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AT A GLANCE

MDE Customers and Stakeholders (2015)

- 845,527 Pre-K through 12 students
- Over 118,000 children participating in early learning programs
- 55,277 FTE licensed teachers
- 332 school districts and 157 charter schools
- Over 60,000 adult learners

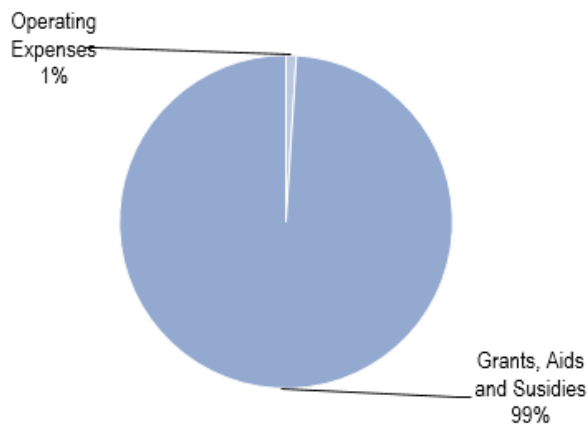
PURPOSE

The mission of the Minnesota Department of Education (MDE) is: "Leading for educational excellence and equity. Every day for every one." MDE is striving to create the World's Best Workforce (WBWF) by focusing on five key student outcome goals, including: all students ready for kindergarten, all students reading in third grade, all achievement gaps closed, all students graduating from high school and all students ready for career and college.

The department strives to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning. The department strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten (pre-K) to grade 12, and adult learners. Every learner will reach his or her full potential through an outstanding Minnesota education system that is a world leader in achievement and innovation.

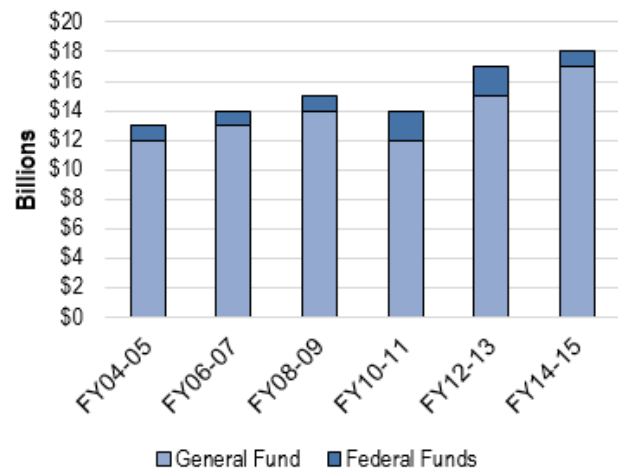
BUDGET

**Spending by Category
FY 15 Actual**



Source: BPAS

Historical Spending



Source: Consolidated Fund Statement

*\$2.7 billion in general fund aid to school districts was shifted beginning in FY 2010 in order to help balance the state budget, causing the FY10-11 spending to decrease. Repayment of the shifts began in FY 2012, causing the FY12-13 spending to increase.

In FY14-15, 92 percent of Education funding was from the state general fund and 8 percent was from federal funds. In FY15, actual spending was \$8.9 billion. \$8.8 billion was passed through the agency as grants and aids; \$96 million was passed through the agency as testing/assessment/other contracts, salary/fringe and other operating costs.

STRATEGIES

To achieve its mission and reach the five goals of WBWF, MDE provides leadership and support to students, teachers and schools using the following strategies:

Direct Support

Department programs provide direct support in continuous improvement of teaching and learning to schools and districts. The Regional Centers of Excellence provide strategic instructional and leadership support and implementation of best practice strategies to improve teaching and learning in the classroom. While the most intensive support is aimed at those schools that need the most assistance, direct support is available to all districts, as needed, through the Regional Centers.

Pre-K through 12 Systems

MDE programs provide support for systems improvement through a comprehensive, collaborative approach. For example, MDE has set forth an initiative to improve teacher and leader quality by the development of a teacher and principal professional development and evaluation support system that will benefit all Minnesota students. The new state accountability system under the WBWF legislation measures student performance from pre-K through postsecondary education and provides a comprehensive model of system improvement for all districts.

