

Subject School District Compensatory Revenue; Extended Time Set Aside

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Overview

School districts receive more than \$500 million per year in compensatory revenue. Compensatory revenue is calculated based on the free and reduced-price lunch eligible student characteristics of each school site and must be used to meet the educational needs of pupils whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age.

Compensatory revenue must be reserved and spent according to the eligible uses set in statute which include providing: remedial services; direct instructional services; added teachers and aides to provide more individualized instruction; staff development; truancy reduction efforts; English learner programs; parental involvement programs; and extended time programs through a longer school day, week, or year including summer school. This extended time set aside is in addition to the extended time revenue school districts receive.

In 2017, the legislature required that an increasing portion of compensatory revenue be reserved for extended time activities. The extended time set aside equaled 1.7 percent in fiscal year 2018, 3.5 percent in fiscal year 2019, and the percentage increases as the formula allowance grows (5.5 percent in fiscal year 2020, 7.5 percent in fiscal year 2021, etc.).

Section	Description
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| 1 | Compensatory education revenue.
Eliminates the state requirement that an increasing portion of compensatory revenue be reserved for extended time programming. |
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