Country School Site)	\$7,488
EL Revenue	\$57,630

Basic Skills Revenue = Compensatory Revenue (Central + Country) + EL Revenue

$$\begin{aligned} &= (\$187,699 + \$7,488) + \$57,630 \\ &= \$252,817 \end{aligned}$$

**Secondary Sparsity Revenue**

Districts with one or more sparsely populated high school attendance areas may be eligible for additional revenue to meet the higher cost of operating a secondary program with a small number of students. To be eligible, a high school must have an isolation index greater than 23 and less than 400 pupils in average daily membership. If a district has more than one high school, the district's sparsity revenue is the sum of the calculation for each high school. Districts with certain reforested lands have an additional factor in the formula that increases sparsity revenue. A district that certifies that it would not close a school building unless it continues to qualify for secondary sparsity revenue at the previous amount (with the building remaining open) may close a school building and not have its secondary sparsity revenue reduced. [126C.10, 6, 7]

**Example – Secondary Sparsity Revenue**  
**Gopherville School District**

Adjusted Pupil Units = 700  
 Secondary Average Daily Membership (ADM) = 300  
 General Education Formula Allowance for Sparsity = \$5,301 (\$5,831 - \$530)  
 High School Attendance Area = 356 square miles  
 Distance from High School to Nearest High School = 22 miles

$$\begin{aligned} \text{Isolation Index (ii)} &= \sqrt{.55 \times \text{Attendance Area}} + \text{miles to nearest high school} \\ &= \sqrt{.55 \times 356} + 22 \\ &= \sqrt{196} + 22 \\ &= 14 + 22 \\ &= 36 \end{aligned}$$

$$\begin{aligned} \text{Secondary Sparsity Revenue} &= \frac{(400 - \text{Sec ADM})}{\text{Formula Allowance} \times \text{Sec. ADM} \times (400 + \text{Sec ADM})} \times \text{the lesser of:} \quad \begin{matrix} \text{a) } 1.5 \\ \text{b) } \frac{ii - 23}{10} \end{matrix} \\ &= \frac{(400 - 300)}{\$5,301 \times 300 \times (400 + 300)} \times \text{the lesser of} \quad \begin{matrix} \text{a) } 1.5 \\ \text{b) } \frac{36 - 23}{10} \end{matrix} \\ &= \frac{100}{\$5,301 \times 300 \times 700} \times \text{the lesser of a) } 1.5 \text{ or b) } \frac{13}{10} \\ &= \$5,301 \times 300 \times .14 \times \text{the lesser of a) } 1.5 \text{ or b) } 1.3 \\ &= \$5,301 \times 300 \times .14 \times 1.3 \\ &= \$5,301 \times 300 \times .182 \\ &= \$5,301 \times 54.6 \\ &= \$289,435 \end{aligned}$$

Secondary Sparsity Revenue per pupil unit = \$289,435/700 = \$413.48

## Elementary Sparsity Revenue



Districts with a sparsely populated elementary school attendance area may be eligible for additional revenue to operate the elementary school. To be eligible, an elementary school must have an average of 20 or fewer pupils per grade level and be located 19 miles or more from the nearest elementary school. A district that certifies that it would not close a school building unless it continues to qualify for elementary sparsity revenue at the previous amount (with the building remaining open) may close a school building and not have its elementary sparsity revenue reduced. [126C.10, 8]

### Example – Elementary Sparsity Revenue

#### Gopherville School District ABC Elementary School

Grades K-6 Pupil (ADM)	=	100
General Education Formula Allowance for Sparsity	=	\$5,301 (\$5,831 - \$530)
Distance to Nearest Elementary School	=	23 miles

#### Elementary Sparsity Revenue

$$\begin{aligned}
 &= \text{Elementary ADM} \times \text{Formula Allowance} \times \frac{(140 - \text{Elem ADM})}{(140 + \text{Elem ADM})} \\
 &= 100 \times \$5,301 \times \frac{(140 - 100)}{(140 + 100)} \\
 &= 100 \times \$5,301 \times \frac{40}{240} \\
 &= 100 \times \$5,301 \times .1667 \\
 &= 100 \times \$884 \\
 &= \$88,400
 \end{aligned}$$

(The 140 used in the formula assumes 20 pupils in each of grades K-6. If this elementary school had fewer than seven grades, the formula would be adjusted for the actual number of grades).

## Operating Capital Revenue

Operating capital revenue is available for repair and betterment of facilities, acquisition of land, purchase or lease of equipment, and purchase of books. Operating capital revenue is placed in the operating capital account in the general fund. Operating capital revenue is based on the two former components of a capital expenditure funding formula: facilities revenue and equipment revenue. The facilities component of the formula generates revenue of \$109 per pupil unit plus a weighting for the average age of the district's buildings. The old formula was \$128 per pupil unit. The equipment revenue component is \$79 per pupil unit. In addition, a district with a learning year program receives an additional \$31 per pupil unit at the site a program is in place. Operating capital revenue is an equalized formula, with an equalizing factor of \$14,500 of ANTC per pupil. [126C.10, 13]

### Example – Operating Capital Revenue

#### Gopherville School District

Number of Pupil Units	= 1,000
ANTC per Pupil Unit	= \$6,000
Operating Capital (facilities component)	= \$109 per pupil unit
Operating capital (equipment component)	= \$79 per pupil unit
Average Age of District Buildings	= 25 years
Maintenance Cost Index	= 1.25 (1 + ratio of average age to 100)

Operating Capital Revenue per Pupil  
= equipment component + (facilities component x maintenance cost index)  
= \$79 + (\$109 x 1.25)  
= \$79 + \$136  
= \$215

Revenue = pupil units x operating capital per pupil revenue  
= 1,000 x \$215  
= \$215,000

Levy = Revenue x (ANTC per pupil / Operating Capital Equalizing Factor)  
= \$215,000 x (\$6,000 / \$14,500)  
= \$215,000 x .414  
= \$89,010

Aid = Revenue – Levy  
= \$215,000 – \$89,010  
= \$125,990

**Transportation Sparsity Revenue**

In 1996-97, a major portion of the funding of transporting students, equal to \$170 per pupil, was rolled into the basic general education formula. To recognize the additional costs of transporting students in those districts with fewer students per square mile, the transportation sparsity formula provides additional funding based on the number of students per square mile. The actual formula uses logarithms to calculate a revenue amount. The final part of the formula subtracts 4.66% of the basic formula amount, which in 1997 was the \$170 by which the general education formula was increased due to the “roll-in” of transportation revenue, adjusted for the changes in the basic formula since 1996-97. [126C.10, 18]



For this formula, sparsity index means the greater of .2 or the number of square miles in the district divided by the number of resident weighted average daily membership (WADM). Density index means the number of square miles divided by the number of WADM; however, the density index may not be greater than .2 or less than .005.

**Example – Transportation Sparsity Revenue**

**Gopherville School District**

Number of Pupil Units	=	1,000
Number of Square Miles	=	90
General Education Formula Allowance	=	\$5,831
District Sparsity Index	=	.20
District Density Index	=	.09

Transportation Sparsity Revenue per Pupil Unit = [(formula allowance x .141) x (the district's sparsity index raised to the .26 power) x (the district's density index raised to the .13 power)] - (formula allowance x .0466)

$$= [(\$5,831 \times .141) \times (.20^{.26}) \times (.09^{.13})] - (\$5,831 \times .0466)$$

$$= [\$822 \times .658063 \times .731226] - \$272$$

$$= \$396 - \$272$$

$$= \$124$$

Total Transportation Sparsity Revenue	=	Revenue per Pupil Unit x Pupil Units
	=	\$124 x 1,000
	=	\$124,000

## Equity Revenue

Equity revenue is intended to reduce the disparity in revenue per pupil unit between the highest and lowest revenue districts on a regional basis, with the regions defined as the seven county metropolitan area and the balance of the state, using a set of three formulas, one for regular equity, one for low-referendum equity and one for supplemental equity.



Regular equity revenue is calculated by ranking all districts in each region according to their total basic and referendum revenue. Districts below the 95<sup>th</sup> percentile of revenue in those two components combined are eligible for regular and low-referendum equity revenue, except school districts located in cities of the first class on July 1, 1999 (Duluth, Minneapolis and St. Paul), which are automatically excluded. All eligible districts receive \$14 per pupil unit, but districts with operating referendum receive additional revenue based on their percentile ranking compared to the rest of the region the district is in. To determine how much extra revenue a district receives, the district's equity index is calculated by dividing the difference between the district's revenue in the two categories by the 95<sup>th</sup> percentile of revenue in those two categories. The result is multiplied by \$80.

Low-referendum equity was created to provide additional aid for districts with referendum amounts per pupil below ten percent of the state average referendum amount (state average referendum revenue per pupil is \$811 for 2014-15). Low-referendum equity is equal to difference between a district's referendum per pupil and 10 percent of the state average referendum amount, with the total low-referendum supplemental equity amount not to exceed \$100,000 for any one district.

For districts in the seven county metropolitan area, the revenue amount resulting from both the regular and supplemental low-referendum equity formulas is multiplied by 1.25.

Finally, supplemental equity provides \$50 per pupil of revenue for all districts.

Equity revenue is equalized at the same rate as the second tier of referendum revenue, using \$510,000 of referendum market value (RMV) per pupil as the equalizing factor. [126C.10, 24-28]

Example – Equity Revenue  
Gopherville School District

Number of pupil units	=	1,000
Basic Revenue	=	\$5,831
Local Optional Revenue	=	\$300
Gopherville Referendum Revenue per pupil	=	\$50
7-County Metro area	=	no
Rural 95 <sup>th</sup> percentile *	=	\$7,875
Rural 5 <sup>th</sup> percentile *	=	\$6,131
Metro 95 <sup>th</sup> percentile *	=	\$7,667
Metro 5 <sup>th</sup> percentile *	=	\$6,131
State Average Referendum Revenue per pupil	=	\$811
Gopherville Referendum Market Value (RMV) per pupil	=	\$300,000

Regular Equity Revenue

Regional Equity Gap (Rural)	=	95 <sup>th</sup> percentile - 5 <sup>th</sup> percentile \$7,875 - \$6,131	=	\$1,744
District Equity Gap	=	95 <sup>th</sup> percentile – (Dist. Basic + Referendum + Local Optional) \$7,875 - \$6,181	=	\$1,694
Equity Index	=	[District Equity Gap / Regional Equity Gap] \$1,694 / \$1,744	=	.971
Regular Equity Rev.	=	Pupil units x [\$14 + (\$80 x Equity Index)]		
	=	1,000 x [\$14 + (\$80 x .971)]		
	=	1,000 x [\$14 + \$77.68]		
	=	1,000 x \$91.68		
	=	\$91,680		

Supplemental Low-Referendum Equity Revenue

Low-Referendum Equity Revenue	=	Pupils x [(State Avg. Referendum x 10%) – District Ref.]
	=	1,000 x [(\$811 x 0.10) - \$50]
	=	1,000 x (\$81.10 - \$50)
	=	1,000 x \$31.10
	=	\$31,100

Supplemental Equity Revenue

$$\begin{aligned} \text{Supplemental Equity Revenue} &= \text{Pupils x Supplemental Equity Formula Amount} \\ &= 1,000 \times \$50 \\ &= \$50,000 \end{aligned}$$

Total Equity Aid and Levy

$$\begin{aligned} \text{Equity Revenue} &= \text{Regular Equity Revenue} + \text{Low-Referendum Equity Revenue} \\ &\quad + \text{Supplemental Equity Revenue} \\ &= \$91,680 \quad + \$31,100 \quad + \$50,000 \\ &= \$172,780 \end{aligned}$$

$$\begin{aligned} \text{Equity Levy} &= \text{Equity Revenue} \quad \times \quad \frac{\text{RMV per pupil unit}}{\$510,000} \\ &= \$172,780 \quad \times \quad \frac{\$300,000}{\$510,000} \\ &= \$172,780 \quad \times \quad .588 \\ &= \$101,595 \end{aligned}$$

$$\begin{aligned} \text{Equity Aid} &= \text{Equity Revenue} \quad - \quad \text{Equity Levy} \\ &= \$172,780 \quad - \quad \$101,595 \\ &= \$71,185 \end{aligned}$$

\* 5<sup>th</sup> and 95<sup>th</sup> percentile figures are preliminary (August 2014) estimates, and are subject to change.

