

Subject Small Schools Revenue

Authors Urdahl and others

Analyst Tim Strom

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Overview

Small schools revenue is a component of general education revenue. Under current law, a school district that serves fewer than 960 pupil units is eligible for small schools revenue. Small schools revenue equals the product of the allowance of \$544, the district's adjusted pupil units, and the ratio of 960 less the district's adjusted pupil units to 960. This ratio scales the revenue so that the smallest school districts receive the largest amount of revenue per pupil unit. As the district's size approaches 960 pupil units, the revenue phases out. Charter schools do not qualify for small schools revenue. For fiscal year 2019, small schools revenue totals \$16.4 million and goes to Minnesota's 160 smallest school districts (those with a student population of under 960).

H.F. 16 makes three changes to the small schools revenue formula. First, it increases the maximum qualifying size from 960 pupils to 1,500 pupil units. Second, the allowance is increased from \$544 to \$631.20 (10 percent of the basic revenue formula allowance). Finally, each district's pupil count for this formula is limited to no less than 750 pupil units. These three changes increase the small schools revenue by about \$30 million beginning in fiscal year 2020.

Summary

Section	Description
1	<p>Small schools revenue.</p> <p>Increases small schools revenue by increasing the program's allowance from \$544 to ten percent of the formula allowance \$631.20, limiting the maximum qualifying school size to 1,500 pupil units instead of 960 pupil units, and creating a minimum pupil count of 750 pupil units for each school district.</p>