



# MARSS University 206 Compensatory Revenue

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October 11, 2018

# Compensatory Revenue – What is it?

- State funding that must be reserved and used to meet the educational needs of the students.
- Especially for those children under-prepared to learn or below the level that is appropriate for learners their age.
- Used for programs designed to prepare and assist children and their families for school.

# Compensatory Revenue (1)

- School sites where pupils eligible for free and reduced-priced lunches attend.
- Receive compensatory revenue based on the number of eligible pupils at the site.
- Compensatory revenue per pupil increases as the percent of free and reduced-price pupils at a particular school site increases.

# Compensatory Revenue – What can it be used for?

Allowable uses of the revenue are listed in [Minnesota Statutes, section 126C.15 subdivision 1](#).

- Direct instructional services
- Remedial instruction, for example reading and math
- Staff development

# Compensatory Revenue

Based on:

- Counts of students enrolled on October 1.
- Number of students enrolled who are eligible for free or reduced-price meal program.
- Fall Minnesota Automated Reporting Student System (MARSS) file only – not updated End-of-Year (EOY).
- Report the highest eligibility for the entire year.

Current year's counts generate next year's revenue.

For first year charters, current year's counts generate revenue for the current year and next year.

# State Aid Categories (SACs)

Includes public school students only.

Excludes:

- SACs 14, 52 – enrolled in other state.
- SACs 15, 20-22 – ineligible to generate state aid.
- SACs 16-18 – nonpublic shared time students.
- SAC 28 – enrolled in nonpublic care and treatment.
- SACs 41-45 – health and developmental screening.
- SAC 46 – Extended School Year (ESY).
- SAC 98 – not enrolled in school.

# Grades/Schools Included

- All grades Early Childhood (EC) through 12 are included.
- EC students *without* an Individualized Education Program (IEP)/Individual Family Service Plan (IFSP) are excluded.
- Eligible Voluntary Prekindergarten (VPK) students included.
- Targeted services students are counted in the traditional school only.

# October 1 Enrolled

- Student is counted only once in the October 1 statewide counts.
- Status Start Date on or before October 1.
- Status End Date on or after October 1, or is blank, indicating that student is enrolled as of the submission date.
- When date overlap error crosses October 1, student is counted in the record with later Status Start Date.



# Alternative Program October 1 Counts

## Dual enrolled students

- Full-time at traditional school and also at an alternative program.
- Percent Enrolled 999 at alternative program.
- October 1 counted at traditional school.

## Concurrently enrolled students

- Part-time at traditional school and also at an alternative program
- Percent Enrolled 998 at alternative program.
- October 1 counted in the alternative program.

## Data Item Values:

- 0 = full-pay, not eligible.
- 1 = documentation for reduced price meals.
- 2 = documentation for free meals.

30-day carry over from prior year for purposes of meal eligibility applies only to food service; it cannot be used for MARSS reporting.

Family does not need to accept free meal to be reported as eligible for free.

Use same certification and verification as used for food services.

# Fall vs. EOY MARSS Files

On the *fall* file, report the highest level of eligibility certified for the current school year between July 1 and December 15.

On the *EOY* file, report the highest level of eligibility certified for the current year between July 1 and the end of the year.

No need to create a new record when eligibility changes.

Compensatory revenue counts are *not* updated using EOY MARSS files.

# How Families are Determined to be Eligible (1)

## Application for Educational Benefits

- Food and Nutrition Services (FNS) for all schools that provide a food service program.
- Schools that participate in School Nutrition Programs accept applications for free and reduced-price school meal benefits. Approval is based on comparison of the household's income to current U.S. Department of Agriculture (USDA) household income guidelines.

# Application for Educational Benefits

From [Minnesota Department of Education \(MDE\) homepage \(education.mn.gov\)](https://education.mn.gov)

- Districts, Schools and Educators
- School-Community Connections
- Food and Nutrition
- School Nutrition Programs
- Free and Reduced-Price Process
- Student Meal Applications
- [2018-19 Application for Educational Benefits](#)

# Community Eligibility and Free Meals for Kindergarten

## Food and Nutrition Services (FNS) programs.

- Community Eligibility schools provide free meals to all students enrolled.
- Provision 2 and 3 schools provide free meals to all student enrolled.
- Free breakfast for students in grades 1 to 12 who qualify for free or reduced-price meals and to all kindergarten students.
- Used only for purposes of FNS, not for MARSS reporting or compensatory revenue purposes.