## Small Schools Revenue



Small Schools revenue is allocated to school districts (excluding charter schools) based on their enrollment. Districts with more than 960 adjusted pupil units do not qualify for the revenue. The formula for the revenue is \$544 times the district's adjusted pupil units, multiplied by a factor that allocates more revenue per pupil to smaller school districts on a sliding scale. New for fiscal year 2015, the definition of "district" is expanded for small schools revenue purposes to include a high school that is eligible for sparsity aid in a district with at least two high schools. [126C.10, 2c]

### Examples – Small Schools Revenue

#### Gopherville School District

Adjusted Pupil Units (APU)	=	200
Small Schools Formula Allowance	=	\$544

$$\begin{aligned} \text{Small Schools Revenue} &= (\text{Small Schools Allowance} \times \text{APU}) \times \frac{(960 - \text{APU})}{960} \\ &= (\$544 \times 200) \quad \times \frac{(960 - 200)}{960} \\ &= \$108,800 \quad \times .79 \\ &= \$85,952 \end{aligned}$$

#### Gopher City School District

Number of Pupil Units	=	750
Small Schools Formula Allowance	=	\$544

$$\begin{aligned} \text{Small Schools Revenue} &= (\text{Small Schools Allowance} \times \text{APU}) \times \frac{(960 - \text{APU})}{960} \\ &= (\$544 \times 750) \quad \times \frac{(960 - 750)}{960} \\ &= \$408,000 \quad \times .22 \\ &= \$89,760 \end{aligned}$$

*\*\* Example note: Because the Gopher City school district has more pupils, its TOTAL revenue is greater than Gopherville, but the smaller district (Gopherville) has more revenue PER PUPIL (\$430 vs. \$120).*

## Transition Revenue

Transition revenue guarantees a district that changes to various funding formulas will not result in the district receiving less revenue in the current fiscal year than it received in the prior fiscal year. It is in essence a “hold harmless” provision. Transition revenue was originally a revenue guarantee for 2003-04 revenue, fixed at the 2004-05 amount per pupil. Since then it has been expanded to include additional components. Beginning in fiscal year 2015 the following components are added: 1.) achievement and integration revenue transition, 2.) pension adjustment transition, 3.) special education transition and 4.) excess cost aid transition.

Transition revenue is a fixed amount that is undesignated and may be used for any general fund purpose. Transition revenue is a mix of aid and levy, levied against referendum market value (RMV), using \$510,000 as the equalizing factor. [126C.10, 31-33]

### Example – Transition Revenue Gopherville School District

FY 2015 Pupil Units	=	1,000
FY 2015 Old Law Transition Revenue	=	\$75,000
FY 2015 Old Law Revenue (includes sum of what the district would have received for general education revenue, integration revenue, pension adjustments, special education aid and excess cost aid under 2012 Statutes)	=	\$6,750,000
FY 2015 New Law Revenue (includes the sum of general education revenue (excluding transition revenue), achievement and integration revenue and special education aid)	=	\$6,700,000
Referendum Market Value Per Pupil Unit		\$400,000

FY 2015 Transition Allowance = [((FY 2015 old law transition revenue + the greater of (a) \$0 or (b) the difference between FY 2015 Old Law Revenue and FY 2015 New Law Revenue)) / FY 2015 Adjusted Pupil Units]

= \$75,000 + Greater of (a) \$0 or (b) the difference between \$6,750,000 and \$6,700,000 / 1,000

= \$75,000 + \$50,000 / 1,000

= \$125,000 / 1,000

= \$125

$$\begin{aligned}
 \text{Total Transition Revenue} &= \text{Transition Allowance} \times \text{Adjusted Pupil Units} \\
 &= \$125 \times \$1,000 \\
 &= \$125,000
 \end{aligned}$$

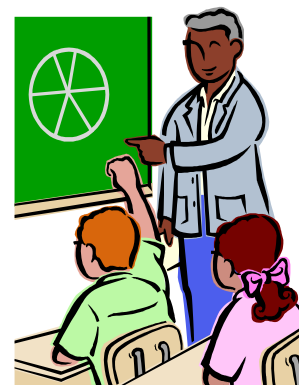
$$\begin{aligned}
 \text{Transition Levy} &= \text{Transition Revenue} \times \frac{\text{RMV per pupil}}{\$510,000} \\
 &= \$125,000 \times \frac{\$400,000}{\$510,000} \\
 &= \$125,000 \times .784 \\
 &= \$98,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Transition Aid} &= \text{Transition Revenue} - \text{Transition Levy} \\
 &= \$125,000 - \$98,000 \\
 &= \$27,000
 \end{aligned}$$

## **General Education Revenue - Reserved Revenue and Reductions**

### **Learning and Development Revenue**

Of a district's basic general education revenue, a fixed dollar amount per average daily membership (\$299 for kindergarten pupils and \$459 for first through sixth grade pupils) must be reserved for the purpose of reducing or maintaining the district's average class size for kindergarten through third grade classrooms. The goal is to have average class sizes be 17 students to 1 full-time classroom teacher for these grade levels. [126C.12]



### **Revenue for Staff Development**

An amount equal to two percent of the per pupil basic formula amount (\$116.62 for fiscal year 2015) must be spent for staff development. Staff development revenue may be used for teacher evaluation activities. Each year, if a district's licensed teachers and school board agree via a vote, this reserve may be waived. In addition, a district in statutory operating debt is exempt from this reserve requirement. [122A.61]



## Referendum Revenue

Referendum revenue allows districts to increase the revenue available in the district’s general fund with the approval of the voters in the district, and in limited cases by board approval. Referendum revenue up to \$300 per pupil unit is equalized at \$880,000 of market value, referendum revenue between \$300 and \$760 per pupil unit is equalized at \$510,000 of market value and revenue above \$760, up to 25 percent of the basic formula allowance (\$1,458 for FY 2015), is equalized at \$290,000. Districts that qualify for sparsity revenue are eligible for equalization of \$290,000 on the entire amount of referendum authority above \$760.

Referendum revenue is subject to an annual cap. For fiscal year 2015, the cap is \$1,845 per pupil unit. ***For fiscal year 2016 and later the cap is adjusted for inflation based on the urban consumer price index.*** District referendum revenue, except in districts eligible for sparsity revenue, may not exceed this cap. For most non-sparsity eligible districts, \$1,845 is the effective cap. [126C.17]

### Example – Referendum Revenue Gopherville School District

This example assumes voter approval of a referendum and a school board decision to levy the full authorized amount.

Adjusted Pupil Units	=	1,000
Referendum Market Value	=	\$285,000,000
Referendum Market Value per pupil	=	\$285,000
Referendum Revenue per pupil unit	=	\$800
First Tier equalization factor	=	\$880,000
Second Tier equalization factor	=	\$510,000
Third Tier equalization factor	=	\$290,000

To calculate a district’s total referendum levy, and the amount that will be paid to the district from the State in the form of referendum equalization aid, first calculate referendum revenue in each tier (remembering that if the district’s referendum revenue per pupil is less than \$300, the \$300 in the first tier calculation would be replaced with the actual approved amount, and the second tier calculation would be unnecessary):

$$\begin{aligned}
 \text{First Tier Referendum Revenue} &= \$300 \times \text{Pupil Units} \\
 &= \$300 \times 1,000 \\
 &= \$300,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Second Tier Referendum Revenue} &= \$460 \times \text{Pupil Units} \\
 &= \$460 \times 1,000 \\
 &= \$460,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Third Tier Referendum Revenue} &= (\text{Referendum per pupil unit} - \$760) \times \text{Pupil Units} \\
 &= (\$800 - \$760) \times 1,000 \\
 &= \$40 \times 1,000 \\
 &= \$40,000
 \end{aligned}$$

Next, calculate the levy portion of referendum revenue by calculating the amount of levy for each tier of referendum revenue:

$$\begin{aligned}
 \text{First Tier Levy} &= \text{First Tier Revenue} \times \frac{\text{Referendum Market Value per pupil}}{\text{First Tier Equalizing Factor}} \\
 &= \$300,000 \times \frac{\$285,000}{\$880,000} \\
 &= \$300,000 \times .32 \\
 &= \$96,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Second Tier Levy} &= \text{Second Tier Revenue} \times \frac{\text{Referendum Market Value per pupil}}{\text{Second Tier Equalizing Factor}} \\
 &= \$460,000 \times \frac{\$285,000}{\$510,000} \\
 &= \$460,000 \times .56 \\
 &= \$257,600
 \end{aligned}$$

$$\begin{aligned}
 \text{Third Tier Levy} &= \text{Third Tier Revenue} \times \frac{\text{Referendum Market Value per pupil}}{\text{Second Tier Equalizing Factor}} \\
 &= \$40,000 \times \frac{\$285,000}{\$290,000} \\
 &= \$40,000 \times .98 \\
 &= \$39,200
 \end{aligned}$$

$$\begin{aligned}
 \text{Total Levy} &= \text{First Tier Levy} + \text{Second Tier Levy} + \text{Third Tier Levy} \\
 &= \$96,000 + \$257,600 + \$39,200 \\
 &= \$392,800
 \end{aligned}$$

Finally, calculate the aid portion of referendum revenue by subtracting the total levy from the total referendum revenue generated:

$$\begin{aligned}
 \text{Aid} &= \text{Referendum Revenue} - \text{Referendum Levy} \\
 &= \$800,000 - \$392,800 \\
 &= \$407,200
 \end{aligned}$$

This aid amount may be reduced by the amount of referendum tax base replacement aid that the district receives. (See p. 61 for a discussion of referendum tax base replacement aid.)

### Referendum Equalization Examples

As illustrated by the table below, districts with different tax bases in referendum market value per pupil unit can have a significantly different mixes of referendum levy and referendum equalization aid. The table shows, using the formulas described in the previous pages, the referendum aid and levy in a district with high, medium and low market values per pupil unit with \$900 per pupil unit of referendum revenue authorized.

Calculating the tax rate for the total levy in each school district shows how equalization works. The tax rate is calculated by dividing total levy by total tax base (which is referendum market value per pupil unit multiplied by referendum pupil units). In each of these cases, the tax rate is the same for the equalization factor, so although the low value district has the same effective tax rate as the high value district, and less property value per pupil than the high value district, the low value district receives the same amount of revenue per pupil as the high value district, up to the level of the equalizing factor, due to the referendum equalization aid provided by the state, with a tax rate that is the same. Once a district's tax base per pupil exceeds the equalizing factor, the tax rate declines as value grows.

	School District Referendum Market Value		
	<u>Low</u>	<u>Medium</u>	<u>High</u>
Market Value per pupil unit	\$250,000	\$500,000	\$750,000
Referendum Amount per pupil unit	\$900	\$900	\$900
Referendum pupil units	750	2,000	10,000
Total Revenue	\$675,000	\$1,800,000	\$9,000,000
First Tier Revenue	\$225,000	\$600,000	\$3,000,000
Second Tier Revenue	\$345,000	\$920,000	\$4,600,000
Third Tier Revenue	\$105,000	\$280,000	\$1,400,000
First Tier Levy	\$63,000	\$342,000	\$2,550,000
Second Tier Levy	\$169,050	\$901,600	\$4,600,000
Third Tier Levy	\$90,300	\$280,000	\$1,400,000
First Tier Aid	\$162,000	\$258,000	\$450,000
Second Tier Aid	\$175,950	\$18,400	\$0
Third Tier Aid	\$14,700	\$0	\$0
Total Levy	\$322,350	\$1,523,600	\$8,550,000
Total Aid	\$352,650	\$276,400	\$450,000
Percent Levy	47.8%	84.6%	95.0%
Percent Aid	52.2%	15.4%	5.0%
Tax Rate	0.172%	0.152%	0.114%

**Location Equity Revenue**

A new component of general education revenue for fiscal year 2015 is location equity revenue. A district located wholly or partially in the seven-county metro area is eligible for location equity revenue up to \$424 per pupil; districts with more than 2,000 pupils (often referred to as regional center districts) are eligible for up to \$212 per pupil in location equity revenue. This revenue is a mix of local property tax levy and state aid. Location equity revenue is a direct offset of any existing referendum revenue authority. [126C.10, 2e]

*Note: Beginning FY 2016, all districts, regardless of size or location, are eligible for \$424 per pupil in “local optional revenue,” (name changed from location equity revenue, effective for FY 2016). This expansion in eligibility to all districts was enacted as part of the first 2014 tax bill (Session Law 2014, Chapter 150).*

Example – Location Equity Revenue

Gopherville School District

Adjusted Pupil Units (APU)	=	2,500
Location: Greater Minnesota or Metro?	=	Greater MN
Location Equity Revenue	=	\$212
Referendum Market Value per APU	=	\$475,000
Location Equity Revenue equalizing factor	=	\$510,000
Existing Referendum Revenue Authority	=	\$400
Referendum Authority after Location Equity Offset	=	\$188

Location Equity Aid and Levy

Location Equity Revenue	=	APU x Location Equity Revenue Allowance	
	=	2,500 x \$212	
	=	\$530,000	
Location Equity Levy	=	Location Equity Revenue x	<u>RMV per pupil unit</u>
	=	\$530,000	\$510,000
	=	\$530,000	x $\frac{\$475,000}{\$510,000}$
	=	\$530,000	x .931
	=	\$493,430	
Location Equity Aid	=	Location Equity Revenue	-
	=	\$530,000	-
	=	\$36,570	\$493,430

**Student Achievement Levy**

Effective for fiscal year 2015, districts may levy for a new student achievement levy. This levy is a limited version of the old “general education” levy that was in place prior to 2003. It is intended to raise \$20 million statewide in fiscal year 2015. This levy is based on adjusted net tax capacity and is set at a rate of 0.33 percent. Districts may choose to levy all or part of this levy. If a district chooses to levy less than the maximum in this category, its share of total general education revenue not subject to an aid/levy split is reduced proportionately. For fiscal year 2015, no districts chose to underlevy.



