

HOUSE RESEARCH

Bill Summary

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Subject: General Education Basic Formula Allowance; Linked to Inflation Rate

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Overview

The majority of each school district's revenue comes through a per pupil funding source called the general education basic formula allowance. The basic formula allowance is currently set at \$5,224 per pupil unit for fiscal years 2013 and later.

This bill links the basic formula allowance to the rate of inflation, as measured by the Implicit Price Deflator for state and local governments so that the basic formula allowance would annually increase at that rate prior to any changes proposed by the legislature.

Section

- 1 **Basic revenue; annual minimum increase required.** Increases the basic formula allowance from \$5,224 per pupil unit by the annual rate of inflation, as measured by the increase in the implicit price deflator beginning in fiscal year 2014.