

HOUSE RESEARCH

Bill Summary

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Subject: Operating Capital Revenue Equalizing Factor; Obsolete Language Removed

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Overview

Operating capital revenue is a component of general education aid that replaced two former capital formulas known as equipment revenue and facilities revenue. Operating capital revenue must be reserved and used only for equipment and facility needs. A school board may spend other general fund money for operating capital expenses, but general fund money provided by the operating capital revenue component must be reserved and spent only for eligible equipment and facilities needs.

A school district's operating capital revenue equals \$73 per pupil unit plus the product of \$100 per pupil unit times the district's building age index. The older the district's buildings, the more operating capital revenue per pupil each district receives.

Operating capital revenue is an equalized aid and levy received by all school districts and charter schools (charter schools receive the state average operating capital revenue per pupil). For fiscal year 2011, operating capital revenue totaled about \$195 million, with about \$124 million of the revenue coming from the local levy.

- 1 Operating capital levy.** Eliminates an obsolete equalizing factor from the operating capital levy language.