

SB 401 STAFF MEASURE SUMMARY

Senate Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/19

WHAT THE MEASURE DOES:

The measure increases the State School Fund distribution weight for children in poverty to 0.5 beginning in the 2025-2026 school year. It declares an emergency and takes effect July 1, 2025.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The current school funding formula system is the result of legislation, as well as two constitutional property tax measures, [Ballot Measure 5 \(1990\)](#) and [Ballot Measure 50 \(1997\)](#). Previously, the state had provided basic support to districts on a per-pupil basis, while some districts supported their schools more generously with a higher property tax rate, higher-value tax base, or both. These two ballot measures capped local property taxes and placed the responsibility on the state to replace the lost revenue. The legislature enacted the equalization formula in 1991 with the passage of [Senate Bill 814](#). The new formula took into account the needs of each district's student population by assigning weights to students based on need, and then distributing funding based on each district's weighted population.