

History of the Basic Formula Allowance								Basic formula adjusted for inflation by Implicit Price Deflator ((IPD)								
School Year	Actual Basic Formula Allowance	Dollar Increase	"Perceived" Percent Change	* Roll-ins	Actual "New" Dollar Amount	"Real" Percent Change	(1) IPD for State and Local Government	Inflation adjusted 1991-1992 Formula	Inflation Adjusted Roll-in	Inflation Adjusted Roll-in	Inflation Adjusted Roll-in	Inflation Adjusted Roll-in	Inflation Adjusted Roll-in	Inflation Adjusted Roll-in	Inflation Adjusted Basic Formula including Roll-ins	Formula Gap (Inflation Adjusted - Actual)
1991-1992	\$3,050							\$3,050							\$3,050	
1992-1993	\$3,050	\$0	0.0%		\$0	0.0%	2.03%	\$3,112							\$3,112	\$62
1993-1994	\$3,050	\$0	0.0%		\$0	0.0%	2.45%	\$3,188							\$3,188	\$138
1994-1995	\$3,150	\$100	3.2%	a	\$100	0.0%	2.62%	\$3,272	\$100						\$3,372	\$222
1995-1996	\$3,205	\$55	1.7%		\$55	1.7%	2.70%	\$3,360	\$103						\$3,463	\$258
1996-1997	\$3,505	\$300	8.6%	b	\$300	0.0%	2.20%	\$3,434	\$105	\$300					\$3,839	\$334
1997-1998	\$3,581	\$76	2.1%		\$76	2.1%	1.89%	\$3,499	\$107	\$306					\$3,911	\$330
1998-1999	\$3,530	\$79	2.2%	c	\$130	-1.4%	1.66%	\$3,557	\$109	\$311	\$130				\$4,107	\$577
1999-2000	\$3,740	\$210	5.6%	d	\$43	4.5%	2.94%	\$3,662	\$112	\$320	\$134	\$43			\$4,270	\$530
2000-2001	\$3,964	\$224	5.7%	e	\$67	3.0%	4.53%	\$3,827	\$117	\$334	\$140	\$45	\$67		\$4,531	\$567
2001-2002	\$4,068	\$104	2.6%		\$104	2.6%	2.87%	\$3,937	\$120	\$344	\$144	\$46	\$69		\$4,661	\$593
2002-2003	\$4,601	\$533	11.6%	f	\$429	2.6%	2.49%	\$4,035	\$123	\$353	\$147	\$47	\$71	\$429	\$5,206	\$605
2003-2004	\$4,601	\$0	0.0%		\$0	0.0%	4.06%	\$4,199	\$128	\$367	\$153	\$49	\$74	\$446	\$5,417	\$816
2004-2005	\$4,601	\$0	0.0%		\$0	0.0%	4.29%	\$4,379	\$134	\$383	\$160	\$51	\$77	\$466	\$5,649	\$1,048
2005-2006	\$4,783	\$184	3.8%		\$184	4.0%	6.16%	\$4,649	\$142	\$406	\$170	\$55	\$81	\$494	\$5,997	\$1,214
2006-2007	\$4,974	\$191	3.8%		\$191	4.0%	4.92%	\$4,878	\$149	\$426	\$178	\$57	\$85	\$519	\$6,292	\$1,318
2007-2008	\$5,074	\$99	2.0%		\$99	2.0%	5.12%	\$5,127	\$157	\$448	\$187	\$60	\$90	\$545	\$6,614	\$1,540
2008-2009	\$5,124	\$49	1.0%		\$49	1.0%	5.60%	\$5,415	\$165	\$473	\$198	\$64	\$95	\$576	\$6,985	\$1,861
2009-2010	\$5,124	\$0	0.0%		\$0	0.0%	-0.45%	\$5,390	\$165	\$471	\$197	\$63	\$94	\$573	\$6,953	\$1,829
2010-2011	\$5,124	\$0	0.0%		\$0	0.0%	1.06%	\$5,447	\$166	\$476	\$199	\$64	\$95	\$579	\$7,027	\$1,903
The basic formula today is set at \$5,124.		Average	2.8%			"Real" Average	1.4%	3.1%						The basic formula would be \$7,027 if adjusted for inflation since 1991. This gap of \$1,903 per pupil unit has eroded educational opportunities for Minnesota school children.		

Estimates are italicized

*Roll-ins: money that was already going to schools but taken out of other categories and rolled-in to the formula allowance - not new money.

(a) \$100 for referendum conversions from 1994-95 through present. For districts that already had \$100 in referendum revenue this was a roll-in. For districts that did not, this was new revenue.

(b) The formula and tax rate for 1996-97 reflects the roll-in of \$170, a major portion, of transportation funding and \$130 training experience funding into the general education formula.

(c) The formula for 1998-99 reflects the roll-out of training and experience funding from the general education formula. The decrease of \$51 is the net result of the \$130 reduction for the roll-out of training and experience and a \$79 increase to the formula.

(d) The formula allowance increase of \$210 is the result of the roll-in of \$43 in graduation standards revenue into the formula and a \$167 increase in the formula.

(e) The formula allowance increase of \$224 is the net result of the roll-in of \$67 in district cooperation revenue, an increase of \$39 to the formula for staff development and a \$118 increase in the formula.

(f) The formula allowance increase in 2002-03 is the net result of the roll-in of \$14 in assurance of mastery revenue, the conversion of \$415 of referendum revenue onto the basic formula and an \$104 increase in the formula. For districts that already had \$415 in referendum revenue, this was a roll-in. For districts that did not, this was new revenue

(1) Source: Bureau of Economic Analysis. IPD is the acronym for implicit price deflator which can be a more accurate measure of inflation than CPI for state and local government expenditures.