

# District 833 South Washington County Education Finance Analysis

*School Funding, Inflation & Student Performance*

Ken Wolf & Bob Fallen  
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# About The Authors

A recognized expert in education finance, **Ken Wolf** served as a state legislator in Minnesota serving on the Education and Education Finance Committees from 1995 through 2002. During that time, Wolf published several papers addressing school finance. In 1997, Wolf was appointed to serve as Chairman of the Subcommittee on Government Efficiency and Oversight. **Bob Fallen** is the Founder of *Local Elections Matter*, an organization with a mission to inform citizens about local School Board governance processes and to motivate greater public engagement and amplification of matters that impact school districts. Fallen is also a volunteer with the Hopkins Schools Alliance, a local group of parents and residents concerned about the future of the Hopkins School District.

## GOP lawmaker disputes claim that state 'underfunds' schools

State Rep. Ken Wolf is attempting a difficult task — to explain Minnesota's arcane education finance system to the masses and to refute the claim that state aid has not kept pace with inflation.



**STEVEN DORNFELD**  
ASSOCIATE  
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In an eight-page newsletter to his district, the Burnsville Republican contends that unrestricted state aid to school districts has exceeded inflation by 9 percent since 1991. He says total state aid — including money earmarked for specific purposes — has exceeded inflation by 14 percent during the same eight-year period.

Wolf, who serves on the House school finance committee, says he prepared the newsletter because he got tired of hearing school officials say that "the state has underfunded education year after

year,' especially in the years Arne Carlson was governor."

"I took it kind of personally," he says. Wolf, a former computer program and a numbers whiz, supports his assertions with a series of charts and graphs illustrating how the system works and how state support for schools has risen. He also contends that the system has been slightly more generous for the Burnsville district than for school districts statewide.

Duane Benson, president of the Minnesota Business Partnership and a former state senator, praises Wolf's newsletter as "almost revolutionary in this day and age. He's saying to his constituents: 'Stay with me now. I'm going to take a complicated issue and I'm going to try to explain it.'"

Officials of state education groups and the Burnsville school district express doubts about the accuracy of some of Wolf's numbers, but to date they have offered none of their own.

Wolf's newsletter went out over the Memorial Day weekend as Burnsville

School District 191 and a number of suburban districts like it were beginning to grapple with some difficult budget problems for the coming year.

Although the Minnesota School Boards Association has heralded the \$7.9-billion school aid package passed by the 1999 Legislature as the most generous in a decade, a number of districts are talking about the need to lay off teachers and make other "budget cuts."

**Rep. Ken Wolf is attempting the impossible — to explain to constituents how Minnesota's arcane education funding system works.**

In most cases, these "cuts" are not really cuts at all — but reductions in the spending increases that districts would like to make.

The main reason for the budget problems in many districts is that they have flat or declining enrollments. The bulk of state aid is distributed on a per-pupil basis.

But the Legislature did increase the amount of per-pupil aid by 4.7 percent in the first year of the biennium and 3.2 percent in the second year. It also provided a "partial" cushion for districts with declining enrollments. And it approved

## Wolf's report makes important distinctions

To the editor:

Rep. Ken Wolf's (R-Burnsville) recent report, "Education Finance," has received a lot of attention, as it should.

If we are going to effectively involve parents and individual teachers in improving student achievement then we must ensure they have useful information. In the world of education finance and arguments over school funding, it's easy for people to throw around enough figures and accusations to confuse a brain surgeon.

Most people agree teacher compensation takes up the majority of any school district's budget. And, as illustrated by the trade-offs made by the St. Paul School District, we often end up having to decide between educational program offerings and differing levels of teacher pay raises.

To make the most informed decisions, we need to be able to distinguish between the increases actually received by individual teachers and the increase in the overall salary schedule. Generally, compensation for individual teachers exceeds the increase in the salary schedule.

**Rep. Wolf's report did a marvelous job at making that important distinction. Next time your local school board announces a salary settlement calling for yearly compensation increases of 2.8 and 2.7 percent, you can ask if that is for individual teachers or for the salary schedule. By boiling it down to the impact on individual teachers, we can more accurately discuss if it was enough.**

**Rep. Wolf's report, combined with other legislative changes are making it possible for parents and teachers to better understand the issues of student achievement and school funding. Ultimately, our children will be the ones who will benefit from these efforts.**

**Duane Benson**  
Executive Director of Minnesota  
Business Partnership

# Education Funding vs. Inflation (CPI)

While many lament that “school funding has not kept pace with inflation”, the Combined Revenue in District 833 South Washington County exceeded inflation by 29% from 2013-2023. **Over that same period, per-pupil funding in D833 increased from \$ 9,297 to \$14,382, an increase of 54.70%.**

Understandably, the public does not fully grasp the nuances of K-12 finance, and when they are told that K12 funding has lagged inflation, they assume the statement to be based in fact. However, strictly looking at the “Basic Formula” does not represent a complete picture of education funding and provides a misleading story communicated to the tax-paying public. The true measure of school funding is the Combined Revenue reported by the Minnesota Department of Education, that combines State Aid and Local Levies. This is the only way to get a complete picture of the adequacy of education funding on a district-by-district and statewide basis.

