Overview

Supplemental revenue was created by the 1987 Legislature to provide a floor of revenue that districts would not fall beneath because of the replacement of the foundation program with the general education revenue program. Supplemental revenue cushioned the transition to general education revenue and tended to increase as the formula allowance increased to provide new revenue to the districts that were receiving supplemental revenue.

In 1993, the legislature froze supplemental revenue at the actual dollars of revenue per pupil unit that the district received in the previous year, then offset substantial new amounts of revenue against districts' supplemental revenue as a part of the referendum revenue reduction. This action reduced supplemental revenue from about $15 million to approximately $3 million statewide. For fiscal years 1995 and later, supplemental revenue is equal to the amount of supplemental revenue that the district received in fiscal year 1993 less the offset new revenue.

A series of modifications have been made to the $100 per pupil unit supplemental and referendum revenue reduction. Some of the modifications have been permanent, others temporary. The exception contained in this bill draft has been approved twice, for two years each. This bill makes this exception permanent.

1 **Supplemental revenue reduction.** Makes permanent a modification to the supplemental revenue reduction for low property wealth school districts.