

HOUSE RESEARCH

Bill Summary

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Subject: Increasing Equity Revenue for Districts with Low Levels of Referendum Revenue

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Overview

Minnesota's school general education revenue program contains a component called equity revenue. There are two equity regions, one for Greater Minnesota and one for the seven county metropolitan area. A school district's equity revenue is based on its relative amount of referendum revenue. Under current law, a school district with no referendum qualifies for \$13 per pupil unit in equity revenue. Districts with a referendum receive additional equity amounts of up to \$75 per pupil unit. This amount is derived by computing the ratio of the district's referendum revenue per pupil unit to that of the 95th percentile referendum for that equity region. The higher the district's referendum, the lower this amount goes. Equity revenue is provided through an equalized aid and levy.

This bill provides an additional calculation as part of equity revenue. The new calculation gives a district an extra amount of revenue equal to the greater of zero or the difference between the district's referendum revenue per pupil unit and 10 percent of the statewide average amount of referendum revenue per pupil unit. A district with no referendum authority would receive the maximum amount of additional revenue under this provision, equal to \$56 per pupil unit for fiscal year 2006.

Section

1 Equity revenue. Adds another calculation to equity revenue that gives a school district with

less than 10% of the statewide average referendum revenue per pupil unit (currently \$56 per pupil unit) an amount equal to the greater of zero or the difference between \$56 and the district' referendum revenue per pupil unit multiplied by the district's pupil units for that year.