Cost structures for school districts vary, with many nuances and variables related to expenditures. However, the following information is based 100% on factual data available to the public.

# D833 SWC 20-Year Total Funding vs Inflation (CPI)

Description	FY 2003	FY 2023	# CHANGE	% CHANGE	NOTES
Average Daily Membership (ADM)	15,596	18,792	3,196	20.5%	Student population increased by 20.5 percent from 2003-23
Consumer Price Index (CPI)	183.96	292.66	108.70	59.09%	CPI increased 2.95 percent per year
Basic Education Fund	82,544,194	140,953,667	58,409,473	70.77%	Basic increased 3.54% per year, over CPI by 0.59%
Other General Education	17,140,655	65,836,408	48,695,753	284.10%	General increased 14.21% per year, over CPI by 11.26%
<b>General Education Total</b>	<b>99,684,849</b>	<b>206,790,075</b>	<b>107,105,226</b>	<b>107.44%</b>	<b>Basic &amp; General increased 5.37% per year, over CPI by 2.42%</b>
Special Education Fund	9,008,126	38,845,390	29,837,264	331.23%	Special Ed increased 16.56% per year, over CPI by 13.61%
Other Funds	7,952,018	24,625,276	16,673,258	209.67%	Other increased 10.48% per year, over CPI by 7.53%
<b>Combined Revenue</b>	<b>116,644,993</b>	<b>270,260,741</b>	<b>153,615,748</b>	<b>131.70%</b>	<b>Total Funding increased 6.59% per year, over CPI by 3.63%</b>
Combined Aid (State)	99,967,823	198,906,727	98,938,904	98.97%	State Aid increased 4.95% per year, over CPI by 2.0%
Combined Levies (Local)	16,677,170	71,354,014	54,676,844	327.85%	Local Levies increased 16.39% per year, over CPI by 13.44%
<b>Total Combined Revenue</b>	<b>116,644,993</b>	<b>270,260,741</b>	<b>153,615,748</b>	<b>131.70%</b>	<b>Total Funding increased 6.59% per year, over CPI by 3.63%</b>

## Key Findings

- Combined Revenue for D833 South Washington County exceeded inflation (CPI) by 72.61% ( 3.63% per year) for the past 20 years (2003-23).
- In 2003, Combined Revenue consisted of Basic (71%), Other General Ed (15%), Special Ed (8%) and Other Funds (6%).
- In 2023, Combined Revenue consisted of Basic (52%), Other General Ed (24%), Special Ed (14%) and Other Funds (10%).

# D833 SWC 20-Year Per-Pupil Funding vs Inflation (CPI)

Description	FY 2003	FY 2023	# CHANGE	% CHANGE	NOTES
Average Daily Membership (ADM)	15,596	18,792	3,196	20.5%	Student population increased by 20.5 percent from 2003-23
Consumer Price Index (CPI)	183.96	292.66	108.70	59.09%	CPI Increased 2.95 percent per year
Basic Education Fund	5,293	7,501	2,208	41.72%	Basic increased 2.09% per year, under CPI by 0.86%
Other General Education	1,099	3,503	2,404	218.74%	General increased 10.94% per year, over CPI by 7.99%
<b>General Education Total</b>	<b>6,392</b>	<b>11,004</b>	<b>4,612</b>	<b>72.15%</b>	<b>Basic &amp; General increased 3.61% per year, over CPI by 0.66%</b>
Special Education Fund	578	1,908	1,330	230.10%	Special Ed increased 11.51% per year, over CPI by 8.56%
Other Funds	509	1,470	961	188.80%	Other increased 9.44% per year, over CPI by 6.49%
<b>Combined Revenue</b>	<b>7,479</b>	<b>14,382</b>	<b>6,903</b>	<b>92.30%</b>	<b>Total Funding increased 4.62% per year, over CPI by 1.67%</b>
Combined Aid (State)	6,410	10,585	4,175	65.13%	State Aid increased 3.26% per year, over CPI by 0.31%
Combined Levies (Local)	1,069	3,797	2,728	255.19%	Local Levies increased 12.76% per year, over CPI by 9.81%
<b>Total Combined Revenue</b>	<b>7,479</b>	<b>14,382</b>	<b>6,903</b>	<b>92.30%</b>	<b>Total Funding increased 4.62% per year, over CPI by 1.67%</b>

