Periods of greater investment in public services, including education, have been consistently accompanied by greater state prosperity.
Minnesota’s investment in public schools has fallen from $47 to $39 per every $1,000 of personal income—a decline of 17%.

Four out of five Minnesota school districts have dropped in real per pupil revenue since 2003.

State and local government revenues and expenditures in Minnesota have gone down more than those in the rest of the nation.

For 275 of Minnesota’s 340 school districts, real per pupil revenue in FY 2009 will be less than in FY 2003.

Minnesota has had the largest tax cuts in the nation from 1997 through 2001.
Returns on Investments in Education

- Model early childhood programs provide an $8 return for each $1 invested with 80% of the benefit going to the general public.
- Model intervention to ensure proficiency for PreK-3 is estimated to provide a $10 return for each $1 invested.
- Model intervention to ensure proficiency for grades 5 through 8 is estimated to provide a $2.90 return for each $1 invested.
- Model intervention to ensure proficiency in grades 9-12 is estimated to provide a $6.56 return for each $1 invested.
- 1% increase in high school graduates will increase business starts by 3.5%.
- $1,000 more invested on each student will see up to a 10% percent reduction in low scores, a 15% percent reduction in high school drop out rates and a 10% drop in teen pregnancy rates.
- A $1 increase in taxes for K-12 education produces an increase in personal income of $1.63.
- High school dropouts cost as much as $1.1 million per student in increased use of welfare, health care and law enforcement and decreased wages and tax payments.
Public Investments Pay Off

- Invest in K-12 Education - Increase Personal Income
- Invest in Early Childhood Education - High Public Return on Investment

$1.00 Tax Investment in Education Yields Great Returns

$1.00 → $1.00 → $8.00

$1.63
What Does $1000 More Per Student Buy?

Reductions in...How Much?

Note: High School dropouts cost as much as $1.1 million/student in increased use of welfare, health care, law enforcement and decreased wages and tax payments.
Minnesota had about $13 billion in surpluses from 1997 through 2001.

➢ About half of that money went to provide permanent tax cuts or one-time rebates.

➢ Less than one-third was invested in improving or expanding services.

➢ In 2001 policymakers agreed to increase the state’s share of E-12 funding in return for a reduction in local property taxes. (this was a funding shift—not a funding increase to public education.)
These are our children, and we will profit by or pay for whatever they become.” -- James Baldwin