Guidance, Technical Assistance and Funding

Department programs provide supportive leadership to all educational entities by providing guidance and technical assistance to meet the myriad of state and federal legislated requirements. For instance, the technical assistance to districts in the development of their World's Best Workforce plans results in a plan for continuous improvement of school districts through the systemic alignment of legislative requirements in a manner that is streamlined, equitable, and effective for all districts. The department also administers school funding programs including the calculation and distribution of various funding sources.

M.S. 119A; M.S. 120-129B; M.S. 134-135

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	8,410,552	8,161,669	8,496,206	8,888,553	9,032,589	9,203,823	9,295,525	9,648,701
2000 - Restrict Misc Special Revenue	13,937	11,798	10,853	12,734	12,157	12,077	12,157	12,077
2001 - Other Misc Special Revenue	640	460	700	942	667	668	667	668
2301 - Arts & Cultural Heritage Fund	3,000	3,000	2,106	2,228	66	0	66	0
2403 - Gift	63	62	62	127	79	79	79	79
3000 - Federal	736,307	752,681	748,887	826,637	836,245	842,098	836,245	842,098
3801 - Endowment School	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
6000 - Miscellaneous Agency	9	1	3	5	5	5	5	5
Total	9,188,249	8,955,310	9,286,580	9,761,339	9,913,071	10,090,762	10,176,007	10,535,640
<i>Biennial Change</i>				904,360		955,913		1,663,727
<i>Biennial % Change</i>				5		5		9
<i>Governor's Change from Base</i>								707,814
<i>Governor's % Change from Base</i>								4

Expenditures by Program

Program: Education Leadership & Support	78,900	87,304	88,516	108,793	107,617	104,770	115,488	110,905
Program: General Education	6,847,994	6,468,528	6,689,523	6,891,710	6,938,056	6,999,348	7,148,208	7,383,823
Program: Other General Education	49,854	46,617	49,965	49,862	45,756	45,965	46,138	46,887
Program: School Choice	138,494	133,762	142,937	148,669	158,839	167,025	159,329	167,870
Program: Indian Education	3,774	3,401	11,730	12,368	11,755	11,922	13,395	14,010
Program: Innovation & Accountability	23,895	102,157	94,633	113,981	110,777	110,195	112,921	112,556
Program: Special Student & Teacher	277,143	282,981	274,482	307,405	301,990	292,346	306,290	292,846
Program: Special Education	1,251,029	1,283,571	1,350,869	1,455,564	1,534,033	1,621,605	1,560,066	1,649,815
Program: Facilities & Technology	47,848	50,429	47,890	84,212	111,036	131,770	118,877	147,905
Program: Nutrition	290,636	310,422	321,670	343,504	348,838	359,551	349,502	360,259
Program: Libraries	22,317	21,892	20,204	20,298	18,136	18,070	18,136	18,070
Program: Early Childhood & Family Supp	99,893	109,977	139,258	168,729	169,733	170,292	171,152	172,791
Program: Community Support Services	1,759	1,812	1,498	1,336	1,264	1,174	1,264	1,174
Program: Self Sufficient & Lifelong Lrn	54,712	52,458	53,406	54,908	55,241	56,728	55,241	56,728
Total	9,188,249	8,955,310	9,286,580	9,761,339	9,913,071	10,090,762	10,176,007	10,535,640

Expenditures by Category

Compensation	39,334	41,184	37,143	41,209	40,829	41,411	43,118	44,171
Operating Expenses	43,293	52,074	42,936	43,984	39,773	37,151	47,498	42,431
Other Financial Transactions	2,470	1,894	777	851	661	670	661	670
Grants, Aids and Subsidies	9,103,143	8,860,158	9,205,725	9,675,295	9,831,807	10,011,530	10,084,729	10,448,368

(Dollars in Thousands)

