

HOUSE RESEARCH

Bill Summary

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Authors: Benson and others

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Analyst: Tim Strom

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Overview

Equity revenue is a component of the general education revenue formula that provides more revenue to school districts with small referendum revenue allowances. The equity revenue formula consists of four parts: basic equity revenue; low referendum revenue equity; metro equity; and "formula" equity. To calculate equity revenue, the state is divided into a seven-county metro region and a greater Minnesota region, and equity revenue is calculated separately for districts within each region. School districts located in cities of the first class (Minneapolis, St. Paul, and Duluth) are excluded from receiving all but formula equity revenue.

"Formula" equity provides all school districts with \$46 per pupil unit, except that a district with a referendum above the 95th percentile only receives \$23 per pupil unit in formula equity.

This bill provides \$46 per pupil in "formula" equity for all school districts and has an annual cost of roughly \$800,000.

Section

- 1 Equity revenue.** Eliminates the \$23 per pupil reduction in equity revenue for the 18 school districts that have a referendum allowance in excess of the 95th percentile of all referendum allowances.