## Key Findings

- Combined Per-Pupil Funding for D833 South Washington County exceeded inflation (CPI) by 33.21% ( 1.67% per year) for the past 20 years 2003-23.
- Per-Pupil Funding for D833 South Washington County increased \$6,903 over the past 20 years, from \$7,479 to \$14,382, an increase of 92.3%

# D833 SWC 10-Year Total Funding vs Inflation (CPI)

Description	FY 2013	FY 2023	# CHANGE	% CHANGE	NOTES
Average Daily Membership (ADM)	17,649	18,792	1,143	6.5%	Student population increased by 6.5% from 2013-23.
Consumer Price Index (CPI)	232.95	292.66	59.70	25.63%	CPI Increased 2.56 percent per year
Basic Education Fund	106,910,832	140,953,667	34,042,835	31.84%	Basic increased 3.18% per year, over CPI by 0.62%
Other General Education	31,398,326	65,836,408	34,438,082	109.68%	General increased 10.97% per year, over CPI by 8.41%
<b>General Education Total</b>	<b>138,309,158</b>	<b>206,790,075</b>	<b>68,480,917</b>	<b>49.51%</b>	<b>Basic &amp; General increased 4.95% per year, over CPI by 2.39%</b>
Special Education Fund	11,995,042	38,845,390	26,850,348	223.85%	Special Ed increased 22.39% per year, over CPI by 19.83%
Other Funds	13,774,836	24,625,276	10,850,440	78.78%	Other increased 7.88% per year, over CPI by 5.32%
<b>Combined Revenue</b>	<b>164,079,036</b>	<b>270,260,741</b>	<b>106,181,705</b>	<b>64.71%</b>	<b>Total Funding increased 6.47% per year, over CPI by 3.91%</b>
Combined Aid (State)	136,144,360	198,906,727	62,762,367	46.10%	State Aid __creased __% per year, over/under CPI by __%
Combined Levies (Local)	27,934,676	71,354,014	43,419,338	155.43%	Local Levies __creased __% per year, over/under CPI by __%
<b>Total Combined Revenue</b>	<b>164,079,036</b>	<b>270,260,741</b>	<b>106,181,705</b>	<b>64.71%</b>	<b>Total Funding increased 6.47% per year, over CPI by 3.91%</b>

## Key Findings

- Combined Revenue for D833 South Washington County exceeded inflation by 39.08% (3.91% per year) for the past 10 years, (2013-23).
- In 2013, Combined Revenue consisted of Basic (65%), Other General Ed (19%), Special Ed (7%) and Other Funds (8%).
- In 2023, Combined Revenue consisted of Basic (52%), Other General Ed (24%), Special Ed (14%) and Other Funds (10%).

# D833 SWC 10-Year Per-Pupil Funding vs Inflation (CPI)

Description	FY 2013	FY 2023	# CHANGE	% CHANGE	NOTES
Average Daily Membership (ADM)	17,649	18,792	1,143	6.5%	Student population increased by 6.5% from 2013-23.
Consumer Price Index (CPI)	232.96	292.66	59.70	25.63%	CPI Increased 2.56 percent per year
Basic Education Fund	6,057	7,501	1,444	23.84%	Basic increased 2.38% per year, under CPI by 0.18%
Other General Education	1,779	3,503	1,724	96.91%	General increased 9.70% per year, over CPI by 7.14%
<b>General Education Total</b>	<b>7,836</b>	<b>11,004</b>	<b>3,168</b>	<b>40.43%</b>	<b>Basic &amp; General increased 4.04% per year, over CPI by 1.48%</b>
Special Education Fund	680	1,908	1,228	180.59%	Special Ed increased 18.06% per year, over CPI by 15.50%
Other Funds	781	1,470	689	88.22%	Other increased 8.82% per year, over CPI by 6.26%
<b>Combined Revenue</b>	<b>9,297</b>	<b>14,382</b>	<b>5,085</b>	<b>54.70%</b>	<b>Total Funding increased 5.47% per year, over CPI by 2.91%</b>
Combined Aid (State)	7,714	10,585	2,871	37.22%	State Aid increased 3.72% per year, over CPI by 1.16%
Combined Levies (Local)	1,583	3,797	2,214	139.86%	Local Levies increased 13.99% per year, over CPI by 11.43%
<b>Total Combined Revenue</b>	<b>9,297</b>	<b>14,382</b>	<b>5,085</b>	<b>54.70%</b>	<b>Total Funding increased 5.47% per year, over CPI by 2.91%</b>

