

School Board Meeting/Workshop:

August 12, 2013

Subject:

**Location Equity Revenue (LER)
Operating Referendum Revenue**

Presenter:

Gary Kawlewski

SUGGESTED SCHOOL BOARD ACTION:

Report only, no recommended action.

DESCRIPTION:

A new calculation for operating referendum equalization was implemented in the last legislative session and takes effect FY 2015 in order to create greater equity between school districts. In addition to increased equalization, changes were made to operating referendum revenue and a new category of revenue called location equity was created.

Location Equity Revenue (LER) is a new component of General Education Revenue beginning in FY 2015. The LER is intended to adjust for the higher cost of school operations in the metro area and larger nonmetro districts by providing access to revenue with Board approval. School districts with any land in the seven county metro area qualify for additional funding. A district eligible for LER will automatically receive it unless it elects to not participate by board vote prior to September 1st of the fiscal year before the fiscal year when the revenue takes effect.

School boards are allowed to convert up to \$300/Adjusted Pupil Unit (APU) from voter approved to board approved. Districts with less than \$300/APU of referendum authority after the location equity allowance is subtracted from the referendum allowance are permitted to authorize additional new referendum revenue up to the difference between \$300 per APU and the district's net referendum allowance after the location equity subtraction.

The presentation at the workshop meeting will explain the calculation of the new criteria for operating referendum and location equity revenue.

ATTACHMENT(S):

none