Example – Student Achievement Levy

Gopherville School District

Student Achievement Levy Rate	=	0.33 %
Total Adjusted Net Tax Capacity (ANTC) - prior year	=	\$40,000,000

Student Achievement Levy	=	Student Achievement Levy Rate	x	ANTC – prior year
	=	.0033	x	\$40,000,000
	=	\$132,000		

## Special Education

Districts receive funding to recognize a portion of the additional costs of providing required services to students with disabilities. All operating districts receive some special education aid, but the amount can vary greatly between districts, ranging up to \$3,392 per pupil. [125A.76]

For 2014-15 Special Education Aid consists of the sum of 1.) Special Education Initial Aid, 2.) Excess Cost Aid and 3.) Cross-subsidy Reduction Aid. Initial aid and excess cost aid are prorated using a statewide adjustment factor to stay within statutory statewide revenue caps. Cross-subsidy Reduction Aid is a new aid category for FY 2014 and FY 2015 only. ***Beginning in Fiscal Year 2016, special education aid will transition to a new funding formula that is more “census-based” – Funding will be distributed, in part, based on overall district average daily membership served, poverty concentration, district size, and the average costs of educating students with different primary disabilities.***

The total aid entitlement for 2014-15 is \$1.12 billion.

For 2014-15, Initial Aid includes:

- a.) 68% of the salaries of teachers, persons providing related services to students and support service staff providing direct services to students;
- b.) 47% of supplies, materials and equipment up to \$47 per student;
- c.) 52% of difference between general education basic allowance and the cost to a resident district for special education services provided by contract with agencies other than school districts;
- d.) Funding for summer programs in categories (a), (b), and (c) listed above.

### Example – Special Education Initial Revenue

#### Gopherville School District

District Special Education Initial Revenue	=	\$600,000
Statewide Adjusted Base Revenue	=	\$967,140,000
Statewide Current Year Special Education Revenue	=	\$1,120,341,764

$$\begin{aligned}\text{Statewide Adjustment Factor} &= \text{State Adjusted Base Revenue} / \text{Statewide Current Year Revenue} \\ &= \$967,140,000 / \$1,120,340,764 \\ &= 0.863\end{aligned}$$

$$\begin{aligned}\text{Initial Special Education Revenue} &= \text{2014-15 Initial Revenue} \times \text{Statewide Adjustment Factor} \\ &= \$600,000 \quad \times \quad 0.863 \\ &= \$517,800\end{aligned}$$

**Excess Cost Aid**

If a district’s special education cost per pupil unit that is not reimbursed by the special education formula is greater than 4.36 percent of their general education revenue (which for this purpose includes general education revenue minus operating capital and transportation sparsity revenue), the district receives excess cost aid equal to the greater of: 75 percent of the amount of the unreimbursed cost minus 4.36 percent of the district’s general revenue, or zero. However, excess cost aid is capped at \$123.3 million for 2014-15. Aid will be calculated using prior year data. If the statewide district entitlement for excess cost aid is greater than the cap amount, the amount each district would receive is adjusted in proportion to the ratio of the entitlement to the cap. The amount which the district is entitled to is based on the uncapped formula (or the statewide total entitlement) and is called initial excess cost aid. For 2014-15, 313 districts receive some excess cost aid, with the highest amount being \$486 per pupil. [125A.79, 2]

*Beginning in Fiscal Year 2016, excess cost aid will be calculated as the greater of:*

- (1) 56 percent of the difference between the district’s unreimbursed nonfederal special education cost and 7 percent of the district’s general education revenue, OR*
- (2) 62 percent of the difference between the district’s unreimbursed old formula special education cost and 2.5 percent of the district’s general education revenue.*

Example – Excess Cost Aid – Gopherville School District

State Total Excess Cost Aid	=	\$123,289,000
State Total Initial Excess Cost Aid (est.)	=	\$250,000,000
General education revenue	=	\$6,000,000
Unreimbursed special education costs	=	\$500,000
Qualify for aid? (Unreimbursed costs are greater than 4.36% of general revenue?)	=	Yes

Initial excess cost aid is the greater of:

$$\begin{array}{rcl}
 1. \quad .75\% \times (\text{unreimbursed costs} & - & .0436 \times \text{general revenue}) \\
 \quad .75 \times (\$500,000) & - & .0436 \times \$6,000,000 \\
 \quad .75 \times (\$500,000) & - & \$261,600 \\
 \quad .75 \times 238,400 & = & \$178,800
 \end{array}$$

2. \$0

Initial Excess cost aid for Gopherville = \$178,800

Excess cost aid adjustment factor

= State Total Excess Cost Aid / State Total Initial Excess Cost Aid

= \$123,289,000 / \$250,000,000

= 0.493

$$\begin{aligned}
\text{Excess cost aid} &= \text{Initial Excess Cost Aid} \times \text{Adjustment Factor} \\
&= \$178,800 \times 0.493 \\
&= \$88,148
\end{aligned}$$

### **Cross-subsidy Reduction Aid**

The 2013 legislature enacted a temporary special education aid category for FY 2014 and FY 2015. The aid for FY 2015 equals the lesser of \$48 per ADM served or 2.27 percent of the amount generated for the district under the new pupil-based formula. The new pupil-based formula, (which will be fully phased in beginning in FY 2016), moves toward a “census-based” model of special education funding. It assigns funding based on overall average daily membership served, poverty concentration, district size, and the average costs of educating students with different primary disabilities. The census-base portion of this formula is:

Average Daily Membership (ADM) served times the sum of \$450 plus \$400 times the district’s poverty concentration factor, plus .008 times the district’s ADM served. The poverty concentration factor equals the number of students eligible for free lunch plus ½ of the number eligible for reduced price lunch divided by the district’s total enrollment.

The three categories outlined in law are:

**Category 1:** \$10,400 times the child count for the primary disability areas of autism spectrum disorders, developmental delay and severely multiply impaired;

**Category 2:** \$18,000 times the child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders;

**Category 3:** \$27,000 times the child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired and deaf blind.

The total entitlement for FY 2014-15 is \$30 million. All operating districts will receive some cross-subsidy reduction aid, with the average district receiving \$35 per ADM in aid.

#### Example – Special Education Cross-Subsidy Reduction Aid

##### Gopherville School District

District ADM served	= 1,000
Poverty concentration factor	= 40%
Category 1 Students	= 75
Category 2 Students	= 50

Category 3 Students

= 25

Lesser of (1) or (2) below:

(1) \$48 x ADM

$$= \$48 \times 1,000 = \$48,000$$

$$= \$48,000$$

(2) Sum of ((Census-based allocation + Category 1 + Category 2 + Category 3) x .0227)

$$\text{Census-based allocation} = 1,000 \text{ ADM served} \times [(\$450 + (\$400 \times .40) + (1,000 \times .008))]$$

$$= 1,000 \text{ ADM served} \times [\$450 + \$160 + 8]$$

$$= 1,000 \times [\$618]$$

$$= \$618,000$$

Category 1 students x \$10,400

$$= 75 \times \$10,400$$

$$= \$780,000$$

Category 2 students x \$18,000

$$= 50 \times \$18,000$$

$$= \$900,000$$

Category 3 students x \$27,000

$$= 25 \times \$27,000$$

$$= \$675,000$$

$$= (\$618,000 + \$780,000 + \$900,000 + \$675,000) \times 0.0227$$

$$= \$2,973,000 \times 0.0227$$

$$= \$67,487$$

Lesser of (1) \$48,000 or (2) \$67,487

$$= (1) \$48,000$$

Total Cross-Subsidy Reduction Aid = \$48,000

### **Home Based Travel Aid**

Aid is provided to reimburse 50% of the travel costs of personnel providing home-based travel services to children under age five with a disability. [125A.75, 1]

### **Special Pupil Aid**

Districts are reimbursed for the special education costs not covered by other special education funding or the general education formula for students with a disability residing in public or private residential facilities in the district and for whom there is no school district of residence because parental rights have been terminated or the parents cannot be located. [125A.75, 3]

## **Alternative Teacher Compensation Revenue**

Alternative teacher compensation (also commonly called “QComp Revenue”) was created to encourage districts to adopt alternative pay structures for teachers. QComp revenue of \$260 per prior year unweighted pupils is available to school districts, intermediate school districts and charter schools that develop and implement an alternative teacher pay system by October 1<sup>st</sup> of that school year. In general, in order to qualify for the revenue, the district must, one full school year prior to the year of implementation, notify the Commissioner of Education of the district’s intent to implement an alternative pay system. Individual school sites may also qualify for alternative teacher compensation revenue, even if the school district in which the site is located does not qualify. For fiscal year 2015, revenue is projected to go to 85 school districts and 69 charter schools. The cap for basic QComp aid (\$75.6 million) is reached for the first time in fiscal year 2015.



The \$260 per pupil of revenue is a mix of aid and levy, with 65 percent of the per pupil amount, \$169, coming in the form of state aid and the balance, \$91 per pupil, in the form of equalized levy revenue. The levy revenue is equalized using an equalizing factor of \$6,100 of adjusted net tax capacity per pupil. Qualifying districts may choose to receive only the basic aid portion of the revenue (the \$169 per pupil) or at the district’s discretion, may opt to also access the additional equalized levy (the \$91 per pupil). In addition, charter schools and intermediate school districts (which do not have levy authority) receive a prorated aid amount based on the percentage of \$260 per pupil that all districts receive. [126C.10, 34-36; 122A.413-416]

Effective fiscal year 2015, the alternative compensation program is “rolled out” of the general education revenue program. It is henceforth a standalone categorical revenue program.

## **Teacher Development and Evaluation Revenue**

For the fiscal year 2015 only, districts that are not participating in the alternative compensation revenue program are eligible for Teacher Development and Evaluation Revenue equivalent to \$302 per full-time equivalent (FTE) teacher. “Teacher” is defined broadly to include all professional staff requiring education licensure. This revenue is intended to assist non-alternative compensation districts, in part, with the costs of implementing the new teacher evaluation system which takes effect for FY 2014-15. An estimated 245 school districts and 81 charters are eligible for this revenue. The entitlement for FY 2014-15 is \$10 million.

Example – Alternative Teacher Compensation Revenue

Gopherville School District

Prior Year October 1 <sup>st</sup> Enrollment	=	1,000
Qualifies for revenue?	=	Yes
Alternative Compensation Revenue formula amount per pupil	=	\$260
ANTC per pupil unit	=	\$4,000

Alternative Compensation Revenue

$$\begin{aligned} &= \text{Alternative Compensation Formula} \times \text{Prior Year October 1}^{\text{st}} \text{ Enrollment} \\ &= \$260 \times 1,000 \\ &= \$260,000 \end{aligned}$$

Alternative Compensation Basic Aid

$$\begin{aligned} &= \$169 \times \text{Prior Year October 1}^{\text{st}} \text{ Enrollment} \\ &= \$169 \times 1,000 \\ &= \$169,000 \end{aligned}$$

Alternative Compensation Equalized Levy Revenue

$$\begin{aligned} &= \$91 \times \text{Prior Year October 1}^{\text{st}} \text{ Enrollment} \\ &= \$91 \times 1,000 \\ &= \$91,000 \end{aligned}$$

*However*, the Alternative Compensation Levy Revenue is itself a mix of aid and levy, so:

Alternative Compensation Equalized Levy Revenue

$$= \text{Alternative Compensation Levy} + \text{Alternative Compensation Equalization Aid}$$

Alternative Compensation Levy

$$\begin{aligned} &= \text{Alternative Compensation Equalized Levy Revenue} \times \frac{\text{ANTC per pupil unit}}{\$6,100} \\ &= \$91,000 \quad \times \quad \frac{\$4,000}{\$6,100} \end{aligned}$$

$$= \$91,000 \quad \times \quad .656$$

$$= \$59,696$$

Alternative Compensation Equalization Aid

$$= \text{Alternative Compensation Equalized Levy Revenue} - \text{Alternative Compensation Levy}$$

$$= \$91,000 \quad - \quad \$59,696$$

$$= \$31,304$$

Alternative Compensation Revenue =

Alternative Compensation Basic Aid + Alternative Compensation Levy + Alternative Compensation Equalization Aid

$$= \$169,000 + \$59,696 + \$31,304$$

$$= \$260,000$$

Example - Teacher Development and Evaluation Revenue

Gopherville School District

$$\text{Prior Year October 1}^{\text{st}} \text{ Full Time Equivalent (FTE) Teachers} = 200$$

$$\text{Non-QComp district?} = \text{Yes}$$

$$\text{Teacher Development \& Evaluation Revenue formula amount per FTE} = \$302$$

Teacher Development and Evaluation Revenue

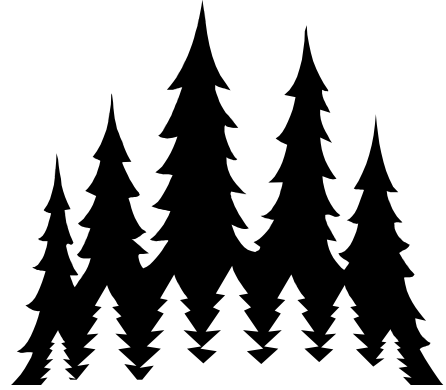
$$= \text{Teacher Development Formula per FTE} \times \text{Prior Year October 1}^{\text{st}} \text{ FTE}$$

$$= \$302 \times 200$$

$$= \$60,400$$

## Permanent School Fund Revenue

School Districts and charter schools receive revenue from the State’s Permanent School Fund, which is established in the state constitution (Article XI, section 8). The constitution makes provisions for the proceeds from school trust fund lands that were placed in trust after being granted from the federal government to the state in 1857, 1860 and 1866 for that purpose. The constitution requires that trust fund lands be managed to generate income for the Permanent School Fund. Initially, much of the land was sold, and the money deposited in the school trust fund. In addition to sale proceeds, income generated by the land (primarily through logging and mining activities) is deposited into the fund. The constitution requires that the proceeds remain in the fund “perpetual and inviolate forever.” Any interest generated by the investment of the principal in the fund is allocated based on the number of students in the district.



