

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3387
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Authors: Peterson and others

Subject: Modifying the uses of compensatory revenue; expanding board flexibility

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Overview

School districts receive compensatory revenue based on the percent of students at each school site who qualify for free or reduced price meals. Compensatory revenue is referred to as a “concentration” formula. This is because the amount of compensatory revenue per eligible student increases as the concentration of free and reduced eligible students at each school site increases. Under current law, compensatory revenue must be reserved and used for the purposes listed in statute.

This bill adds two new purposes to the list of eligible uses of compensatory revenue: recruitment and new teacher development activities through a teacher induction or mentorship program (sometimes referred to as a “grow your own” program); and hiring bonuses or other added compensation for highly effective teachers who work in hard-to-fill or hard-to-staff positions. The bill also gives a school board authority to adopt a plan to determine how to allocate all of its compensatory revenue among school sites (under current law the board may adopt such a plan to allocate up to 50 percent of its compensatory revenue).

Section

- 1 Use of revenue; compensatory.** Adds two new purposes to the list of eligible uses of compensatory revenue: recruitment and new teacher development activities through a teacher induction or mentorship program (sometimes referred to as a “grow your own” program); and hiring bonuses or other added compensation for highly effective teachers who work in hard-to-fill or hard-to-staff positions.
- 2 Building allocation; compensatory revenue.** Grants a school board authority to adopt a plan to determine how to allocate all of its compensatory revenue among school sites (under current

Section

law, the board may adopt a plan to allocate up to 50 percent of its compensatory revenue and the remaining 50 percent must be allocated to the school site where the compensatory revenue was earned).

- 3** **Recommendation.** Clarifies that the school site decision team recommends to the school board how compensatory revenue should be spent at that school site.