Expenditures by Category

Capital Outlay-Real Property	9	0						
Total	9,188,249	8,955,310	9,286,580	9,761,339	9,913,071	10,090,762	10,176,007	10,535,640
Total Agency Expenditures	9,188,249	8,955,310	9,286,580	9,761,339	9,913,071	10,090,762	10,176,007	10,535,640
Internal Billing Expenditures	5,118	5,003	5,181	6,513	6,122	6,001	6,122	6,001
Expenditures Less Internal Billing	9,183,131	8,950,308	9,281,399	9,754,826	9,906,949	10,084,761	10,169,885	10,529,639
<u>Full-Time Equivalents</u>	416.3	418.4	373.9	410.7	402.4	389.8	408.6	396.0

1000 - General

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Entitlement	7,980,398	8,015,022	8,278,103	8,625,290	8,790,908	8,971,583	9,009,328	9,347,036
Levies	2,003,069	2,016,676	2,090,436	2,230,403	2,322,040	2,412,232	2,322,038	2,412,232
District Revenue	9,983,467	10,031,698	10,368,539	10,855,693	11,112,948	11,383,815	11,331,366	11,759,267
Direct Appropriation	8,419,944	8,163,066	8,505,349	8,900,321	9,024,766	9,205,627	9,287,884	9,650,687
Current Year	7,236,248	7,199,154	7,436,071	7,758,752	7,906,135	8,066,828	8,124,555	8,417,399
Prior Year	810,961	744,905	813,890	841,964	866,523	884,771	866,523	909,652
Balance Forward In	700	13,122	0	5,073	9,676	40	9,676	40
Net Transfers	(42)	(3,318)	471	(7,165)	(1,814)	(1,814)	(1,996)	(1,996)
Cancellations	1,073	11,201	4,541	0	0	0	0	0
Expenditures	8,410,552	8,161,669	8,496,206	8,888,553	9,032,589	9,203,823	9,295,525	9,648,701
Balance Forward Out	8,979	0	5,073	9,676	40	30	40	30
<i>Biennial Change in Expenditures</i>				812,537		851,654		1,559,468
<i>Biennial % Change in Expenditures</i>				5		5		9
<i>Gov's Exp Change from Base</i>								707,814
<i>Gov's Exp % Change from Base</i>								4
Full-Time Equivalents	153.3	160.2	142.3	159.4	151.4	139.2	157.6	145.4

2000 - Restrict Misc Special Revenue

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	7,245	4,026	2,914	3,306	2,600	2,436	2,600	2,436
Receipts	10,562	10,781	11,246	12,039	12,002	12,049	12,002	12,049
Internal Billing Receipts	5,034	5,127	5,375	5,649	5,649	5,649	5,649	5,649
Net Transfers	0	0	0	31	0	0	0	0
Cancellations	0	0	0	41	8	8	8	8
Expenditures	13,937	11,798	10,853	12,734	12,157	12,077	12,157	12,077
Balance Forward Out	3,871	3,010	3,306	2,600	2,436	2,400	2,436	2,400
<i>Biennial Change in Expenditures</i>				(2,148)		647		647
<i>Biennial % Change in Expenditures</i>				(8)		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	49.1	51.4	28.7	29.4	27.6	25.7	27.6	25.7

2001 - Other Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	212	92	224	217	10	0	10	0
Receipts	510	470	693	737	657	668	657	668
Net Transfers	5	5	0	0	0	0	0	0
Expenditures	640	460	700	942	667	668	667	668
Balance Forward Out	88	106	217	10	0	0	0	0
<i>Biennial Change in Expenditures</i>				542		(308)		(308)
<i>Biennial % Change in Expenditures</i>				49		(19)		(19)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	2.4	2.4	4.7	4.7	4.0	4.0	4.0	4.0

