

Subject School District Referendum Equalization Aid; Certain School Districts

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Overview

Minnesota's has 329 school districts. Three hundred and twenty-five of these districts are independent school districts, two are common school districts (districts that by law are not required to operate a full K12 program but instead may contract for services with neighboring districts), and two are special school districts, Minneapolis and South St. Paul. Special school districts have all of the same powers, authority, and duties as independent school districts.

A school district may ask their voters to approve additional funding through a referendum election. The referendum revenue approved by the voters is an equalized aid and levy. The current equalizing factors are set in statute at relatively low levels, which means that school districts with less property tax base per pupil need a relatively higher tax effort (even after equalization aid) to raise the same dollars per pupil as more property wealthy school districts.

H.F. 2674 sets a higher level of equalization aid for a special school district that is located entirely outside the boundaries of a city of the first class (Special School District No. 6, South St. Paul fits this definition).

Summary

| Section | Description |
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| 1 | Referendum equalization levy. |
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| | Creates a new category of operating referendum equalization aid for a special school district that is wholly located outside of a city of the first class. Sets the equalization factor for the district's operating referendum at \$1,000,000 (under current law the first \$460 per pupil of referendum revenue have an equalizing factor of \$567,000 and the remaining referendum revenue has an equalizing factor of \$290,000). |
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| Section | Description |
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| 2 | Appropriation; additional general education aid. Appropriates \$803,000 in fiscal year 2023 from the general fund to the commissioner of education for additional referendum equalization aid. |



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