Fiscal Principles for Recommendation

1. Cap the existing revenue program at the current level.
2. Level the fiscal disparities between demographically similar districts
   a. Reduce the disproportionality between tiers starting in FY 15
   b. Create incentives for districts to cooperate to reduce racial disproportionality using voluntary measures (public school choice).
3. Set aside .02% of revenue to ensure oversight and accountability at the Minnesota Department of Education.
   a. Cost may be off-set through gains achieved through inter-district consolidation.
4. Create a fiscal model that is predictable over time and stable in three-year increments.
5. Define percentages of allowable expenditures in statute:
   a. At least 80% of revenue is spent on students
   b. 20% spent on professional development and administration
      i. Administrative costs may not exceed 10%