

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 980

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**Version:** As introduced

**Authors:** Knuth and others

**Subject:** Referendum Revenue Adjustment; Open Enrollment Students

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### Overview

In Minnesota, most school funding formulas are based on the number of pupils served by a school district, not the number of public school students resident to the school district. The main exception to this rule is voter-approved referendum revenue, which is calculated according to the number of resident pupils in a school district.

A student may open enroll into another school district under certain conditions. When a pupil open enrolls, the general education revenue for this student is calculated and paid directly to the serving school district based on the characteristics of the serving school district. However, because the referendum revenue is calculated based on the resident pupil count, the only portion of referendum revenue that moves to the serving school district is the aid portion of the referendum. Further, the aid that the receiving school district receives is based on the per pupil tax base of the receiving school district, not the per pupil tax base of the resident school district. This means that a school district with a high tax base will not receive any referendum revenue for open enrollment students.

This bill creates a second calculation of referendum aid for open enrollment pupils to allow a greater amount of referendum revenue to flow to the serving school district.

**Section**

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- 1**      **Alternative attendance programs.** Modifies the calculation of general education aid attributable to the referendum revenue paid to a serving school district under open enrollment to be the greater of the current amount of aid or a portion of the first tier of equalization revenue (\$700 per pupil for FY 08 and later) determined by calculating the percent of open-enrolled students attending the school district. A district with more than 50 percent of its served students being open-enrolled would receive the full \$700 per pupil for each student. This amount decreases proportionately as the percent of open-enrolled students declines. For example, a district with 10 percent open-enrolled students would receive \$140 per pupil, a district with 25 percent open-enrolled student would receive \$350 per pupil, and a district with 40 percent open-enrolled students would receive \$560 per pupil. This section is effective for revenue for fiscal year 2008.