

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2981
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Subject: School District Participation in the QComp Program

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Overview

A school district or charter school may apply to the commissioner of education in order to participate in the alternative compensation (Qcomp) program. An eligible district or charter school with an approved plan qualifies for up to \$260 per pupil in Qcomp revenue. The first \$169 per pupil in Qcomp revenue comes entirely through state aid as basic Qcomp aid. The remaining \$91 per pupil is provided through an equalized aid and levy. There is an annual statewide cap on the total amount of Qcomp basic aid available in any one year that limits participation in the program. The cap is set at \$75,636,00 for the 2015-2016 school year and increases to \$88,118,000 for later years. Approximately one-half of the students in the state attend a school receiving Qcomp revenue.

H.F. 2981 addresses an administrative mix up that caused two school districts that first became eligible for Qcomp revenue in fiscal year 2016 to qualify, then be disqualified, for Qcomp revenue in fiscal year 2016 because the statewide revenue cap was exceeded. This bill sets up a process for re-including the affected school districts in the Qcomp aid payments for fiscal year 2016. The state aid cost of fixing this error is currently estimated at \$204,000. The governor's budget contains state aid to fix this error.

Section

- 1 Revenue timing; Qcomp.** Clarifies that once a school district has been formerly approved for Qcomp revenue and has received written notice that it is eligible for revenue, the district remains eligible for Qcomp aid as long as the district's plan remains approved.

Section

- 2 **Errors in distribution.** Requires the commissioner of education to determine if Qcomp aid payment errors can be fixed under this section of law, and if not, requires the commissioner to make the Qcomp aid payments from the Department of Education's budget.

- 3 **Department; MDE appropriation.** Requires the commissioner to transfer funds from the Department of Education's agency budget to the Qcomp appropriation in order to make aid payments to the affected school districts.