

HOUSE RESEARCH

Bill Summary

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Subject: School District Location Equity Revenue; Including Added Districts

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Overview

The 2013 Legislature created a new category of general education revenue called location equity revenue. Location equity revenue is subtracted from a district's referendum revenue and is equalized at the same rate as the second tier of referendum revenue.

Location equity revenue is equal to \$424 per pupil for districts located wholly or partially within the seven-county metro area, and is set at \$212 per pupil for school districts in greater Minnesota that serve more than 2,000 pupils. For some school districts, location equity revenue is additional revenue. For a second group of districts, location equity revenue provides additional equalization aid and tax relief. For a third group of districts, location equity revenue provides space under the referendum revenue cap.

This bill increases extends location equity revenue to all school districts in Greater Minnesota that do not qualify for small schools revenue (a school district with fewer than 960 pupils qualifies for small schools revenue).

Section

- 1 Location equity revenue.** Qualifies all districts in greater Minnesota that do not qualify for small school revenue for location equity revenue equal to \$212 per pupil unit.
- 2 Referendum allowance.** Clarifies the calculation of location equity revenue and makes the revenue a permanent part of general education revenue (current law requires an annual calculation of location equity revenue).

Section

- 3** **Referendum equalization levy.** Removes obsolete language.
- 4** **Referendum aid guarantee.** Clarifies the calculation of the referendum aid guarantee.
- 5** **Referendum revenue.** Corrects an obsolete reference to the pupil count used to calculate referendum revenue.
- 6** **Board-approved referendum allowance.** Clarifies that the board-approved amount of referendum revenue occurs after the calculation of location equity revenue.