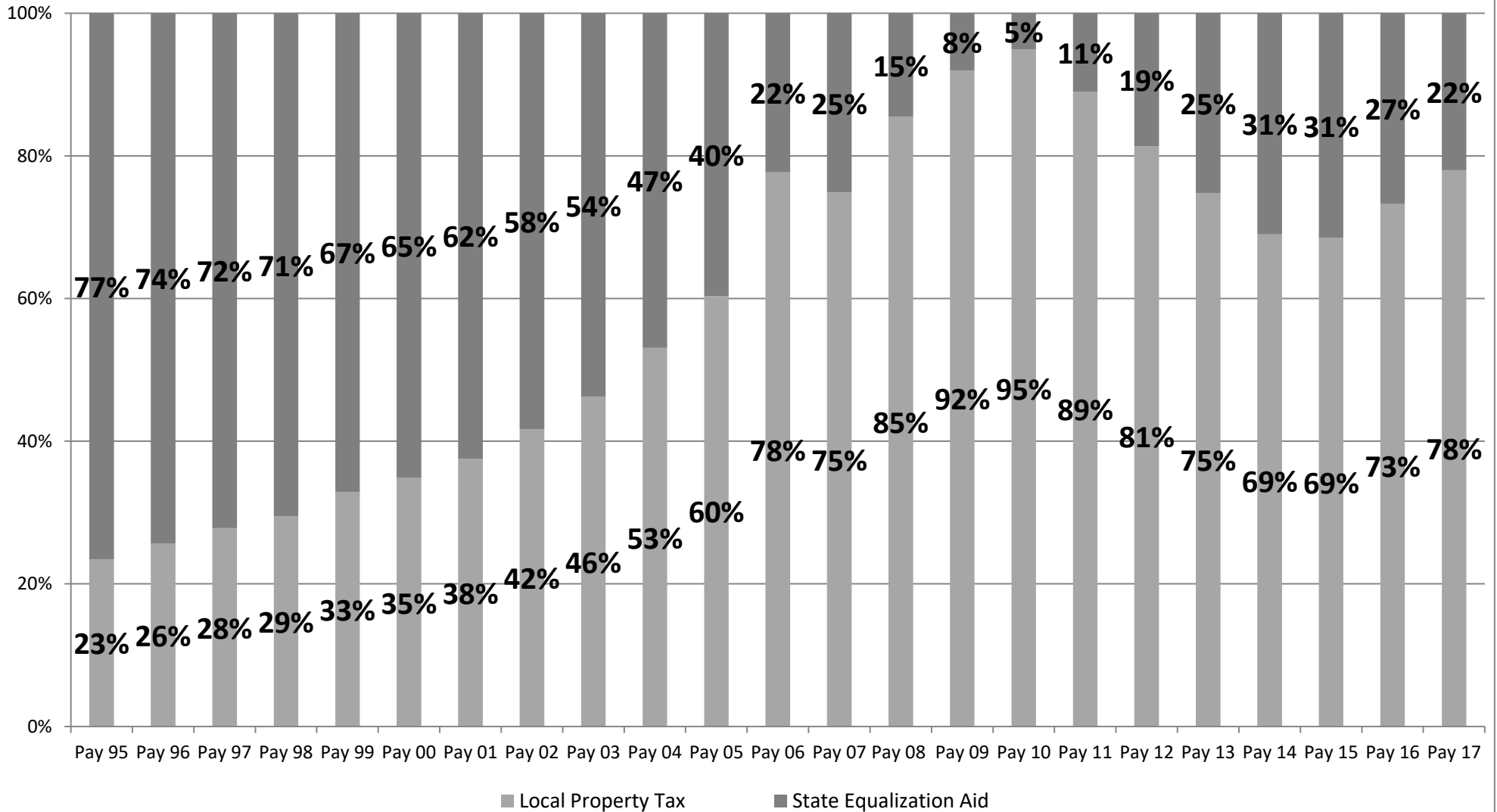




# The Erosion of Referendum Equalization

## Elk River School District



For every voter-approved school referendum (levy) dollar passed in this district in 1995, the state paid 77 cents and the local property taxpayers were responsible for the other 23 cents. This kept the local taxpayer cost to support a school levy uniform across the state. In 2013, the legislature increased equalization aid significantly but only for the first \$300 per pupil of a district's levy. For the portion of a district's levy between \$300 and \$760 per pupil, the equalization calculation, which is not indexed to inflation, remains as it was since 1995 but now the state pays much less and the burden on the local taxpayers is significant. This erosion in equalization aid means local taxpayers in low property wealth districts can pay over two or three times more for an identical school levy than taxpayers in high wealth districts. The high cost to local taxpayers limits the amount of levy revenue many districts can access, creating an opportunity gap for their students.

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