Permanent School Fund revenue is paid twice during the school year, with one payment in September and one in March. Permanent School Fund revenue is paid based on the number of students in average daily membership (the headcount) served by the district or charter school during the previous year. Permanent school fund revenue received by school districts and charter schools is undesignated general fund revenue, and thus available for any purpose.

For 2014-15, \$24.6 million is expected to be allocated to school districts, with each district receiving approximately \$29.66 per student served in average daily membership.  
[MN Constitution, Art. XI, section 8; M.S. 127A.33]

### Example – Permanent School Fund Revenue

#### Gopherville School District

2013-14 Adjusted (Served) ADM	= 1,000
2014-15 Permanent School Fund Formula	= \$29.66

Permanent School Fund Revenue:

=	Adjusted (Served) ADM x Permanent School Fund Formula
=	1,000 x \$29.66
=	\$29,660

## Capital Expenditure Related Programs

### Health and Safety

Capital expenditure health and safety revenue is available for hazardous substance removal, fire and life safety code repairs and health, safety, environmental and air quality management. Individual projects that otherwise qualify for health and safety but which cost more than \$500,000 must be funded using alternative facilities revenue. Health and safety revenue is equalized with an equalizing factor of \$3,165. [123B.57]

### Example – Health and Safety Revenue

#### Gopherville School District

Pupil Units	=	1,000
Adjusted Net Tax Capacity (ANTC)	=	\$3,000,000
ANTC per Pupil Unit	=	3,000
Equalizing Factor for Health & Safety Revenue	=	\$3,165
Approved Health & Safety Revenue	=	\$250,000
Revenue	=	Amount approved by the commissioner in accordance with district plan
	=	\$250,000
Levy	=	Revenue x Lesser of: (a) 1, or (b) <u>District ANTC per P.U.</u>
		\$3,165
	=	Revenue x Lesser of: (a) 1, or (b) <u>\$3,000</u>
		\$3,165
	=	\$250,000 x .948
	=	\$237,000
Aid	=	Revenue - Levy
	=	\$250,000 - \$237,000
	=	\$13,000

### Alternative Facilities

A school district qualifies for the alternative facilities program if it has an average of at least 66 pupils per grade, more than 1.85 million square feet of space that averages more than 15 years old, or more than 1.5 million square feet of space that averages more than 35 years old, and insufficient health and safety and capital facilities revenue to meet its deferred maintenance needs, make accessibility improvements or fire, safety or health repairs, and if it has a ten-year facility plan approved by the Commissioner of Education. Districts also qualify for alternative facilities for individual health and safety projects that exceed \$500,000 in project cost. Qualifying districts may sell bonds and make a levy to repay the bonds, or may annually levy for the costs in the ten-year plan without voter approval. The cost of projects funded under this program is offset in part by state aid for districts that participated in the program before 1999-2000. Levies under this program are also eligible for the first tier of debt service equalization. [123B.59]

## Debt Service Revenue

School districts may issue general obligation bonds to finance capital improvements. Generally, the issuance of the bonds must be approved by a majority of the voters in a referendum. The district must then levy each year an amount necessary to meet its debt obligation. The amount of debt service revenue needed each year is equalized at varying rates in relation to the ratio of the amount of debt service revenue to the district's total adjusted net tax capacity. Debt service levies are equalized at an equalizing factor of \$3,049 for the amount of debt service that totals between 15.74% and 26.24% of the district's adjusted net tax capacity, and \$7,622 for the amount of debt service that exceeds 26.24% of the district's adjusted net tax capacity. ***Beginning in FY 2016 the equalizing factors for debt service levies are increased to \$3,400 for the first tier and \$8,000 for the second tier.*** [123B.53]



### Example – Debt Service Revenue

#### Gopherville School District

Number of Pupil Units	=	1,000	
Adjusted Net Tax Capacity (ANTC)	=	\$2,000,000	
ANTC per Pupil Unit	=	\$2,000	*
Debt Service Revenue for 2014-15	=	\$650,000	
First Tier equalization factor	=	\$3,049	
Second Tier equalization factor	=	\$7,622	

*\* This example doesn't show a "typical" Minnesota school district. \$2,000 of ANTC per pupil unit would be a very low-value district, and is used to display the entire debt service equalization aid calculation. For 2014-15, the average ANTC per pupil is \$6,613.*

To calculate a district's total debt service levy, and the amount that will be paid to the district from the State in the form of debt service equalization aid, first calculate the revenue amounts in the first and second tier that are eligible for equalization:

$$\begin{aligned}
 \text{First Tier Debt Service Revenue} &= \text{Debt Revenue} - 15.74\% \text{ of ANTC} - \text{Second Tier Debt Revenue} \\
 &= \$650,000 - .1574 \times \$2,000,000 - \$125,200 \\
 &= \$210,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Second Tier Debt Service Revenue} &= \text{Debt Service Revenue} - 26.24\% \text{ of District ANTC} \\
 &= \$650,000 - .2624 \times \$2,000,000 \\
 &= \$125,200
 \end{aligned}$$

Next, calculate, for each Tier and for the initial unequalized portion, how much of the revenue will be raised in local levy:

$$\begin{aligned} \text{Unequalized Debt Service Levy} &= 15.74\% \times \text{ANTC} \\ &= .1574 \times \$2,000,000 \\ &= \$314,800 \end{aligned}$$

$$\begin{aligned} \text{First Tier Debt Service Levy} &= \text{First Tier Debt Service Revenue} \times \frac{\text{District ANTC/P.U.}}{\text{First Tier Equalizing Factor}} \\ &= \$210,000 \times \frac{\$2,000}{\$3,049} \\ &= \$210,000 \times .656 \\ &= \$137,760 \end{aligned}$$

$$\begin{aligned} \text{Second Tier Debt Service Levy} &= \text{Second Tier Debt Service Revenue} \times \frac{\text{District ANTC/P.U.}}{\text{Second Tier Equalizing Factor}} \\ &= \$125,200 \times \frac{\$2,000}{\$7,622} \\ &= \$125,200 \times .262 \\ &= \$32,802 \end{aligned}$$

Next, calculate the total levy, by adding the levy component of the two equalized tiers of the revenue to the initial unequalized levy amount:

$$\begin{aligned} \text{Total Debt Service Levy} &= \\ &\text{Unequalized Debt Service Levy} + \text{First Tier Debt Service Levy} + \text{Second Tier Debt Service Levy} \\ &= \$314,800 + \$137,760 + \$32,802 \\ &= \$485,362 \end{aligned}$$

Finally, calculate the amount of aid by subtracting the levy total from the total revenue need for that year:

$$\begin{aligned} \text{Debt Service Aid} &= \text{Debt Service Revenue} - \text{Total Debt Service Levy} \\ &= \$650,000 - \$485,362 \\ &= \$164,638 \end{aligned}$$

**Telecommunications Access Revenue**

School districts and charter schools receive reimbursement for their eligible telecommunication and Internet access costs from the previous fiscal year. Eligible costs are defined as ongoing costs for Internet access, data lines and video links for certain purposes, recurring contractual costs for certain portions of a district’s network, recurring costs for shared regional delivery of access between school districts, postsecondary institutions and public libraries, and installation fees for new lines or increased bandwidth. Certain costs, such as staff support, telephone service, network hardware and fiber optic or wiring installation are defined as ineligible for reimbursement. School districts are also required to provide telecommunications and Internet access to nonpublic schools within the district’s boundaries, with nonpublic school responsible for paying for any costs in excess of the revenue received by the district. To access telecommunication access revenue, districts must apply for federal Internet funding, called “e-rate” funding.

Telecommunications Access Revenue for a district is equal to the district’s eligible costs for the prior year, minus any e-rate funding received, that exceed \$16 per pupil. If a district is a member of a telecommunications access cluster, the district’s revenue is not reduced by \$16 per pupil, and the revenue is distributed directly to the cluster. District revenue is prorated so that total state aid payments do not exceed the appropriation for the fiscal year, regardless of how high eligible costs are. [124B.26]

**Example – Telecommunications Access Revenue**  
**Gopherville School District**

Number of Pupil Units	=	1,000
Eligible Telecommunications Costs	=	\$37,000
Federal E-Rate Funding	=	\$1,000
Cluster Member?	=	No *
Statewide Initial Revenue (Est.)	=	\$8,000,000
Available State Appropriation	=	\$3,750,000

**Initial Telecommunications Access Revenue**

=	Eligible Costs - E-Rate Reimbursement	-	(\$16 x pupil units)*
=	\$37,000	-	\$1,000
=	\$37,000	-	\$16,000
=	\$20,000		

**Telecommunications Access Revenue Proration Rate**

=	Available State Appropriation / Initial Statewide Revenue
=	\$3,750,000 / \$8,000,000
=	46.9 %

Net Telecommunications Access Revenue	=	Initial Revenue	x	Proration Rate	
	=	\$20,000	x	.469	=
					\$9,380

\* If the district was a member of a telecommunications cluster, the calculation of initial revenue would not include the subtraction of \$16 times the district’s pupil units.

## **Charter School Revenue**

Charter schools in Minnesota are public schools, and are defined as being part of the State's system of public education. They are not school sites of the school district within which they are located, although they may have been sponsored by the school district within which they are located.

Although they are public schools, charter schools are exempt in law from many, but not all of the requirements governing public schools and school districts. In regard to revenue, charter schools are eligible for general education revenue, special education aid, building lease aid, start-up grants, and other revenue school districts receive. [124D.11]

Charter school revenue sources include:

1. **General Education Revenue** - Charter schools receive general education revenue per pupil just as school districts do, with a few exceptions. First, if the charter school does not provide transportation services, the charter school receives \$272 less per pupil (an amount equal to 4.66 percent of the basic formula) and will not receive their transportation sparsity revenue. (If transportation services are not provided by the charter school, the district in which the charter school is located must provide transportation to charter school students in the same way it provides transportation to students residing in or attending school in the public school district, and the school district receives the \$272 per pupil and the charter's transportation sparsity aid to help pay for that transportation.) Basic skills, transportation sparsity, extended time, transition and pension adjustment revenues are calculated for the charter school, but a charter school receives the state average for all other components of general education revenue, except referendum revenue. Charter schools receive only the aid portion of referendum revenue, calculated based on the resident district of each charter school student. Finally, the operating capital component of general education revenue may be used for any purpose by the charter school.
2. **Special Education Aid** - Charter schools receive special education aid just as school districts do, and are allowed to bill a special education student's resident school district for any eligible special education costs that are unreimbursed. Effective Fiscal Year 2015, charter schools are required to cover 10 percent of unfunded special education costs, reducing the amount of unreimbursed costs borne by the resident district from 100 percent to 90 percent.
3. **Charter School Building Lease Aid** - Charter schools with building leases qualify for aid equal to 90 percent of the approved cost of the lease, or \$1,314 per pupil, whichever is less.
4. **Other aid, grants, and revenue** - A charter school is eligible to receive other aids, grants, and revenue as though it were a school district, unless a property tax levy is required to obtain the money. Further, a charter school may receive money from any source for capital facilities needs.

