

Subject Increasing the General Education Formula Allowance

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Overview

General education revenue is the primary source of operating funds for Minnesota's public schools. General education revenue pays for operating expenses of the district including employee salaries, fringe benefits, and supply costs. For fiscal year 2019, each school district's general education revenue is the sum of 14 components; two of which are the same per pupil unit for all districts and charter schools and 12 that vary by district demographic and geographic characteristics. The current general education basic formula allowance is \$6,312 per pupil unit.

H.F. 882 proposes to increase the basic formula allowance by three percent per year for fiscal years 2020 and 2021 and then links future increases in the basic formula allowance to the inflation rate, as measured by the consumer price index.

Summary

Section	Description
1	Basic revenue. Increases the general education basic formula allowance from \$6,312 to \$6,501 for fiscal year 2020 and to \$6,696 for fiscal year 2021 (three percent per year). Links future increases in the basic formula allowance to inflation, as measured by the consumer price index.
2	Appropriation. Appropriates an unspecified amount of money for general education revenue for fiscal years 2020 and 2021.