2301 - Arts & Cultural Heritage Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	3,000	3,000	2,200	2,200	0	0	0	0
Balance Forward In	0	0	0	94	66	0	66	0
Expenditures	3,000	3,000	2,106	2,228	66	0	66	0
Balance Forward Out	0	0	94	66	0	0	0	0
<i>Biennial Change in Expenditures</i>				(1,666)		(4,268)		(4,268)
<i>Biennial % Change in Expenditures</i>				(28)		(98)		(98)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2403 - Gift

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	184	164	174	184	117	98	117	98
Receipts	42	72	72	60	60	60	60	60
Expenditures	63	62	62	127	79	79	79	79
Balance Forward Out	163	174	184	117	98	79	98	79
<i>Biennial Change in Expenditures</i>				64		(32)		(32)
<i>Biennial % Change in Expenditures</i>				51		(17)		(17)

2403 - Gift

Gov's Exp Change from Base			0
Gov's Exp % Change from Base			0

2820 - Maximum Effort School Loan

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	1,020	335	431	1,852	48	263	48	263
Receipts	335	431	1,852	60,672	263	575	263	575
Net Transfers	(1,020)	(335)	(431)	(62,477)	(48)	(263)	(48)	(263)
Balance Forward Out	335	431	1,852	48	263	575	263	575

3000 - Federal

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	0	357	517	34	0	0	0	0
Receipts	736,306	752,673	748,403	826,639	836,243	842,098	836,243	842,098
Net Transfers	0	0	0	(35)	0	0	0	0
Expenditures	736,307	752,681	748,887	826,637	836,245	842,098	836,245	842,098
Balance Forward Out	0	351	34	0	0	0	0	0
Biennial Change in Expenditures				86,536		102,819		102,819
Biennial % Change in Expenditures				6		7		7
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
Full-Time Equivalents	211.4	204.5	198.1	217.1	219.4	221.0	219.4	221.0

3801 - Endowment School

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Net Transfers	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
Expenditures	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
Biennial Change in Expenditures				8,496		5,399		5,399
Biennial % Change in Expenditures				17		9		9
Gov's Exp Change from Base								0

3801 - Endowment School

<i>Gov's Exp % Change from Base</i>			0
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6000 - Miscellaneous Agency

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	52	33	44	52	61	71	61	71
Receipts	22	23	11	15	15	15	15	15
Net Transfers	(33)	(11)	0	0	0	0	0	0
Expenditures	9	1	3	5	5	5	5	5
Balance Forward Out	33	44	52	61	71	81	71	81
<i>Biennial Change in Expenditures</i>				(1)		2		2
<i>Biennial % Change in Expenditures</i>				(12)		25		25
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Education

FY18-19 Biennial Budget Change Item

Change Item Title: General Education Basic Formula Increase

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	117,767	253,729	268,789	270,732
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	117,767	253,729	268,789	270,732
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the general education basic formula by 2 percent in FY 2018 and an additional 2 percent in FY 2019. The per-pupil formula would increase by \$121, from \$6,067 to \$6,188 in FY 2018, and by an additional \$124 to \$6,312 in FY 2019.

Rationale/Background:

Increases in the general education basic formula are needed to maintain our investment in educational programs for all pre-kindergarten through grade 12 students in schools throughout the state. The general education basic formula is the primary means by which the state funds its constitutional duty to provide a general and uniform, thorough and efficient system of public schools. Operating costs for school districts and charter schools increase annually due to inflation. School districts and charter schools need annual increases in general operating funds to maintain quality education programs for students and close the achievement gap. Over the past decade, increases in the general education basic formula have lagged behind the rate of inflation, causing school districts to rely more heavily on voter approved referendum levies to maintain basic education programs.

The general education formula is the largest component of Minnesota's school funding system, accounting for 63 percent of total state E-12 education aid for FY 2017.

Several other school funding formulas (e.g., compensatory, sparsity, transportation sparsity, Early Childhood Family Education, nonpublic pupil, nonpublic transportation, shared time) are linked to the general education formula.

General education formula increases for the past four years (1.5 percent in FY 2014, 1.9 percent in FY 2015, 2.0 percent in FY 2016 and 2.0 percent in FY 2017) have exceeded inflation during that four year period as measured by the CPI, resulting in a net increase of 2.4 percent (\$144) in the basic formula over the four-year period after adjusting for inflation.

