

During public hearings, the Commission heard testimony regarding possible adjustments under revenue limits for certain categories of expenditures.

Additional financial resources can be provided to school districts under revenue limits, either through the per pupil adjustment or through other adjustments to the revenue limit calculation. These include adjustments for low revenue, declining enrollment, transfer of service, carryover of unused revenue limit authority. In addition, expenditures for community services activities and referenda-approved debt service have been exempted from revenue limits.

Numerous options exist for creating new revenue limit adjustments. The energy efficiency adjustment could be restored in some manner. This adjustment, which equaled the amount spent by a district in a given year on a project to implement energy efficiency measures or to purchase energy efficient products, was effectively ended under the 2017-19 budget act. Other testimony indicated support for adjustments for expenditures on athletic programs or on school resource officers. Also, adjustments for school safety expenditures, school nurse costs, and above-average transportation costs were created in the 2009-11 budget act but repealed in the 2011-13 budget act before they could take effect. Adjustments such as these would provide additional resources for districts to provide services that are generally not directly related to the delivery of instructional services.

The fiscal effect of creating an adjustment depends on the parameters specified for it. Any additional revenue limit authority, if utilized by school districts, would be funded from some combination of general aid and property tax levy.

ALTERNATIVES

1. Recommend that revenue limit adjustments be created for:
 - a. Energy efficiency measures
 - b. School athletic programs
 - c. School resource officers
 - d. School safety expenditures
 - e. School nurse costs
 - f. Above-average transportation costs
2. Recommend that current law adjustments under revenue limits be maintained.