# How Families are Determined to be Eligible (2)

Alternative Application for Educational Benefits specifically for use by the following types of schools:

- Schools participating in Community Eligibility Provision.
- Provision 2 and 3 schools.
- Schools without a food service program.

All of these schools should use the [2018-19 Household Income Guidelines and Alternate Application for Educational Benefits](#).

# How Families are Determined to be Eligible (3)

## Direct Certification

- Process by which a file of eligible children is provided to MDE by the Department of Human Services (DHS) and is matched to MARSS enrollment records. The enrolling district needs to verify that the student on the Direct Certification list is the same student who is enrolled in the school.



# Categorical Eligibility For Free

- Migrant students with a Certificate of Eligibility.
- Homelessness verified by district's homeless liaison.
- Students in a residential program.
- Foster children.
- Head start, if prekindergarten with an IEP/IFSP.
- Eligibility does not extend to other children in the same household.

School must have related documentation. Refer to [Eligibility Manual for School Meals](#).

# MARSS Student Reporting

To report as free or reduced price on MARSS:

- Application for Educational Benefits.
  - For students with access to a meal program.
- Alternate Application for Educational Benefits.
  - For students without access to a meal program.
  - For students enrolled in either Community Eligibility or Provision 2 or 3 schools.
- Direct Certification.
  - Direct Certification report from FNS.
  - MARSS edit program. Warning on MARSS 08 Error Report.

**Keep a copy of all documentation used to report Economic Indicator for three years after the close of the year for audit purposes.**

# MARSS Reporting

- MARSS collects Economic Indicator (free/reduced-price meal eligible) for each student enrolled.
- Data are used for compensatory revenue and demographics.
- Each student must be individually certified as eligible to report as free or reduced.
- Eligibility must be done annually for MARSS.

# Verifying Economic Indicator Data

Local Reports, MARSS 08 Error Report

- Warning #364

Local Reports, MARSS 12 Compensatory Revenue Student Count Report

Statewide Reports, MARSS 28 Economic Indicator Report

Compensatory Revenue Aid Entitlement Report – MFR

# MARSS Warning #364

## May be Free Eligible via Direct Certification

District 0012:01 CENTENNIAL PUBLIC SCHOOL DISTRICT School 161 PINES SCHOOL - RJC		MARSS ERROR / WARNING REPORT Using FALL Data 2016-2017 SCHOOL YEAR				Page 5 of 26 Edited 9/28/2016 2:22:08PM Printed 10/3/2016 2:43:14PM	
Student Name	Local Use Data	MARSS Number	Begin Date	End Date	Data Item and Value in Question	#	Error / Warning Message
Grade 05 --- School/Grade Warning ---					School=161:Grade=05	149	*W* Sch/Grd Rec without any students reported
Grade 06 --- School/Grade Warning ---					School=161:Grade=06	149	*W* Sch/Grd Rec without any students reported
Grade 07 --- School/Grade Warning ---					School=161:Grade=07	149	*W* Sch/Grd Rec without any students reported
Grade 08 --- School/Grade Warning --- --- School/Grade Warning --- --- School/Grade Warning --- --- School/Grade Warning ---	111347 000014942 111347 *** Case #		09/28/2016 09/06/2016 09/28/2016	06/07/2017 06/01/2017 06/07/2017	Econ Indicator Females=0 Language=011 Special Ed=0 Begin Date 09/28 *** End Date 06/01 PREV REC Economic Indicator=0: NOT eligible *** Applicant: [REDACTED]	158 124 143 171 326 364	*W* Compensatory Revenue counts=0 *W* All students reported as male *W* All students have language = English *W* No students reported in spec education *CD* Date overlap between districts *** Other District 0882:01:030 Grade 08 as of 09/28 *W* May be FREE eligible via Direct Certification
Grade 09 --- School/Grade Warning --- --- School/Grade Warning ---	104307  104307 *** Case # 111192 151578		09/28/2016 09/06/2016 09/28/2016 09/15/2016 09/06/2016	06/07/2017 06/15/2017 06/07/2017 09/19/2016 06/09/2017	Language=011 School=161:Grade=09 Begin Date 09/28 *** End Date 06/15 PREV REC Economic Indicator=0: NOT eligible *** Applicant: DHS Foster Program Begin Date 09/15 *** End Date 06/09 PREV REC	143 301 326 364 326	*W* All students have language = English *W* Spec ed students reported but no Tran Cat 03 *CD* Date overlap between districts *** Other District 0480:01:030 Grade 09 as of 09/23 *W* May be FREE eligible via Direct Certification *CD* Date overlap between districts *** Other District 0833:01:058 Grade 09 as of 09/28
Grade 10 --- School/Grade Warning --- --- School/Grade Warning ---	110871  110871 *** Case # 103442 *** Case # 108984 108984		09/06/2016 09/13/2016 09/06/2016 09/06/2016 09/20/2016 09/13/2016	09/23/2016 06/02/2017 09/23/2016 09/14/2016 06/07/2017 09/13/2016	Language=011 School=161:Grade=10 End Date 09/23 *** Begin Date 09/13 NEXT REC Economic Indicator=0: NOT eligible *** Applicant: DHS Foster Program Economic Indicator=0: NOT eligible LLA=14 *** LLA=14	143 301 326 364 364 114	*W* All students have language = English *W* Spec ed students reported but no Tran Cat 03 *CD* Date overlap between districts *** Other District 0485:01:020 Grade 10 as of 09/22 *W* May be FREE eligible via Direct Certification *W* May be FREE eligible via Direct Certification *W* Must be first student record for year *** Other School 161 Grade 10