However, the increase over the past four years has not been sufficient to offset the 10.6 percent (\$706) decrease in the basic formula, adjusted for inflation and pupil unit weighting changes, that occurred between 2003 and FY 2013.

As a result, the general education formula for FY 2017 is \$562 per pupil (8.5 percent) less than it was in FY 2003 in inflation-adjusted (FY 2017) dollars.

The inflation rate, as measured by the CPI, is projected to be 2.49 percent per year for both FY 2018 and FY 2019.

Proposal:

This proposal will:

- Increase the general education formula allowance by 2 percent (\$121) for FY 2018, from \$6,067 to \$6,188, and an additional 2 percent (\$124) for FY 2019 and later, to \$6,312.
- Increase other school aid and levy programs that are linked to the general education formula, including:
 1. Increase the Early Childhood Family Education Allowance, set at 0.23 percent of the general education formula allowance, from \$139.54 to \$142.32 for FY 2018 and to \$145.18 for FY 2019 and later.
 2. Adjust state aid calculations for the nonpublic pupil transportation, nonpublic pupil, shared time, tribal contract, and Post-Secondary Enrollment Options programs to reflect the higher formula allowances for FY 2018 and later.

Equity and Inclusion:

Increasing the general education basic formula benefits all students statewide. Because compensatory revenue is linked to the basic formula, increasing the basic formula also increases resources targeted to closing the achievement gap for students who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	% of third-graders reading at grade level	57%	58%	59%
Quality	Reading achievement gap closure (% Schools that met targets)	Not available	65%	43%
Quality	Math achievement gap closure (% Schools that met targets)	Not available	59%	41%
Quality	High school graduation rates	80%	81%	82%
Quality	% of kids ready for kindergarten	Not available	Not available	Not available
Quality	% of students (11 th grade) proficient in both 10 th -grade reading and 11 th -grade math	Not available	Not available	43%
Quality	% of high school graduates enrolled in college in Minnesota requiring developmental courses within two years of high school graduation	26%	22%	Not available*

Rigorous annual targets are set in all student groups to reduce the achievement gap by 50 percent by 2017. Schools must remain above the increasing targets each year to stay on track to the 2017 goal. The data includes targets for the seven traditionally under-performing student groups, including Asian, American Indian, Hispanic, African American, Free/Reduced-Price Lunch, Special Education and English Learners.

*This data will not be available for 2015 until the winter of 2017.

Statutory Change(s):

126C.10

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Special Education Funding Increase

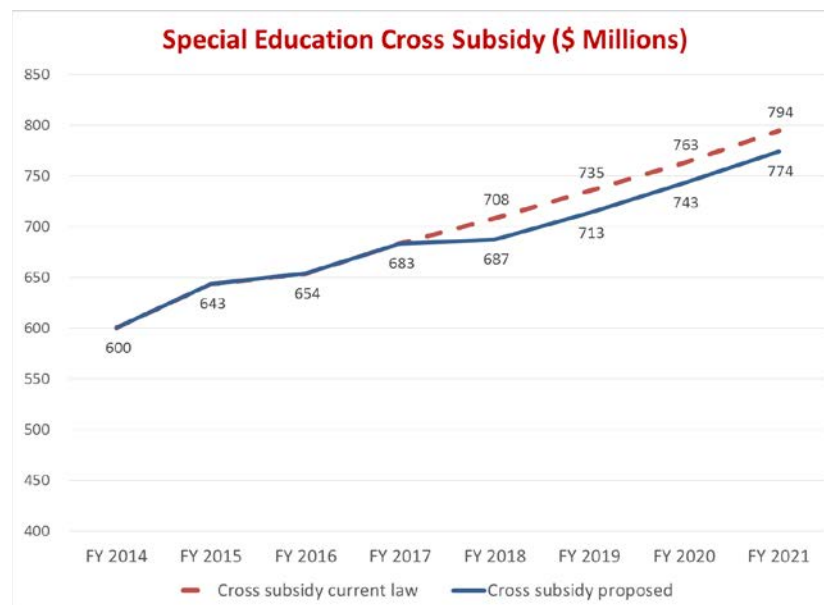
Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	21,050	22,742	20,919	21,354
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	21,050	22,742	20,919	21,354
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing special education spending by \$43.792 million in the FY2018-19 biennium. This increase to state special education aid would reduce the special education cross subsidy by about \$20 million for FY 2018 and later.

