

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 242

**DATE:** March 5, 1999

**Version:** As introduced

**Authors:** Dawkins

**Subject:** Compensatory Revenue Adjustment

**Analyst:** Tim Strom, 651-296-1886

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Overview

Compensatory revenue is a component of general education revenue, amounting to roughly \$200 million per year. Each school site receives compensatory revenue through a concentration formula. Compensatory revenue for the current fiscal year is based on the count of pupils eligible for free and reduced price meals as of October of the prior year (the October 1998 count is used to calculate revenue for the 1999-2000 school year).

Because the compensatory revenue formula is based on the previous year's data, some fast growing school sites have a significant difference between the student population served during the current year and the student enrollment characteristics during the previous year.

- 1 Compensatory education revenue.** Modifies compensatory education revenue by multiplying each site's compensatory education revenue by the change in its overall enrollment from the previous year to the current year.
- 2 Effective date.** Makes section 1 effective for revenue fiscal year 2000 and later.