# MARSS 12 Compensatory Revenue Student Report

## MARSS COMPENSATORY REVENUE STUDENT COUNT REPORT

Serving District CENTENNIAL PUBLIC SCHOOL DISTRICT  
Serving School 164 CENTENNIAL HIGH SCHOOL

USING FALL DATA  
2016-2017 SCHOOL YEAR  
School Level of Detail

Page 5  
Edited 9/28/2016 2:22:08PM  
Printed 2:54:26PM

Information contained in this report must be treated as private data on students.

Grade Level				Total Eligible for Reduced Price Meals		Total Eligible for Free Meals		Combined Totals for Reduced + Free Meals		Compensatory Revenue Enrollment Total
	0 Ineligible	1 Reduced	2 Free							
09	458	20	56	20	3.8%	56	10.5%	76	14.2%	534
10	435	12	46	12	2.4%	46	9.3%	58	11.8%	493
11	416	15	46	15	3.1%	46	9.6%	61	12.8%	477
12	473	7	31	7	1.4%	31	6.1%	38	7.4%	511
<b>Totals:</b>	1782	54	179	54	2.7%	179	8.9%	233	11.6%	2015

# MARSS 28 Economic Indicator Comparison Report

MINNESOTA DEPARTMENT OF EDUCATION  
Economic Indicator Comparison Report  
SCHOOL YEAR 16-17

0012:01 CENTENNIAL PUBLIC SCHOOL DISTRICT

Cycle: Fall 17

Using your most recent MARSS submission 09/28/2016, this report compares the Economic Indicator counts reported by your district/charter school between the last two years. The Economic Indicator counts are used to calculate Compensatory Revenue for each school, to allocate Title I services for each school, and to determine eligibility for programs such as First Grade Preparedness and Student Load Forgiveness.

The report lists each school in your district/charter school with the corresponding Economic Indicator counts. Detailed counts of these categories are available through the MARSS Web Edit System (WES) summary report titled "Compensatory Revenue Student Count". The Economic Indicator counts shown below are limited only to those students who were enrolled over October 1 and who have a qualify State Aid Category\*. Additionally, students with MARSS errors or students in grade EC who don't have an IEP/IFSP/IIIIP are excluded for the counts.

The Fall FY16 data are final. However, use this report to identify reporting errors in the Fall FY17 MARSS files. Reporting errors or omissions must be corrected locally and the files resubmitted in the normal manner.