## Key Findings

- Combined Per-Pupil Revenue for D833 South Washington County exceeded inflation (CPI) by 29.07% (2.91% per year) for the past 10 years, 2013-23.
- Per-Pupil Funding for D833 South Washington County increased \$5,085 over the past 10 years, from \$9,297 to \$14,382, an increase of 54.70%

# D833 School Funding vs. Student Performance (MCAs)

Since 2013, per-pupil funding in D833 South Washington County exceeded inflation by 29 % while scores of K-12 students on the Minnesota Comprehensive Assessment (MCA) tests declined by:  
**Math (- 29%), Reading (- 17%) and Science (- 31%)**

	2013	2014	2015	2016	2017	2018	2019	2021	2022	2023	
<b>MATH</b>	75.0	71.4	69.1	69.0	67.2	67.2	64.9	52.2	51.4	53.2	<b>- 29.0%</b>
<b>READING</b>	66.8	67.6	69.5	71.2	69.6	69.8	68.0	60.8	56.7	55.3	<b>- 17.2%</b>
<b>SCIENCE</b>	66.3	68.3	68.4	68.1	67.3	64.0	60.6	47.8	47.2	45.3	<b>- 31.6%</b>

Note: MCA Testing Cancelled in 2020



SOURCE: Minnesota Department of Education "Report Card"



# D833 School Funding vs. College Testing (ACTs)

Since 2013, per-pupil funding in D833 South Washington County increased 29 % while K-12 student test scores on the American College Test (ACT) declined by: **-10.3%**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>ENGLISH</b>	22.8	23.3	23.4	21.4	21.8	21.6	21.7	21.4	20.6	19.8	<b>- 13.2%</b>
<b>MATH</b>	23.9	24.2	24.2	22.2	22.8	22.4	22.3	22.4	21.7	20.8	<b>- 13.0%</b>
<b>READING</b>	23.5	24.2	24.3	22.5	22.8	22.7	22.5	22.8	22.6	21.8	<b>- 7.2%</b>
<b>SCIENCE</b>	23.3	24.0	24.0	22.4	22.8	22.3	22.5	22.7	22.2	21.5	<b>- 7.7%</b>
<b>COMPOSITION</b>	23.5	24.1	24.1	22.3	22.7	22.4	22.4	22.4	21.9	21.1	<b>- 10.2%</b>
<b>AVERAGE</b>	<b>23.4</b>	<b>24.0</b>	<b>24.0</b>	<b>22.2</b>	<b>22.6</b>	<b>22.3</b>	<b>22.3</b>	<b>22.3</b>	<b>21.8</b>	<b>21.0</b>	<b>- 10.3%</b>



SOURCE: Minnesota Department of Education

# Addendum 1: Education Funding Sources in Minnesota

For decades, the education community in Minnesota has stated that school funding has lagged inflation. The current version of this sentiment is that *the basic general education formula has lagged inflation* for the past 20 years. The basis of this premise is rooted in the **Estimated General Fund State Aid and Levy Revenues**, published by the Minnesota Department of Education (MDE). The “Basic” formula is one of only six commonly used categories utilized to calculate school funding from state and local sources:

- 1) **Basic Forumula**
- 2) **General Education**
- 3) **Special Education**
- 4) **Combined Aid**
- 5) **Combined Levies**
- 6) **Combined Revenues**

Basic represents the foundation of school district revenue, while Combined Revenues represent the total of state and local sources that fund public education. The term “basic general education formula” does not exist in the MDE database.

# Addendum 2: Commonly Used Funding Categories

**Basic Formula.** The base level of public school funding (state aid), representing 44% of Combined Revenues in 2023.

**Basic General Education.** The same as Basic.

**General Education.** Combination of funds for the operations of the school district (state aid), representing 68% of Combined Revenue in 2023.

**Combined Revenue.** The sum of all school funding from state aid and local levies, representing 100% of funding. The true measure of school funding.

**Combined Aid.** Revenue provided by State government sources (State Aid), representing 59% of Combined Revenue in 2023.

**Combined Levies.** Revenue provided by Local government sources (Local Levies), representing 41% of Combined Revenue in 2023.

# Addendum 3: Data Sources

## **REVENUES**

<https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=43>

**Estimated General Fund State Aid and Levy Revenues, FY 2003 to FY 2025; End of Session Forecast**

### **Financing Education in Minnesota (2022-23)**

A Publication of the Minnesota House of Representatives, Fiscal Analysis Department, Solveig Beckel, Fiscal Analyst

**Minnesota School Finance: A Guide for Legislators (2022)**, MN House Research, Tim Strom, Legislative Analyst

## **ACT SCORES**

<https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=87>

## **MCA TESTING**

Minnesota Department of Education

[Public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=1](https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=1)

[Minnesota Report Card \(MDE\)](#)