



S.F. No. 2244 – School district referendum levy equalization increase

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S.F. No. 2244 would increase the school district referendum levy equalizing factors for a district's first tier and second tier referendum equalization levy. The proposal would generate additional referendum equalization aid and would increase state general education aid beginning in fiscal year 2027.

Additional background information

A district's referendum revenue is divided into progressive equalization tiers. The first portion of the district's revenue is allocated to the first tier, with the strongest level of equalization. Districts that have approved higher referendum amounts may have additional revenue allocated to the second tier, with a somewhat weaker level of equalization. Referendum revenues greater than approximately \$1,520 per pupil (in FY 2025) are unequalized, except for districts that qualify for elementary or secondary sparsity revenue.

Districts in which the referendum market value (RMV) per resident pupil unit is less than the statutory equalizing factor for an equalizing tier will generate some amount of equalization aid on the portion of its referendum levy allocated to that equalizing tier.

Increasing the statutory equalizing factors increases the number of districts that qualify for equalization aid and increases the aid amount for any qualifying districts. All else equal, an increase in equalization aid reduces the portion of referendum revenue paid by local property taxpayers.