## Other Categorical Revenue

1. Abatement Revenue - A replacement for anticipated property tax receipts because property valuation has been reduced after the levies were certified. The aid applies to equalized levies only; districts may make an adjustment levy the next year for the remaining revenue loss. Districts may also levy for the shortfall in abatement aid. [126C.46]
2. Advanced Placement and International Baccalaureate Programs - The state pays all Advanced Placement and International Baccalaureate exam fees for low income students, and a portion of those exam fees on a sliding scale based on income for all other students. The State also subsidizes a portion of the training costs for teachers in advanced placement or international baccalaureate courses. [120B.13]
3. Consolidation Transition Revenue - Districts that consolidate are eligible for state aid of \$200 per pupil unit in the first year of the consolidation and \$100 per pupil unit in the second year. The number of pupil units used to calculate this aid may not exceed 1,500. This funding is intended to cover early retirement costs of employees, operating debt of the districts, enhancing learning opportunities and for other costs of reorganization. If this aid is not adequate to cover the early retirement costs, the district may levy for the additional amount. [123A.485]
4. Achievement and Integration Revenue - This revenue is intended to pursue racial and economic integration, increase student achievement, and reduce academic disparities in Minnesota's public schools. An eligible district's initial achievement and integration revenue equals the sum of (1) \$350 times the district's pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for the prior year and the district's integration revenue for the current year. In addition, "incentive" revenue of \$10 per pupil unit may be generated, provided the district is implementing a voluntary plan to reduce racial and economic enrollment disparities as part of its achievement and integration plan. Each year, .3 percent of a district's achievement and integration revenue is transferred to the department for oversight and accountability activities.

In order to receive this revenue districts must:

- (1) Develop a three year Achievement and Integration plan; the plan must be incorporated into the district's comprehensive strategic plan;
- (2) Have the school board approve the plan and corresponding budget; both must be submitted to the department for review by March 15 of the year prior to implementation;
- (3) Hold at least one formal annual hearing to publicly report its progress in realizing its goals;
- (4) Limit the amount of revenue spent on administrative services to no more than 10 percent.

If the district is not meeting the goals outlined in its plan, the Commissioner has the authority to withhold up to 20 percent of the district's achievement and integration revenue and use it to help the district implement an improvement plan. The revenue is paid approximately 70 percent from state aid and 30 percent from local levy. [124D.862]

5. Library Basic Support Aid - Aid to regional public libraries for operations, interlibrary programs and services. Can be used for data and video access costs, improving or maintaining electronic access, and connecting the library system with the state information infrastructure. [134.35]
6. Literacy Incentive Aid - Schools are eligible for additional aid based on how well students in the third grade read (called "Proficiency Aid"), and how much progress is being made between the third and fourth grades in reading skills (called "Growth Aid"). Proficiency aid is calculated by multiplying \$530 times the average percentage of students in a school that meet or exceed proficiency over the current year and previous two years on the third grade reading portion of the Minnesota Comprehensive Assessment, multiplied by the number of students enrolled in the third grade at the school in the previous year. Similarly, Growth aid is calculated by multiplying \$530 times the percentage of students that make medium or high growth on the fourth grade reading Minnesota Comprehensive Assessment multiplied by the previous year's fourth grade student count. [124D.98]
7. Multicounty, Multitype Library System Grants - Multicounty or multitype libraries are eligible to receive grants for development or operations. Consideration of costs for sparsely populated or large geographic areas must be made when the grants are made. [134.353]
8. Nonpublic Pupil Aid - Public school districts receive aid to fund services and textbooks for the benefit of nonpublic school students. The funding can be used for secular textbooks and other instructional materials, and the services include health services and secondary guidance and counseling services. The textbook funding level is set at the average amount expended in public schools per pupil for similar materials in the second prior year, multiplied by a factor equal to the growth in the basic formula amount between the second prior year and the current year. Similarly, health services are reimbursed on a per pupil basis to the public school district at the rate of the lesser of their actual cost or the average cost of providing those services to public school students in the second prior year, and guidance and counseling services are reimbursed on a per secondary pupil basis at the rate of the lesser of their actual cost or the average cost of providing those services to public school secondary students in the second prior year. [123B.40-123B.48]
9. Nonpublic Pupil Transportation - Nonpublic pupil transportation revenue is equal to the cost per pupil of providing transportation services in the base year (the second prior year, for 2014-15 the base year is 2012-13) and then adjusted for the change in the general education formula allowance between the current year and the base year. [123B.92]
10. Regional Library Telecommunications Aid - For regional public library systems to cover data and video access, maintenance, equipment, or installation of telecommunications lines. [134.47]
11. Safe Schools Levy - A district may levy up to \$36 per pupil unit for the costs of peace officers used for school liaison services, drug prevention programs, gang resistance education programs, voluntary opt-in suicide prevention tools, facility security enhancements, efforts to improve school climate, costs associated with mental health services and security costs in the district's schools and on school property. The levy may also be used for school counselors, nurses, social workers, psychologists, and alcohol and chemical dependency counselors. Districts that are members of intermediate school districts may levy an additional \$15 for these same purposes. [126C.44]

12. School Breakfast Aid - Schools are eligible to receive 55 cents for each fully paid breakfast and 30 cents each reduced price breakfast served. Districts that receive school breakfast aid must provide breakfast without charge to those students eligible for free and reduced price meals. Beginning in FY 2015, all kindergarten pupils are eligible for school breakfast without charge, regardless of family income, and kindergarten students who are in the fully paid category generate \$1.30 for each breakfast served. [124D.1158]
  
13. School Lunch Aid - Schools are eligible to receive up to 12.5 cents of state funding for each lunch served. Beginning in FY 2015, districts will additionally receive 40 cents per reduced price lunch meal served. [124D.111]

## Adult Basic Education

Adult Basic Education (ABE) provides instruction to eligible adults in basic academic skill areas of reading, writing, speaking and math. ABE courses include workforce instruction, literacy tutoring, English proficiency for speakers of other languages, citizenship training, work readiness, high school diploma instruction, and transition to post-secondary education. ABE participants must be over 16 years of age and currently not attending secondary or elementary education. Programs are delivered primarily through public school districts as well as through collaboration non-profit organizations, community and technical colleges and state and local correctional institutions. School districts may cooperate and form an ABE consortium, working with other districts and combining ABE aid. School boards and consortiums offering an ABE program may charge a sliding scale fee for students over 21 who are able to pay. [124D.52, 124D.531]

ABE aid has four components, which are connected to the needs of ABE students: basic population aid, contact hour aid, English Learner (EL) aid and aid for adults over age 25 with no diploma. Basic population aid is equal to the greater of \$3,844 or \$1.73 times the population of the district. Once basic population aid is subtracted from the state appropriation for ABE, the balance is distributed as follows:

- 84 percent for contact hour aid, distributed to ABE providers based on the total number of contact hours provided during the prior program year. Money is distributed based on the number of contact hours provided in the prior year multiplied by a variable dollar rate which is based on the total number of contact hours and the available funds. Contact hour aid cannot grow from the previous year by an amount equal to the greater of 11 percent of the prior year or \$10,000.
- 8 percent for EL aid, distributed based on the proportion of the state’s K-12 EL student enrollment at the ABE program.
- 8 percent for high school diploma aid based on the school district population of adults over age 25 who do not have a high school diploma.

### Example – Adult Basic Education Aid

#### Gopherville School District

District Population	=	39,000
Contact Hours	=	16,000
Contact Hour Rate *	=	\$5.59
Prior Year Contact Hour Aid	=	\$72,000
EL Enrollment	=	200
EL Rate *	=	\$46.62
Over 25, No Diploma Count	=	1,000
Over 25, No Diploma Rate *	=	\$7.84

\* Rates are calculated by the Department of Education and are based on the available appropriation and the census in each type of these types of funding. Rates stated here are the rates based on the statutory entitlement.

$$\begin{aligned} \text{Basic Population Aid} &= \$1.73 \times \text{District Population} \\ &= \$1.73 \times 39,000 \\ &= \$67,470 \end{aligned}$$

$$\begin{aligned} \text{Contact Hour Aid} &= \text{Contact Hour Rate} \times \text{Contact Hours} \\ &= \$5.59 \times 16,000 \\ &= \$89,440 \end{aligned}$$

$$\begin{aligned} \text{EL Aid} &= \text{EL Rate} \times \text{EL Enrollment} \\ &= \$46.62 \times 200 \\ &= \$9,328 \end{aligned}$$

$$\begin{aligned} \text{Over 25, No Diploma} &= \text{Over 25, No Diploma Rate} \times \text{Over 25, No Diploma Count} \\ &= \$7.84 \times 1,000 \\ &= \$7,840 \end{aligned}$$

$$\begin{aligned} \text{ABE Aid Total} &= \text{Basic Population Aid} + \text{Contact Hour Aid} \\ &\quad + \text{EL Aid} + \text{Over 25, No Diploma Aid} \\ &= \$67,470 + \$89,440 + \$9,328 + \$7,840 \\ &= \$174,078 \end{aligned}$$

## Adults with Disabilities

As a part of the Community Education program, districts may offer programs for adults with disabilities. The adults with disabilities program supports activities such as increasing public awareness of the roles of people with disabilities, classes for adults with disabilities, outreach and marketing strategies to identify and encourage adults needing service, and services that meet consumer needs and enhance the role and contribution of people with disabilities in communities. Districts receive revenue equal to actual program expenditures up to \$60,000, with that revenue split one-half aid and one-half levy. Districts may receive additional revenue from public or private sources that will not change the aid amount paid by the State. [124D.19, subd 7 & 8, 124D.56]

### Example – Adults with Disabilities Revenue

#### Gopherville School District

	Adults with Disabilities Program Cost	=	\$50,000
Revenue	=	Program Cost, up to \$60,000	
	=	\$50,000	
Levy	=	Revenue x 0.5	
	=	\$50,000 x 0.5	
	=	\$25,000	
Aid	=	Revenue x 0.5	
	=	\$50,000 x 0.5	
	=	\$25,000	

## Early Learning Scholarships



The Early Learning Scholarship Program was significantly expanded through legislation enacted in 2013. The Program provides scholarships to high need children between the ages of three and five, to expand access to high quality pre-school programs. The Office of Early Learning (within the Department of Education) estimates that approximately 5,000 students will be awarded scholarships per year. In order to be eligible for a scholarship, a family must have income equal to or less than 185 percent of the federal poverty level or be able to demonstrate participation in other state or federal need based programs like nutrition assistance, child care assistance and/or Head Start.

For fiscal year 2015, a total of \$27.65 million will be awarded in scholarships. Each eligible child may be awarded a scholarship worth up to \$5,000 per year. (In fiscal year 2016 and beyond, the commissioner is directed to set a target for the average scholarship amount, based on the results of a child care market rate study). A student awarded a scholarship must continue to receive a scholarship until he/she enters kindergarten. Siblings of a student awarded a scholarship are eligible for scholarships as well, provided the siblings attend the same program.

In order to be eligible to accept early learning scholarship funds, programs or individual child care providers must participate in the Parent Aware four-star rating system. There are two pathways to scholarship distribution. Pathway One allows for direct award of scholarships to families. The funds are paid to the qualifying provider and “follow the child.” Pathway Two provides scholarships through four-star rated providers, like Head Start and school district based pre-school and pre-kindergarten programs. Beginning in fiscal year 2016, providers must earn a three or four-star rating in order to be eligible to accept early learning scholarship funding. [124D.142 and 124D.65]

## Community Education

Community education programs provide learning and involvement opportunities for people of all ages including providing school district residents with the opportunity to utilize educational facilities and programs during non-school hours. Community Education programs may also be offered to K-12 students during the summer and other non-school times, and fees for those programs may be charged. Community Education revenue may also be used for educational programming including: adults with disabilities, school age care, ABE, School Readiness and ECFE.

