

HOUSE RESEARCH

Bill Summary

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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).

Compensatory revenue is a concentration revenue formula. As such, two school districts with the same number of students and the same number of students eligible for free and reduced price meals may receive substantially different amounts of compensatory revenue depending on how the students are distributed among the districts school buildings.

- 1 Compensatory education revenue.** Increases compensatory revenue to the state average of \$225 per pupil unit for school buildings located in districts with at least 600 students eligible for free or reduced price meals and where the district's adjusted net tax capacity per pupil unit is \$4,000 or less.
- 2 Effective date.** Section 1 is effective for revenue for fiscal years 2000 and later.