

Subject Local Optional Revenue for School Districts

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Overview

Local optional revenue is one part of each school district's general education revenue and is provided through an equalized aid and levy where the levy is calculated and spread on the tax base known as referendum market value. A school district's local optional revenue equals \$724 per pupil unit. Local optional revenue is board-approved and divided into two tiers. The first tier is \$300 per pupil unit and is equalized at \$880,000 per pupil unit. The second tier is \$424 per pupil unit and is currently equalized at \$510,000 per pupil unit.

H.F. 879 combines the two tiers of local optional revenue into one tier, increases the total revenue amount from \$724 per pupil to \$840 per pupil for fiscal year 2025, links local optional revenue to the growth in the formula allowance for subsequent years, and equalizes the total revenue at \$880,000 per pupil. Local optional revenue is available to school districts but not charter schools.

Summary

Section	Description
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1	Local optional revenue.
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	Combines the two tiers of local optional revenue into one tier and increases the combined allowance from \$724 per pupil to \$840 per pupil for fiscal year 2025. Increases the local optional revenue allowance in subsequent years by the growth in the general education basic formula allowance.
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	Sets the equalizing factor necessary to calculate the levy share of local optional revenue to \$880,000 per pupil.
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