Community education revenue is equal to \$5.42 multiplied by the population of the district (per capita), or 1,335, whichever is greater. A district that implements a youth service program is also eligible for an additional \$1.00 per capita. Districts with a Youth After-School Enrichment Program also receive \$1.85 times the greater of (a) 1,335 residents or (b) the population of the district, up to 10,000. Districts with populations over 10,000 offering a Youth After-School Enrichment Program also receive \$0.43 times the population greater than 10,000 in the district. To be eligible for its full community education revenue, a district must levy a maximum rate of .94 percent of its adjusted net tax capacity, with the rate limited so that the levy may not exceed total annual revenue. [124D.20]

First, the calculation for a district WITHOUT an After School Youth Enrichment Program:

Example – Community Education Revenue

Gopherville School District

District Population = 12,000  
Adjusted Net Tax Capacity (ANTC) = \$5,000,000  
Youth Service Program? = Yes  
After School Enrichment Program? = No

Community Education Rate

= Community Education Rate + Youth Service Rate (if applicable)  
= \$5.42 + \$1.00 = \$6.42

Community Education Revenue

= Community Education Rate x the greater of: (a) 1,335 or (b) District Population  
= \$6.42 x the greater of: (a) 1,335 or (b) 12,000  
= \$6.42 x 12,000  
= \$77,040

Community Education Levy = .94 percent x ANTC  
= .0094 x \$5,000,000  
= \$47,000

Community Education Aid = Community Education Revenue – Community Education Levy  
= \$77,040 - \$47,000  
= \$30,040

Now, the calculation for community education revenue for a district WITH an After School Youth Enrichment Program:

Loon Lake School District

District Population = 14,000  
Adjusted Net Tax Capacity (ANTC) = \$7,000,000  
Youth Service Program? = Yes  
After School Enrichment Program? = Yes

Community Education Rate

= Community Education Rate + Youth Service Rate (if applicable)  
= \$5.42 + \$1.00 = \$6.42

Regular Community Education Revenue

= Community Education Rate x the greater of: (a) 1,335 or (b) District Population  
= \$6.42 x the greater of: (a) 1,335 or (b) 14,000  
= \$6.42 x 14,000  
= \$89,880

Youth After School Enrichment Program Revenue

$$\begin{aligned}
&= \$1.85 \times \text{the lesser of: (a) District Population or (b) 10,000} \\
&\quad + \$0.43 \times \text{District Population over 10,000} \\
&= (\$1.85 \times 10,000) + (0.43 \times 4,000) \\
&= \$18,500 + \$1,720 \\
&= \$20,220
\end{aligned}$$

Total Community Education Revenue = Regular Revenue + Youth After School Revenue

$$\begin{aligned}
&= \$89,880 + \$20,220 \\
&= \$110,100
\end{aligned}$$

$$\begin{aligned}
\text{Community Education Levy} &= 0.94 \text{ percent} \times \text{ANTC} \\
&= .0094 \times \$7,000,000 \\
&= \$65,800
\end{aligned}$$

$$\begin{aligned}
\text{Community Education Aid} &= \text{Community Education Revenue} - \text{Community Education Levy} \\
&= \$110,100 - \$65,800 \\
&= \$44,30
\end{aligned}$$

## Early Childhood and Family Education

As a part of the Community Education program, districts may offer an Early Childhood and Family Education (ECFE) program providing educational services to expectant parents and the parents and other relatives of children between birth and kindergarten. To the extent that funds are insufficient to serve all eligible children, the program must focus on children from birth to age three. School districts must also establish a reasonable sliding fee for ECFE classes and must waive fees for any participant unable to pay. ECFE program revenue is equal to the formula allowance for the year (\$5,831 for FY 2014-15) times 0.023, times the greater of 150 or the number of people under five years of age in the district on October 1 of the previous school year. For 2014-15, districts must have certified a levy at a tax rate of .3774 percent to be eligible for the full ECFE revenue (but the total levy cannot exceed a district's total revenue for the year). The tax rate is based on a statutory requirement that in total, districts must levy \$22.1 million statewide for ECFE revenue. In addition, a district may also levy an additional \$1.60 per child under age 5 for a home visiting program. [124D.13; 124D.135]

### Example – ECFE Revenue

#### Gopherville School District

Children under Age 5	=	1,000
Formula Allowance for FY 2015	=	\$5,831
Adjusted Net Tax Capacity (ANTC)	=	\$2,000,000

ECFE Revenue = (Formula Allowance for ECFE Revenue x 0.023) x # of Children under 5

$$= (\$5,831 \times 0.023) \times 1,000$$

$$= \$134 \times 1,000$$

$$= \$134,000$$

ECFE Levy = .3774 percent x ANTC

$$= .003774 \times \$2,000,000$$

$$= \$7,548$$

ECFE Aid = ECFE Revenue – ECFE Levy

$$= \$134,000 - \$7,548$$

$$= \$126,452$$

Home Visiting Levy = Children Under Age 5 x \$1.60

$$= 1,000 \times \$1.60$$

$$= 1,600$$

## School Readiness

The School Readiness program prepares children ages three to five to enter kindergarten. A School Readiness program must assess each child at program entrance and exit, and provide a comprehensive program based on early childhood research and professional practice.



Half of the state appropriation for school readiness aid is divided among school districts in direct proportion to the number of four-year-old children in the district, compared to the number of four-year-olds in the state, and half of the state appropriation for school readiness aid is divided among school districts in direct proportion to the number of students in the district from families eligible for free and reduced price lunches, compared to the number of students from families eligible for free and reduced price lunches in the state. Districts must adopt a sliding fee schedule based on family income, but must waive the fee if a participant is unable to pay.

Districts must use state aid to serve children with at least one of the following risk factors: qualifies for free or reduced-price lunch; is an English language learner; is homeless; has an individualized education plan (IEP) or an individual interagency intervention plan (IIIP); is identified, through early childhood health and developmental screening, as having a potential risk factor that may influence learning; or, is defined as at risk by the school district. Children who do not meet these eligibility criteria may still participate in School Readiness, but only on a fee-for-service basis. [124D.15; 124D.16]

### Example – School Readiness Revenue

#### Gopherville School District

Four-year-old Children in the District	=	300
Four-year-old Children in the State	=	60,000
District Students - Free or Reduced Lunch Families	=	1,000
State Students - Free or Reduced Lunch Families	=	300,000
State School Readiness Aid, 2014-15	=	\$12,170,000

#### School Readiness Aid

$$\begin{aligned}
 &= (\text{District Four-year-olds} / \text{State Four-year-olds}) \times (50\% \text{ of State School Readiness Aid}) \\
 &+ (\text{District Free-Reduced Students} / \text{State Free-Reduced Students}) \times (50\% \text{ of State School Readiness Aid}) \\
 \\
 &= ((300 / 60,000) \times (.5 \times \$12,170,000)) + ((1,000 / 300,000) \times (.5 \times \$12,170,000)) \\
 \\
 &= (.005 \times \$6,085,000) + (.003 \times \$6,085,000) \\
 \\
 &= \$30,425 + \$18,255 \\
 \\
 &= \$48,680
 \end{aligned}$$

### School Aged Care / Disabled

Districts with a Community Education program may offer a School Age Care Program for children in kindergarten through grade 6 for the purposes of expanding learning opportunities when school is not in session. Districts may charge participants a sliding fee based on family income, and may receive money from private or other public sources for School Age Care Programs. Districts are eligible for school age care revenue for the additional cost of providing services to children with disabilities or to children experiencing family or related problems of a temporary nature that participate in the school age care program. Revenue is equal to the approved additional cost of providing services to children with disabilities or children experiencing family or related problems of a temporary nature that participate in a school age care program. School aged care revenue is an equalized aid and levy, but has an equalizing factor of only \$2,318. Because of this low equalizing factor, nearly all revenue is in the form of local levy. [124D.19, 11; 124D.22]

#### Example – School Aged Care Revenue

##### Gopherville School District

Pupil Units	=	1,000
Adjusted Net Tax Capacity (ANTC)	=	\$2,300,000
District ANTC per Pupil Unit	=	\$2,300
Equalizing Factor for School Aged Care	=	\$2,318
Approved School Aged Care Revenue	=	\$100,000
Revenue	=	Amount approved as additional cost
	=	\$100,000
Levy	=	Revenue x Lesser of: (a) 1, or (b) $\frac{\text{District ANTC per P.U.}}{\$2,318}$
	=	Revenue x Lesser of: (a) 1, or (b) $\frac{\$2,300}{\$2,318}$
	=	Revenue x Lesser of: (a) 1, or (b) .992
	=	\$100,000 x .992
	=	\$99,200
Aid	=	Revenue – Levy
	=	\$100,000 - \$99,200
	=	\$800

### **Other Categorical Family and Early Childhood Revenues**

1. GED Test Fee - Reimbursement of 60 percent of a fee charged for the full general education development (GED) test. Reimbursement cannot exceed \$40 per individual. [124D.55]
2. Head Start - Head Start is a federal program, with additional state funding, provided to low-income children ages birth to five and their families. The program is designed to meet emotional, social, health, nutritional and psychological needs of the children, and promote the economic self-sufficiency of the parents. There are 34 Head Start grantees, including 23 community action agencies, 3 single purpose agencies, 1 school district and 7 tribal governments. State funds are allocated based on: (1) grantees' share of federal Head Start funds, and; (2) grantees' proportion of eligible children in the grantee service area who are not being currently served. [119A.50; 119A.51; 119A.52; 119A.53]
3. Health and Development Screening Aid - School districts receive State aid for health and developmental screening services provided to children ages 3 through 6, prior to or within 30 days of enrollment in a public school kindergarten. The reimbursement rates are \$75 for each three-year-old screened, \$50 for each four-year-old screened and \$40 for each five-year-old or six-year-old screened prior to kindergarten enrollment; and \$30 for children who have not previously been screened and are screened within 30 days after first enrolling in kindergarten. Screening is required for public school enrollment. A child need not submit to developmental screening provided by a school district if the child's health records indicate they have received comparable developmental screening from a public or private health care organization or individual health care provider, or if the child's parent or guardian submits to the school a signed statement that the child has not been screened because of conscientiously held beliefs of the parent or guardian. [121A.16; 121A.17; 121A.18; 121A.19]
4. Hearing Impaired Adults - A program which provides interpreters or note-taker services for adults with hearing impairments wishing to continue their education on a part-time basis. Grantees include local school district adult education programs, adult technical college programs and vocational educational programs sponsored by public/private community agencies. [124D.57]

## Property Tax Relief Aids

Property tax aids are intended to replace property tax levies with state payments for local taxing jurisdictions. Property tax credits reduce property taxes with state payments for individual taxpayers. In both cases, the effect is that the property taxpayer pays less than what the taxes would otherwise be on the property, and the state makes up the difference with state payments to the taxing district. The major tax relief programs are the market value homestead exclusion, the market value agriculture credit, referendum tax base replacement aid, county program aid and local government aid. Most school districts receive some level of aid under all of these programs except county program aid and local government aid, which are available only to counties and cities respectively.

Another major property tax relief program is the Homestead Credit Refund (formerly the Property Tax Refund Program). It does not reduce individual property tax amounts, but rather provides refunds to property tax payers based on the relationship between their income and property tax amount. Property tax payers with low incomes relative to their property tax bills have a portion of their tax refunded. Renters are also eligible to receive a property tax refund based on the assumption that a portion of their rent is property taxes. ***For taxes payable 2014 only, eligible homeowners may receive a one-time 3 percent increase in their homestead credit refund. Likewise, eligible renters may receive a one-time 6 percent increase in their renter property tax refund.***

### Market Value Exclusion

The market value exclusion replaces the market value homestead credit, and reduces the overall property tax burdens for homeowners, particularly for low-valued homes. The exclusion reduces the taxable market value of all residential homesteads, including the house, garage, and one-acre of farm homesteads, and equals 0.4 percent multiplied by the market value of the property up to a maximum exclusion of \$30,400 with the exclusion being phased out for home values over \$76,000. The rate of phase-out equals 9 percent times the market value above \$76,000, resulting in the credit being fully phased-out for homes valued at \$413,800 or more.



### Agricultural Market Value Credit

The agricultural market value credit reduces the overall property tax burdens for farmers, particularly for low-valued agricultural homesteads. The credit applies to all agricultural homesteads, but does not apply to the house, garage, and surrounding one acre of farmland, since that portion of the property benefits from the homestead credit. The credit equals 0.3 percent multiplied by the market value of the agricultural portion of the property up to a maximum credit amount of \$345, with the credit being partially phased out for land values over \$115,000. The credit begins to phase down between \$115,000 and \$345,000 in value. Agricultural homesteads with values of \$345,000 and higher receive a credit of \$230. ***For taxes payable 2014 only, a supplemental credit of up to \$205 will be paid to each qualifying property owner, as long as the credit does not exceed net taxes due and the property is free of delinquent taxes.***

***Beginning in taxes payable 2015, the agricultural market value credit calculation is revised to reflect a credit of .01 percent for market values above \$115,000, up to a value of \$260,000. The maximum credit will be \$490 (up from \$345).***

### Referendum Tax Base Replacement Aid

Operating referendum levies are not assessed on agricultural land or non-commercial seasonal recreational property (cabins, for example). In order to prevent the shift of tax burden for referendum levies from these types of properties to other classes of property, districts are paid referendum tax base replacement aid. Payments to school districts equal the amount of taxes cabins and farms would have otherwise paid for existing levies had they not been exempted, based on referendum amounts in existence in 2003.