Email questions on this report to [marss@state.mn.us](mailto:marss@state.mn.us)

School Name	2015/16				2016/17			
	Enrolled Oct 1 PK-12	Reduced	+Free	=Total %	Enrolled Oct 1 PK-12	Reduced	+Free	=Total %
158: PINES SCHOOL - ACS	30	0	15	15 50.0	34	0	10	10 29.4
159: PINES SCHOOL - NSP	26	0	20	20 76.9	27	0	6	6 22.2
161: PINES SCHOOL - RJC	26	0	13	13 50.0	22	0	4	4 18.2
162: PINES SCHOOL DAY PROGRAM	15	0	9	9 60.0	16	0	5	5 31.3
164: CENTENNIAL HIGH SCHOOL	1944	67	213	280 14.4	2014	54	179	233 11.6
166: CENTENNIAL MIDDLE	1554	78	201	279 18.0	1530	47	148	195 12.7
167: CENTENNIAL AREA LEARNING CENTER	55	2	20	22 40.0	44	3	17	20 45.5
168: CENTENNIAL TARGETED SERVICES	0	0	0	0 0.0	0	0	0	0 0.0
169: CENTENNIAL EXTENDED SCHOOL YEAR	0	0	0	0 0.0	0	0	0	0 0.0
170: CALC TRANSITION	34	0	10	10 29.4	30	1	4	5 16.7
171: PROJECT SEARCH	9	0	1	1 11.1	7	0	0	0 0.0
510: CENTENNIAL ELEMENTARY	469	29	98	127 27.1	503	26	81	107 21.3
511: CENTERVILLE ELEMENTARY	502	18	37	55 11.0	513	7	33	40 7.8
512: GOLDEN LAKE ELEMENTARY	366	29	139	168 45.9	363	19	105	124 34.2
513: RICE LAKE ELEMENTARY	564	6	50	56 9.9	596	3	38	41 6.9
514: EARLY CHILDHOOD CENTER	88	4	15	19 21.6	83	1	11	12 14.5
515: BLUE HERON ELEMENTARY	858	25	85	110 12.8	865	20	79	99 11.4
<b>District Totals</b>	<b>6540</b>	<b>258</b>	<b>926</b>	<b>1184 18.1</b>	<b>6647</b>	<b>181</b>	<b>720</b>	<b>901 13.6</b>

# Compensatory Revenue Aid Entitlement Report

Preliminary reports posted to MFR after each statewide fall MARSS edit.

Final report posted in January after final fall MARSS submission.

From [MDE homepage](#) select Data Center > Data Reports and Analytics > School Finance Reports: Minnesota Funding Reports (MFR).



# MFR Selection



- Home
- About
- Students and Families
- Licensing
- Districts, Schools and Educators
- Data Center

MDE > Data Center > Data Reports and Analytics

 

## Minnesota Funding Reports (MFR)

The Minnesota Department of Education (MDE) Program Finance area created the Minnesota Funding Reports (MFR) to provide state, district, school and program level funding information. An interactive search for MFR reports is available by school district, category, year and report. [Read the help document.](#)

Use the Drop Downs to identify the report of interest

Sort District list by:  Name  Numb   
List District Types:  All  Standard  Co-Ops

District View reports: CENTENNIAL PUBLIC SCHOOL DISTRICT (0012-01)  or enter up to 5 districts:   
added in the last: All Reports  (9999-99)  
Category: Aid Entitlement Reports   
Year: 17-18   
Report: Compensatory Revenue Calculation

District	Fiscal Year	Report Name	Category	Run Date
0012-01	FY 17-18	<a href="#">Compensatory Revenue Calculation</a>	Aid Entitlement Reports	08/13/2018 3:19PM

