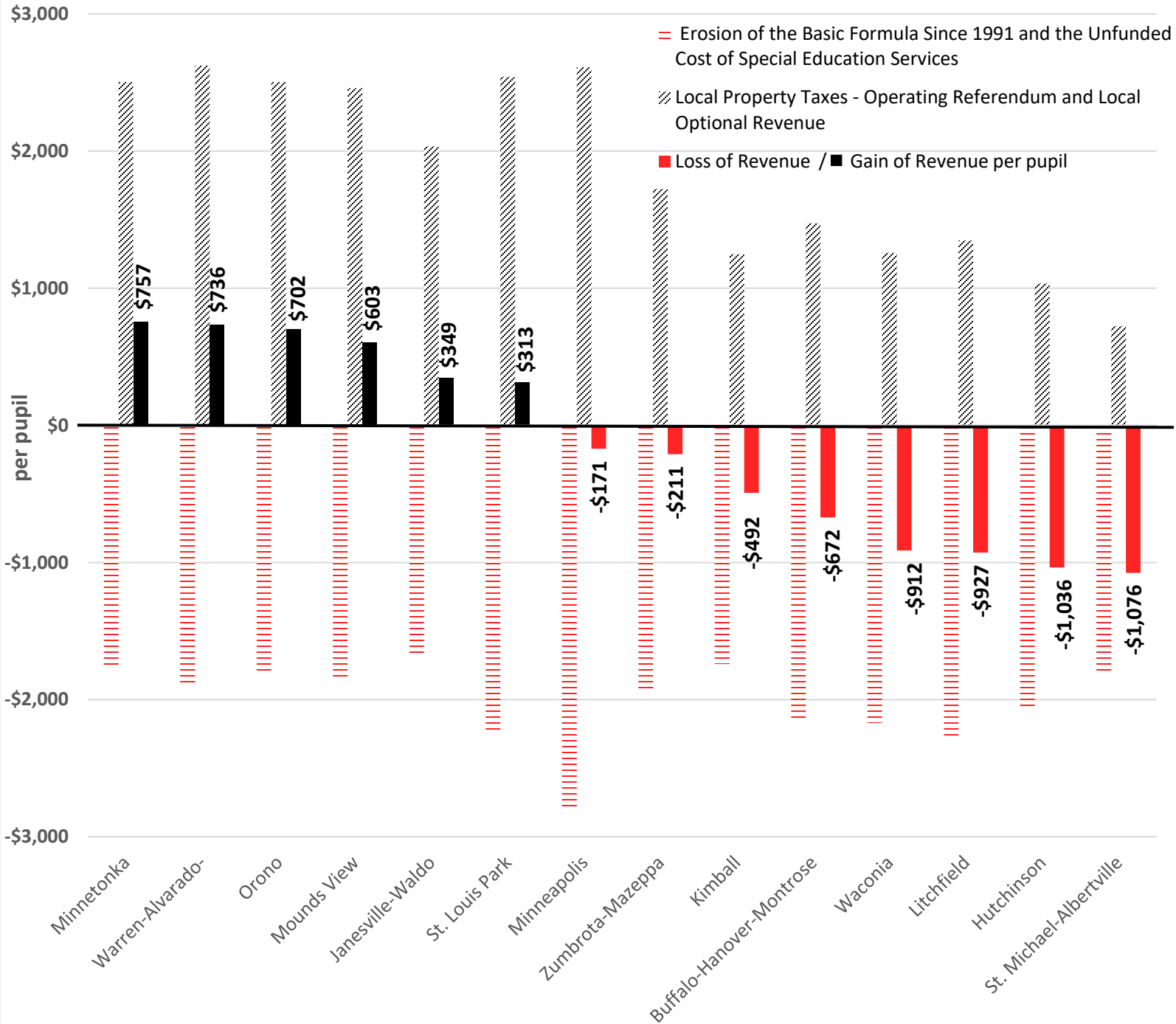




# Inequities When Relying on School Levies to Compensate for Inadequate Funding

For the 2020-21 School Year



Inadequate basic formula operating revenue and the unfunded cost of special education services are the largest financial challenges facing school districts. Districts increasingly rely on operating levies to stabilize their budgets. Some districts have been able to maintain funding. Many other districts have experienced a significant loss in revenue and have spent years cutting programming and services for their students.

Without significant commercial and industrial development to expand the tax base and lower the overall taxpayer cost, the cost for school levies falls heavily on the local home and small business owners in low-property wealth districts. The high taxpayer cost reduces the amount of revenue local taxpayers can provide to support their local schools.

In the chart, the first column for each district is the total erosion of the basic formula since 1991 plus the school district's unfunded special education cost. The second column shows the amount of revenue the district is able to raise through local property taxes, both the board-approved local optional revenue and voter-approved operating referendum. The third column is the difference, which compares the inequities when using local property taxes to compensate for inadequate funding.