**Property Tax Calculation - Residential Property**

Tax Calculation for Homestead Property in a City  
(For Property Taxes Payable in 2014)

Estimated Market Value	=	\$185,000
Class Rate	=	1%
 Taxable Market Value	=	Estimated Market Value – Exclusion *
	=	\$185,000 - \$20,590
	=	\$164,410
 Tax Capacity	=	Taxable Market Value x Class Rate
	=	(164,410 x .01)
	=	\$1,644
 Tax Capacity Net Tax	=	Tax Rate x Tax Capacity
	=	Tax Rate x \$1,644
 Market Value Net Tax	=	Tax Rate x Estimated Market Value
	=	Tax Rate x \$185,000

<b>Calculation of Tax</b>	<i>Tax Capacity</i>		<i>Market Value</i>	
	Tax Rate	x	Tax Rate	x
		\$1,644		\$185,000
County Rate	51.7%	\$850	0.0%	\$0
City Rate	38.3%	\$630	0.0%	\$0
School Rate	25.4%	\$418	0.2%	\$370
Special Rate	5.0%	\$82	0.0%	\$0
Gross Tax	120.4%	\$1,980	0.2%	\$370

Net Tax	=	Tax Capacity Net Tax	+	Market Value Net Tax
	=	\$1,980		+ \$370
	=	\$2,350		

**\* Calculation of the Market Value Homestead Exclusion**

Maximum Exclusion	=	\$30,400
 Phase-out portion	=	(\$185,000 – 76,000) x .09
	=	\$109,000 x .09
	=	\$9,810
 Exclusion	=	\$30,400 - \$9,810 = \$20,590

**Property Tax Calculation - Agricultural Homestead Property**

Tax Calculation for Agricultural Homestead  
(For Property Taxes Payable in 2014)

Estimated Market Value	=	\$295,000
Home, Garage & 1 Acre Estimated Market Value	=	\$ 85,000
Farm Land Estimated Market Value	=	\$210,000
Class Rate = For Home, Garage and 1 acre:		1.0%
For Agriculture land:		0.5%

Taxable Market Value =	Est. Market Value (House, Garage & 1 Acre) - Exclusion * (next page)
=	\$85,000 - \$29,590
=	\$55,410

Tax Capacity = Taxable Market Value x Class Rate

Tax Capacity, Home = (\$55,410 x .01)  
= \$554

Tax Capacity, Land = (210,000 x .005)  
= \$1,050

Tax Capacity, Home and Farmland = \$554 + \$1,050 = \$1,604

Tax Capacity Gross Tax = Tax Rate x Tax Capacity  
= Tax Rate x \$1,604

Market Value Net Tax = Tax Rate x Market Value  
= Tax Rate x \$85,000 \*\* (next page)

<b>Calculation of Tax</b>	<i>Tax Capacity</i>		<i>Market Value</i>	
	Tax Rate	x	Tax Rate	x
		\$1,604		\$85,000
County Rate	51.7%	\$829	0.0%	\$0
Township Rate	8.3%	\$133	0.0%	\$0
School Rate	25.4%	\$407	0.2%	\$170
Special Rate	5.0%	\$80	0.0%	\$0
Tax Capacity Gross Tax	90.4%	\$1,449		
Agriculture Credit * (next page)		\$297		
Market Value Net Tax			0.2%	\$170
Total Net Tax		\$1,152	+	\$170
			=	\$1,322

**\* Calculation of Market Value Homestead Exclusion and the Market Value Agricultural Credit**

**Market Value Homestead Exclusion**

$$\begin{aligned} \text{Maximum Exclusion} &= \$30,400 \\ \text{Phase-out portion} &= (\$85,000 - 76,000) \times .09 \\ &= \$9,000 \times .09 \\ &= \$810 \\ \text{Exclusion} &= \$30,400 - \$810 = \$29,590 \end{aligned}$$

**Market Value Agriculture Credit**

$$\begin{aligned} \text{Maximum Credit} &= \$345 \\ \text{Phase-out portion} &= (\$210,000 - 115,000) \times .0005 \\ &= \$95,000 \times .0005 \\ &= \$48 \\ \text{MV Ag Credit} &= \$345 - \$48 = \$297 \end{aligned}$$

\*\* Farm land is excluded from Market Value for most school levies that are levied against Market Value, so this example excludes the farm land from the Market Value used to calculate the Market Value Net Tax.

**Effect of Tax Relief Aids on School District Revenue**

Gopherville School District

Total Property Tax Levies Certified by the School Board	=	\$1,670,000
Total Direct State Education Aid Payments	=	\$2,435,000

Sum of the portion of the Agriculture Homestead Credit allocated to school levy, summed for all agriculture homesteads in the school district = \$95,000

		Agricultural Homestead Credit		Net School Property Tax
Levy	-	\$95,000	=	\$1,575,000
\$1,670,000				

This is the amount of school property tax that will actually be received from property owners in the school district after reductions for the agriculture homestead credit.

The district receives the amount of the agriculture homestead credit as state aid in addition to other state aid paid on education funding formulas.

Direct State Aid Payments		Agriculture Homestead Credit		Total State Aid Payments
\$2,435,000	+	\$95,000	=	\$2,530,000

**Education Finance Appropriations\***

Fiscal Years 2013-14 and 2014-15

(\$ in thousands)

	2013-14	2014-15	Biennium
General Education	\$6,898,729	\$6,508,828	\$13,407,557
Education Excellence	\$233,913	\$311,537	\$545,450
Special Programs	\$1,084,447	\$1,114,216	\$2,198,663
Facilities & Technology	\$47,858	\$50,303	\$98,161
Family & Early Childhood Ed	\$131,120	\$141,454	\$272,574
Nutrition Programs	\$18,867	\$23,513	\$42,380
Libraries	\$18,686	\$18,070	\$36,756
Education Dept.	\$20,758	\$19,716	\$40,474
Minnesota State Academies	\$11,749	\$11,964	\$23,713
Center for Arts Education	\$6,773	\$6,773	\$13,546
MN Management & Budget	\$0	\$294	\$294
	<u>\$8,472,900</u>	<u>\$8,206,668</u>	<u>\$16,679,568</u>

State appropriations for programs are different than the revenue calculated based on the formula for those programs due to the statutory requirement that the state pay most education aids over a two year period, with a majority percentage of the current year's entitlement paid in the current year, plus the balance of the previous year's entitlement, which is adjusted for changes in formula variables (pupil counts, for example). For 2014-15, State appropriations equal 90 percent of the current year entitlement, and the final 10 percent payment from the prior year, 2013-14. [127A.45]

When these aid payment percentages are changed, there are significant changes in the State appropriations above, mostly on a one-time basis. For example, the change from 64.3 percent to 86.4 percent in 2012-13 increased the State aid appropriation for that year by over \$1.5 billion.

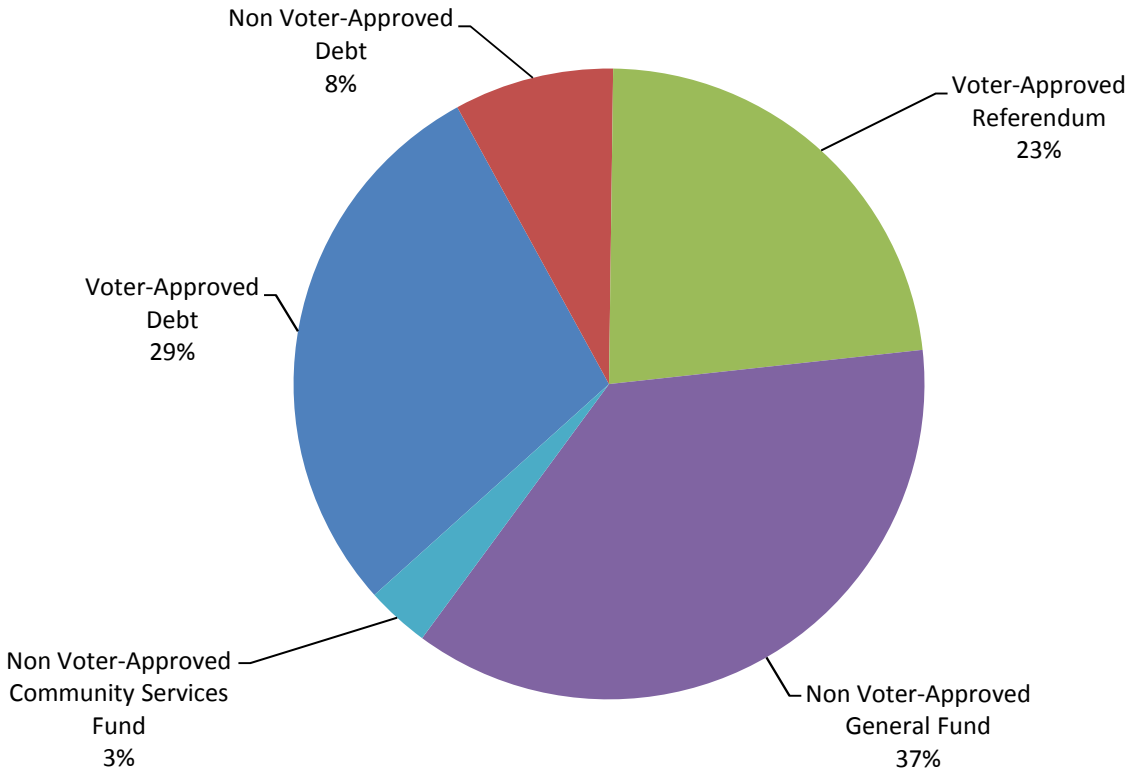
\*Appropriations include education finance related changes enacted in the Omnibus Tax Bill (2013 Sessions Laws, Chapter 143). Education finance related changes included in first tax bill of 2014 (2014 Session Laws, Chapter 150) will go into effect beginning in FY 2016.

**School District Property Tax Levies**  
Fiscal Years 2013-14 and 2014-15

	FY 2013-14 Payable 2013	FY 2014-15 Payable 2014
General Fund	\$1,359,997,200	\$1,416,004,200
Debt Service Fund	\$815,643,000	\$801,610,500
Other Post-Employment Benefits Debt Fund	\$69,939,700	\$70,662,600
Community Service Fund	\$76,212,100	\$76,756,500
<b>Total Levies</b>	<b>\$2,321,792,000</b>	<b>\$2,365,033,800</b>

These are the levies certified (before applying the tax relief aids) for a specific year. Levy figures for payable 2013 are the amounts that are certified for 2013 in the fall of 2012 and levy figures for payable 2014 are the amounts certified for 2014 in the fall of 2013. Levies certified in the fall of 2012 are paid by taxpayers in May and October of 2013. Levies certified in the fall of 2013 are paid by taxpayers in May and October of 2014.

**FY 2014-15, Pay 2014 Levies**  
**Total Levy: \$2.37 billion**



**Property Tax Relief Aid Payments to School Districts**

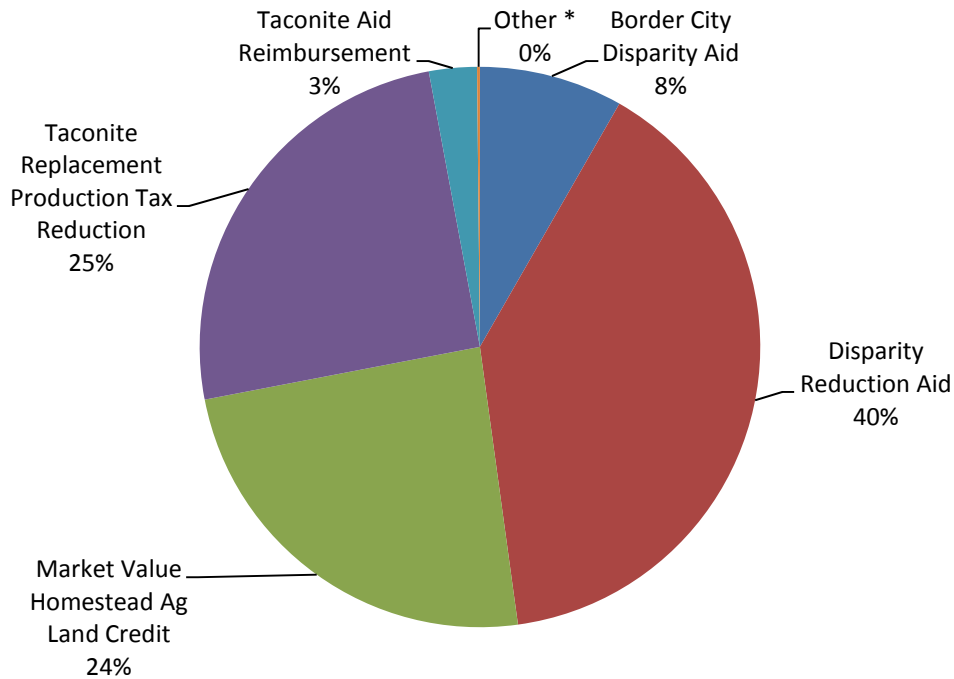
Fiscal Years 2013-14 and 2014-15

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Border City Disparity Aid	\$ 1,403,000	\$ 1,680,000
Disparity Reduction Aid	\$ 8,319,000	\$ 8,023,000
Market Value Homestead Ag Land Credit	\$ 5,339,000	\$ 4,900,000
Taconite Replacement Production Tax Reduction	\$ 5,057,000	\$ 5,089,000
Taconite Aid Reimbursement	\$ 561,000	\$ 561,000
Other *	\$ 164,000	\$ 34,000
	<b>\$ 20,843,000</b>	<b>\$ 20,287,000</b>

\* Other includes Disaster Credits and prior year adjustments

Tax relief aids are appropriated based on a percentage of the current year's entitlement plus the balance of the previous year's entitlement adjusted for changes in formula variables. Under current law for 2014-15, State appropriations equal 90 percent of the current year entitlement, and the final 10 percent from 2013-14. [127A.45]

**Property Tax Relief Aid Payments  
2014-15**



## Education Revenue Sources

This chart shows the revenue available for education from state and local sources. All state education finance appropriations including the Department of Education, Minnesota State Academies, the Minnesota Center for Arts Education, tax relief aid payments to districts, various dedicated revenues, and net education property tax levies are included. (Net levies are certified levies minus tax relief aids.) Federal revenues and fees charged by districts are not included. These are total revenue figures, not revenue per pupil unit.