# Fiscal Year 2018 Compensatory Revenue Aid Entitlement Report

RUN DATE 08/13/18  
 DISTRICT 0012-01  
 CENTENNIAL PUBLIC SCHOOL DISTRICT

MINNESOTA DEPARTMENT OF EDUCATION  
 COMPENSATORY REVENUE FY 2018

PAGE 1  
 ALLOWANCE 5,349.00  
 GENEDD00120118

DISTRICT SITE	DISTRICT/SITE NAME	A	B	C	D	E	F	G	H	I
		2016 FALL ENROLL	2016 FREE LUNCH COUNT	2016 REDUCED LUNCH COUNT	B+ (.5xC) ADJUSTED COUNT	D/A CONC	E/.8 FACTOR	.6xDxF PUPIL UNITS	I/D REVENUE PER ADJ COUNT	Gx5349 REVENUE
DISTRICT SITES										
0012-01	CENTENNIAL PUBLIC SCHOOL DISTRICT									
158	PINES SCHOOL - ACS	32	14	0	14.00	0.4375	0.5469	4.59	1,753.71	24,551.91
159	PINES SCHOOL - NSP	24	18	0	18.00	0.7500	0.9375	10.13	3,010.30	54,185.37
161	PINES SCHOOL - RJC	18	7	0	7.00	0.3889	0.4861	2.04	1,558.85	10,911.96
162	PINES SCHOOL DAY PROGRAM	16	8	0	8.00	0.5000	0.6250	3.00	2,005.88	16,047.00
164	CENTENNIAL HIGH SCHOOL	2,012	226	84	268.00	0.1332	0.1665	26.77	534.30	143,192.73
166	CENTENNIAL MIDDLE	1,527	183	70	218.00	0.1428	0.1785	23.35	572.93	124,899.15
167	CENTENNIAL AREA LEARNING CENTER	43	20	4	22.00	0.5116	0.6395	8.44	2,052.07	45,145.56
170	CALC TRANSITION	30	6	2	7.00	0.2333	0.2916	1.22	932.25	6,525.78
171	PROJECT SEARCH	7	1	0	1.00	0.1429	0.1786	0.11	588.39	588.39
510	CENTENNIAL ELEMENTARY	505	94	46	117.00	0.2317	0.2896	20.33	929.45	108,745.17
511	CENTERVILLE ELEMENTARY	512	36	12	42.00	0.0820	0.1025	2.58	328.58	13,800.42
512	GOLDEN LAKE ELEMENTARY	364	120	32	136.00	0.3736	0.4670	38.11	1,498.90	203,850.39
513	RICE LAKE ELEMENTARY	596	46	5	48.50	0.0814	0.1018	2.96	326.45	15,833.04
514	EARLY CHILDHOOD CENTER	87	17	2	18.00	0.2069	0.2586	2.79	829.10	14,923.71
515	BLUE HERON ELEMENTARY	862	91	28	105.00	0.1218	0.1523	9.59	488.54	51,296.91
DISTRICT TOTAL		6,635	887	285	1,029.50					834,497.49

# Compensatory Revenue Calculation

- Compensatory Revenue is calculated on the concentration of students identified as free or reduced-price meals eligible as compared to the number of pupils enrolled in the school on October 1. [Minnesota Statutes, section 126C.05](#), subdivision 3.
- Free students counts as 1 and reduced-price students count as 0.5.
- The more students identified as eligible for free or reduced-price, the higher the concentration.
- The higher the concentration, the more revenue each eligible student generates, up to 80 percent.

# Compensatory Revenue Examples of Concentration

## Compensatory Revenue

- Compensatory Revenue is calculated on the concentration of students identified as free or reduced-price meals eligible as compared to the number of pupils enrolled in the school on October 1. [Minnesota Statute section 126C.05, subd. 3.](#)
- Free [students](#) counts as 1 and reduced price students count as 0.5.
- The more students identified as eligible for free or reduced price, the higher the concentration.
- The higher the concentration, the more revenue each eligible student generates up to 80%.

	Description	A	B	C	D
1	October 1, 2018 enrollment	100	100	100	100
2	Count of students eligible for free meals on October 1, 2018	15	40	80	100
3	Count of students eligible for reduced-price meals on October 1, 2018	10	20	0	0
4	Adjusted eligible student count = (2) + [(3) / 2]	20	50	80	100
5	Concentration ratio = (4) / (1) =	0.2	0.5	0.8	1
6	Adjusted ratio = lesser of 1 or (5) / .8 =	0.25	0.625	1	1
7	Compensatory pupil units = (4) X (6) X 60%	3	18.75	48	60
8	Basic formula allowance \$6,312 - \$839 (FY 2019)	5,473	5,473	5,473	5,473
9	Compensatory revenue = (7) X (8) =	\$16,434.00	\$102,713.00	\$262,944.00	\$328,680.00
10	Revenue per adjusted eligible student count = (9) / (4)	\$851.70	\$2,054.30	\$3,286.80.	\$3,286.80

# Questions?



# Thank you!

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