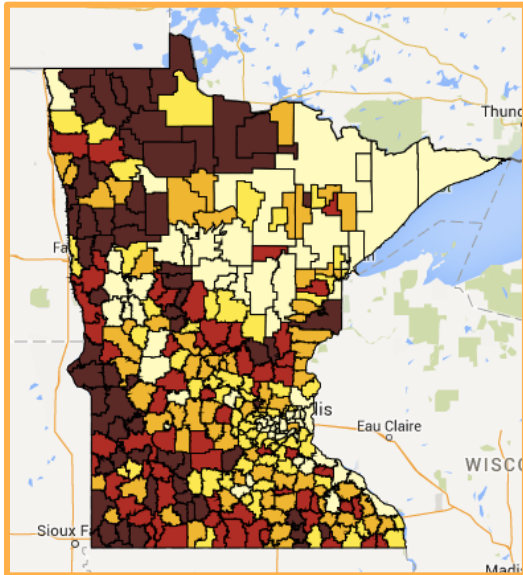


HF 1641/SF 1323
Enhanced Equalization for 23 School Districts with more than 30% Seasonal Rec

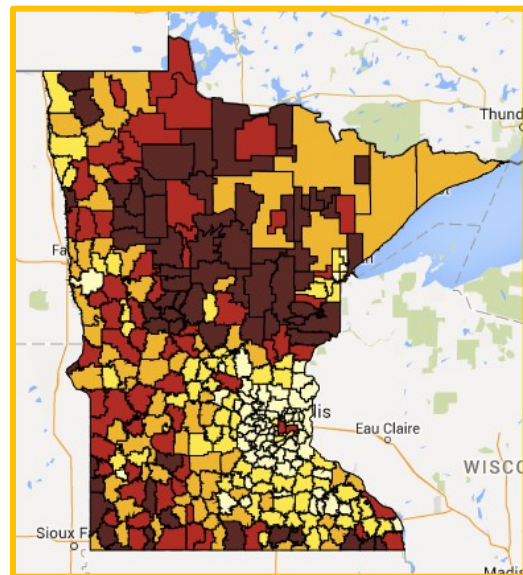
The equalization of Local Optional Revenue does not reach some of the poorest school districts in the state.

The property wealth of school districts in the Central Lakes and NE Minnesota are among the highest in the state and have almost no relation to median income or Free and Reduced Lunch Percentages.

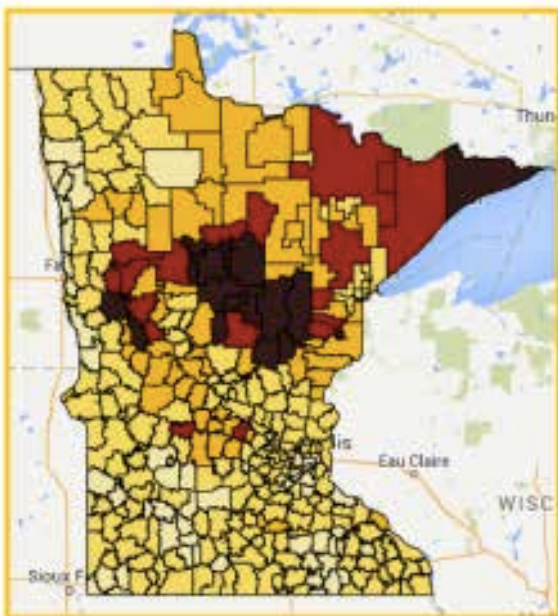
RMV/RPU (White) >\$510,000/RPU
23 Districts are 61% above state average



Median Household Income (Brown) <\$44,400
23 Districts are 16% below state average



(Brown) >33% of Net Tax Capacity is Seasonal Rec
23 Districts average 42.9%, state average 5.6%



23 Districts average 50.4% FRE students,
11% more than State average FRE of 39.0%

Rationale for HF 1641
 In these 23 Districts the RMV Equalization Tiers are not having their intended impact. Seasonal Rec Property is excluded from Referendum Market Value, but similar lake homes that are occupied year-round are included in RMV. These homes have higher than average property value due to their location on lakes and other factors. These year-round occupied homes artificially inflate the RMV/RPU of the school district.
 HF 1641 adjusts the equalizing factor upwards for districts with 30% or more Seasonal Rec to take into account the higher value of year-round occupied homes within the districts.