### **School District Revenue** Fiscal Years 2013-14 and 2014-15

	<b>2013-14</b>	<b>2014-15</b>
Appropriations (1)	7,853,285,000	8,222,457,000
Tax Credits (2)	20,843,000	20,287,000
Net Levy (3)	2,300,949,000	2,344,746,600
Dedicated Funds (4)	43,032,963	43,054,963
<b>Total</b>	<b>10,218,109,963</b>	<b>10,630,545,563</b>
<b>Percent from State Sources</b>	<b>77.5%</b>	<b>77.9%</b>
<b>Percent from Local Sources</b>	<b>22.5%</b>	<b>22.1%</b>

(1) The calculation of State Appropriations for FY 2013-14 includes a subtraction of one-time expenditures related to repaying the aid payment shift and property tax recognition shift. State appropriations for programs are different than the revenue calculated based on the formula for those programs due to the statutory requirement that the state pay most education aids over a two year period, with a majority percentage of the current year's entitlement paid in the current year, plus the balance of the previous year's entitlement, which is adjusted for changes in formula variables (pupil counts, for example). Under current law, for 2014-15, State appropriations equal 90 percent of the current year entitlement, and the final 10 percent payment from 2013-14. The state appropriation includes K-12 education appropriations (including state agencies), early childhood and family education appropriations, special TRA contributions for first class cities and maximum effort debt service.

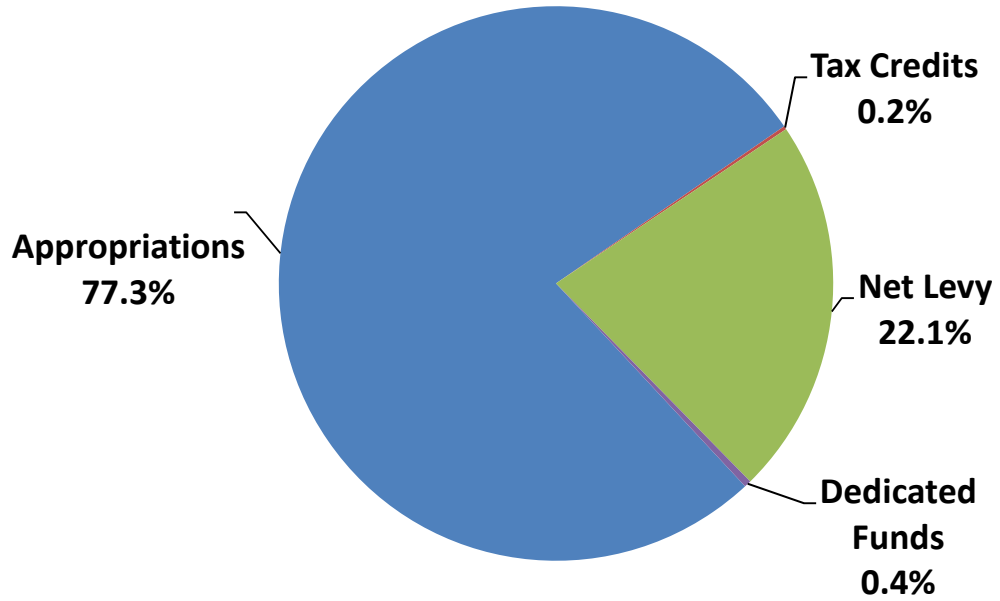
(2) Tax credits include border city disparity credits, disparity reduction aid credits, disaster credits, market value agricultural land education credits, replacement taconite production tax credits and taconite reimbursement aid credits.

(3) The property tax figure is the amount levied or estimated to be levied for the school year.

(4) Dedicated funds include the permanent school fund and taconite revenues.

# Education Revenue Sources

Fiscal Year 2015 Total State & Local Revenue: \$10,630,545,563

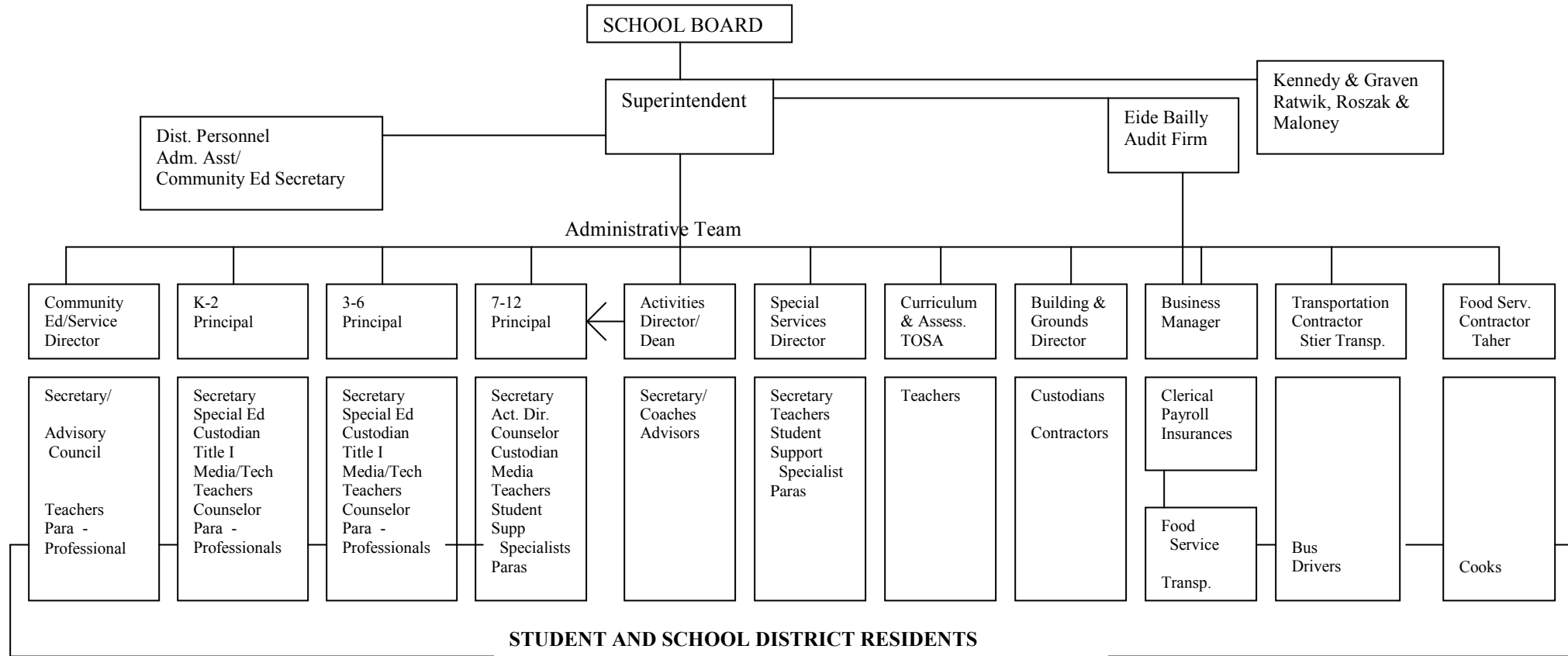


## 2015 Meeting Schedule Belle Plaine School Board

January 12	Organizational Meeting
January 13-16	MSBA Phase I, II and Leadership Conference, Mpls Convention Ctr
January 26	Regular Board Meeting
February 9???	Board & Admin Planning Session (1 p.m. at location TBD)
February 9	Board Work Session
February 23	Regular Board Meeting
March 9	Board Work Session
March 23	Regular Board Meeting (This is proposed Spring Break Monday)
April 13	Board Work Session
April 27	Regular Board Meeting
May 11	Board Work Session
May 26	Regular Board Meeting (Tuesday due to Memorial Day)
June 8	Board Work Session
June 22	Regular Board Meeting
July 27	Regular Board Meeting
August 10	Board Work Session
August 24	Regular Board Meeting
September 14	Board Work Session
September 28	Regular Board Meeting
October 12	Board Work Session (Columbus Day Observed)
October 26	Regular Board Meeting
November 9	Board Work Session
November 23	Regular Board Meeting
December 14	Board Work Session/Truth in Taxation Hearing
December 21	Regular Board Meeting
January 4	Organizational Meeting

- \* Board Work Sessions begin at 6 p.m.
- \* Regular Board Meetings begin at 6 p.m. and are preceded by a Finance Committee Meeting beginning at 5:30 p.m.
- \* Meetings in June, July and August will begin one hour later (6:30 p.m. & 7 p.m.)
- \* Meeting schedule will be reviewed annually to ensure maximum attendance by board members
- \* All regular meetings are held in the Board Room located on the second floor of the District Center at 130 S Willow Street, Belle Plaine, MN

# 2015 BELLE PLAINE SCHOOL DISTRICT ORGANIZATIONAL PLAN



## STUDENT AND SCHOOL DISTRICT RESIDENTS

### STAFFING

Superintendent  
 Business Manager  
 Chatfield Elementary Principal  
 Oak Crest Elementary Principal  
 Junior-Senior High Principal  
 Asst. Principal/Activities Director  
 Special Services Director  
 Curriculum & Assessment Director  
 Community Ed. Director  
 Building & Grounds Director  
 Technology Director  
 Food Service Contractor

### PERSON

Dr. Kelly Smith  
 Chuck Keller  
 Kim DeWitte  
 Dr. Liann Hanson  
 David Kreft  
 Mindy Sparby  
 Chad Williams  
 Margot Hansen  
 Nelson Ladd  
 Jeff Heine  
 Ken Wick  
 Taher/Julie Ahlbrecht

### LOCATION

District Office  
 District Office  
 Chatfield Elem. School  
 Oak Crest Elem. School  
 Jr.-Sr. High School  
 Jr./Sr. High School  
 District Center  
 Jr./Sr. High School  
 District Center  
 Jr./Sr. High School  
 Jr./Sr. High School  
 Elementary School

### SUPPORT

Kris Davis, Administrative Assistant  
 Amy Franck, Payroll/Human Resource, Kris Davis, Accounts Payable  
 Patti Edberg, Chatfield Elementary Secretary  
 Janis Buesgens, Oak Crest Elementary Secretary  
 Jill Leonard, Jr.-Sr. High Secretary  
 Laurie Fogarty, Activities Secretary/Activity Funds Specialist  
 Barb Loomis, Special Services Secretary  
 Teri Kiewatt, Student Data (MARSS) Specialist  
 Pandey Anderson, Community Service Secretary, Kris Davis, Adm. Asst.  
 Kris Davis, Adm. Asst., Chuck Keller, Business Manager  
 Lindsay Sawatzky, Information Technology Specialist  
 Kris Davis, Adm. Asst., Chuck Keller, Business Manager

### SCHOOL BOARD COMMITTEE APPOINTMENTS

Academic and Curriculum Advisory – Dan Gardner & Mike Ludvik  
 Bldg & Grounds – Matt Lenz, Matt Bigaouette & Joe Vandermark  
 District Technology Committee – Dan Giesen, Matt Lenz & Joe Vandermark  
 Insurance Committee – Mike Ludvik, Matt Bigaouette & Kelly Smith  
 Licensed Salaries – Matt Bigaouette, Matt Lenz & Dan Giesen  
 MSHSL Rep - Matt Lenz, Alt. Kelly Smith  
 Public Relations – Dan Gardner, Dan Giesen & Joe Vandermark  
 Transportation – Matt Bigaouette & Matt Lenz

Administration Salaries – Entire Board  
 Community Services – Dan Giesen, Mike Ludvik & Joe Vandermark  
 Finance Committee – Committee of the Whole  
 Legislative & School for Equity In Education (SEE) – Mike Ludvik & Kelly Smith  
 Meet and Confer – Entire Board  
 Non-Licensed Salaries – Dan Gardner, Joe Vandermark & Mike Ludvik  
 SW Metro Educational Coop. – Dan Giesen, Alt. Dan Gardner  
 Wellness – Dan Gardner