

HOUSE RESEARCH

Bill Summary

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Subject: General Education Revenue; Low Revenue Disparity Reduced

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Overview

Minnesota's general education revenue funding formula is the primary source of general operating funds for school districts. Statewide, approximately two-thirds of school districts' total revenue comes from the general education program. Each school district's general education revenue consists of basic revenue, which is the same amount per pupil unit for all districts in the state, plus about ten other revenue components which can vary dramatically from district to district based on demographic and other district characteristics.

This bill creates a new component of general education revenue called disparity aid. General education disparity aid brings any district or charter school whose per pupil revenue is less than 87 percent of the state average revenue up to that level. For fiscal year 2014, general education disparity aid is estimated at roughly \$29 million.

- 1 General education disparity aid.** Creates a new component of general education aid called disparity aid. Sets the aid amount for each district or charter school equal to the greater of zero or the difference between the district's per pupil general education revenue and 87 percent of the statewide average general education revenue.
- 2 General education aid.** Includes general education disparity aid in the overall general education aid calculation.