

Subject Local Optional Revenue; Equalization Enhanced and Levies Reduced

Authors Keeler and others

Analyst Tim Strom

Date March 9, 2022

Overview

Each school district's local optional revenue equals \$724 per pupil unit. Local optional revenue is provided through a mix of state aid and a local property tax levy. Each district's levy share for this program is determined by the equalizing factors set in statute. There are two tiers of local optional revenue. The first tier, \$300 per pupil, has a current law equalizing factor of \$880,000 while the second tier, \$424 per pupil, has a current law equalizing factor of \$510,000. Under current law, local optional revenue totals \$625 million statewide, of which about \$542 million comes through the local property tax levy and \$83 million comes from state aid payments.

H.F. 3906 increases the equalizing factors for both the first and second tier of local optional revenue, increasing state aid and reducing the local optional levy by about \$14.6 million statewide for fiscal year 2024 and later.

Summary

Section	Description
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| 1 | Local optional revenue.
Increases the local optional revenue first tier equalizing factor from \$880,000 to \$930,000 and increases the second tier equalizing factor from \$510,000 to \$560,000 for fiscal year 2024 and later. |
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