HF 1641/SF 1323: Enhanced Equalization for Districts with more than 30% Seasonal Rec Property as a Percentage of Total Market Value

| ISD # | District Name | Seasonal Rec as % of Total Market Value | Median Household Income | Free and Reduced Lunch % | Current Referendum Market Value (RMV) per Pupil | Current Equalizing Factor | Current LOR/APU | Current LOR Levy | Proposed LOR Equalizing Factor* | Proposed LOR Levy | Change in LOR Levy |
|-------|---|---|-------------------------|--------------------------|---|---------------------------|-----------------|------------------|---------------------------------|-------------------|--------------------|
| 1 | AITKIN | 40.9% | \$43,172 | 46.0% | \$603,143 | \$510,000 | \$0 | \$0 | \$694,551 | \$0 | \$0 |
| 876 | ANNANDALE | 31.4% | \$57,946 | 26.0% | \$540,812 | \$510,000 | \$424 | \$759,554 | \$534,185 | \$759,554 | \$0 |
| 542 | BATTLE LAKE | 50.2% | \$47,208 | 39.0% | \$899,246 | \$510,000 | \$424 | \$188,850 | \$853,330 | \$188,850 | \$0 |
| 166 | COOK COUNTY | 51.3% | \$50,309 | 33.0% | \$969,799 | \$510,000 | \$424 | \$207,506 | \$872,395 | \$207,506 | \$0 |
| 182 | CROSBY-IRONTON | 46.9% | \$41,660 | 54.0% | \$613,408 | \$510,000 | \$424 | \$509,733 | \$797,536 | \$392,051 | -\$117,682 |
| 317 | DEER RIVER | 33.1% | \$40,678 | 67.0% | \$366,706 | \$510,000 | \$424 | \$300,358 | \$562,329 | \$272,407 | -\$27,951 |
| 696 | ELY | 34.4% | \$43,325 | 37.0% | \$763,318 | \$510,000 | \$424 | \$245,835 | \$584,851 | \$245,835 | \$0 |
| 545 | HENNING | 31.9% | \$42,714 | 49.0% | \$411,386 | \$510,000 | \$424 | \$128,256 | \$541,739 | \$120,741 | -\$7,515 |
| 473 | ISLE | 41.2% | \$39,573 | 45.0% | \$644,324 | \$510,000 | \$424 | \$203,859 | \$700,108 | \$187,616 | -\$16,243 |
| 2889 | LAKE PARK AUDUBON | 35.7% | \$56,140 | 42.0% | \$569,972 | \$510,000 | \$424 | \$328,261 | \$606,715 | \$308,381 | -\$19,880 |
| 306 | LAPORTE | 41.0% | \$44,833 | 70.0% | \$444,771 | \$510,000 | \$0 | \$0 | \$696,705 | \$0 | \$0 |
| 4 | MCGREGOR | 47.1% | \$38,446 | 72.0% | \$617,530 | \$510,000 | \$0 | \$0 | \$800,318 | \$0 | \$0 |
| 308 | NEVIS | 53.8% | \$46,631 | 54.0% | \$896,339 | \$510,000 | \$424 | \$148,800 | \$914,819 | \$145,794 | -\$3,006 |
| 118 | NORTHLAND COMMUNITY | 60.0% | \$39,531 | 67.0% | \$1,010,301 | \$510,000 | \$0 | \$0 | \$1,019,402 | \$0 | \$0 |
| 480 | ONAMIA | 42.4% | \$37,723 | 71.0% | \$389,509 | \$510,000 | \$424 | \$211,783 | \$720,344 | \$149,941 | -\$61,842 |
| 309 | PARK RAPIDS | 33.5% | \$42,037 | 50.0% | \$547,813 | \$510,000 | \$424 | \$704,094 | \$569,080 | \$677,782 | -\$26,312 |
| 548 | PELICAN RAPIDS | 46.6% | \$48,359 | 51.0% | \$504,356 | \$510,000 | \$424 | \$403,794 | \$791,962 | \$260,031 | -\$143,763 |
| 186 | PEQUOT LAKES | 57.7% | \$48,359 | 32.0% | \$708,630 | \$510,000 | \$0 | \$0 | \$980,687 | \$0 | \$0 |
| 549 | PERHAM-DENT | 35.5% | \$49,481 | 41.0% | \$703,796 | \$510,000 | \$424 | \$596,992 | \$603,566 | \$596,992 | \$0 |
| 116 | PILLAGER | 40.8% | \$55,516 | 53.0% | \$425,450 | \$510,000 | \$0 | \$0 | \$693,183 | \$0 | \$0 |
| 2174 | PINE RIVER-BACKUS | 45.5% | \$42,098 | 62.0% | \$510,399 | \$510,000 | \$424 | \$396,106 | \$773,453 | \$261,389 | -\$134,717 |
| 2142 | ST. LOUIS COUNTY | 34.9% | \$49,485 | 49.0% | \$574,782 | \$510,000 | \$424 | \$861,229 | \$594,068 | \$833,269 | -\$27,960 |
| 113 | WALKER-HACKENSACK-AKEL | 51.5% | \$43,731 | 50.0% | \$846,421 | \$510,000 | \$424 | \$328,176 | \$876,058 | \$317,074 | -\$11,102 |
| | State Averages | 5.6% | \$54,276 | 39.0% | \$392,951 | | | | | | -\$597,973 |
| | Districts >30% Season Rec | 42.9% | \$45,607 | 50.4% | \$633,140 | | | | | | |
| | *Proposed Equalizing Factor = Current Equalizing Factor X (Seasonal Rec Percentage/.30) or X 1.0, whichever is the greater | | | | | | | | | | |

