

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 581

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**Version:** As introduced

**Authors:** Sykora and others

**Subject:** Creating an Education Price Index

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### Overview

This bill increases school district revenue for those school districts that are located in regions of the state with relatively higher wage rates. Each school district's basic formula allowance is adjusted by the school district's education price index, which is a measure of the relative wage rate across Minnesota school districts.

#### Section

- 1**      **Education price index.** Defines "education price index" to mean a measure of the relative wage rates across Minnesota school districts.
- 2**      **Basic revenue.** Modifies the basic formula allowance for fiscal years 2005 and later by multiplying it by the education price index for that year.
- 3**      **Education price index.** Defines the education price index for each school district to equal the greater of one, or the ratio of the annual average weekly wage for that region to the annual average weekly wage for the state. Requires the commissioner of education to determine appropriate education price index regions and assign each school district to a region. Requires the commissioner to calculate the education price index each year based on the most recently available data.