HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1103   **DATE:** March 13, 2013
      Version: As introduced

      Authors: Newton and others

      Subject: Creating a Minimum Level of Compensatory Revenue for All Districts

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Overview

School districts qualify for compensatory revenue based on their count of free and reduced-price meal eligible pupils. Compensatory revenue is determined at the site level and is based on a concentration formula. This means that the greater a site's percentage of free and reduced-price meal eligible pupils, the greater the revenue per free and reduced-price eligible pupil. The revenue is calculated based on the characteristics of each school site, and the revenue must be distributed to, and spent on, qualifying programs at each site.

Compensatory revenue must be used to meet the educational needs of pupils whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Compensatory revenue must be reserved in a separate account.

This bill creates an additional calculation to provide a minimum amount of compensatory revenue for each school district equal to $1,600 per free and reduced- price eligible pupil. Using data from the fall 2012 count of pupils, this bill has an annual cost of approximately $70 million and benefits districts with a free and reduced lunch count of roughly 40% of total enrollment or less.

Section

1   **Compensatory education revenue.** Creates a minimum level of compensatory revenue for each school district. Sets the minimum formula at $1,600 times the free and reduced lunch count (where each free lunch eligible pupil counts as 1.0 and each reduced-price eligible pupil counts as .5) of the school district.