

HOUSE RESEARCH

Bill Summary

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Subject: Increasing Total Operating Capital Revenue for Schools

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Overview

A school district receives operating capital revenue as a part of its general education revenue. The current formula for operating capital revenue replaced two separate revenue sources; one for equipment and one for facilities needs. The current allowance is \$79 (the former equipment part of the formula) plus \$109 times the district's average age of its buildings (the former facilities portion of the formula). These allowances are multiplied by the district's pupil count to determine total revenue.

Operating capital revenue is an equalized aid and levy, and the revenue must be placed in a reserve account and used only for the purposes listed in section 126C.10, subdivision 14. Operating capital revenue totals about \$205 million per year.

This bill increases operating capital revenue by an unspecified amount for fiscal year 2017 and later, and correspondingly reserves the new revenue specifically for technology-related needs.

Section

- 1 Operating Capital Revenue.** Increases operating capital revenue by an unspecified amount and sets the increased amount aside specifically for technology-related purposes.