Rationale/Background:

This increase to state special education aid would reduce the special education cross subsidy by about \$20 million for FY 2018 and later, as shown in the graph below. The cross subsidy has grown from \$600 million for FY 2014 to \$683 million for FY 2017, and is projected to increase to \$794 million by FY 2021. Implementation of the new special education funding formula in FY 2016 slowed but did not stop the growth of the cross subsidy. The special education cross subsidy forces school districts to use unreserved general fund resources to cover unfunded special education costs, diminishing educational opportunities for general education students and putting stress on special education programming. Reducing the cross subsidy will mitigate these issues.



The special education cross subsidy varies widely among districts. Districts with high incidence of special education students or even a few extraordinarily high-cost students have greater cross subsidies than other districts. This creates inequities among districts in net resources available for regular education programs after covering the special education cross subsidies. The funding increase will be allocated by increasing several components of the special education funding formula to ensure that

most districts will receive an increase. The increase will be larger in districts with large cross subsidies than in districts with smaller cross subsidies, reducing the inequity among districts created by the cross subsidy.

Aid calculations for FY 2016 and later currently include a hold harmless adjustment and a limit on growth over FY 2016 old formula revenue, which is adjusted annually for inflation and enrollment change. For districts where programs have closed or moved to a cooperative, the FY 2016 old formula revenue base needs to be adjusted to avoid overpaying districts that no longer operate programs included in the base.

Proposal:

To implement the increased funding, the Governor recommends the following changes in state special education aid calculations beginning in FY 2018:

- 1) Increase the allowances for the pupil-driven portion of the initial aid formula as follows to adopt the findings of the FY 2016 cost study required by Minnesota Statutes 125A.76, subdivision 2D:
 - a. Increase the allowance per pupil in Average Daily Membership (ADM) for the lowest cost programs (funding level 1) from \$450 to \$467;
 - b. Increase the poverty allowance for funding level 1 from \$400 to \$415;
 - c. Increase the allowance for funding level 2 programs from \$10,400 to \$12,700;
 - d. Increase the allowance for funding level 3 programs from \$18,000 to \$19,000;
 - e. Increase the allowance for the highest cost programs (funding level 4) from \$27,000 to \$27,200.
- 2) Simplify the initial special education aid formula by eliminating the calculations based on "old formula" expenditures. Initial aid will be the lesser of the pupil-driven calculation or the calculation based on all nonfederal expenditures, instead of the least of the three.
- 3) Increase special education excess cost aid by:
 - a. Increasing the reimbursement rate for unfunded nonfederal special education expenditures from 56 percent to 57 percent; and
 - b. Reducing the subtraction for general education revenue in the formula based on old formula expenditures from 2.5 percent to 2.2 percent.
- 4) Increase the cap on growth in total special aid over old law (2012 Statutes) for FY 2018 from \$140 per ADM to \$171 per ADM, and increase the annual growth in the cap for FY 2019 and later from \$40 to \$43 per ADM.
- 5) Adjust the FY 2016 old formula revenue base used to calculate the hold harmless and growth cap for districts where programs are closed or moved to a cooperative.

Equity and Inclusion:

In FY 2016, 133,678 children and youth, ages birth-21, received special education services.

The proposal will ensure that state special education aid is allocated equitably among school districts and cooperatives based on need by updating the formula to reflect more current data on special education costs and students served.

IT Related Proposal:

IT costs related to formula changes are covered in the agency's base appropriations.

Results:

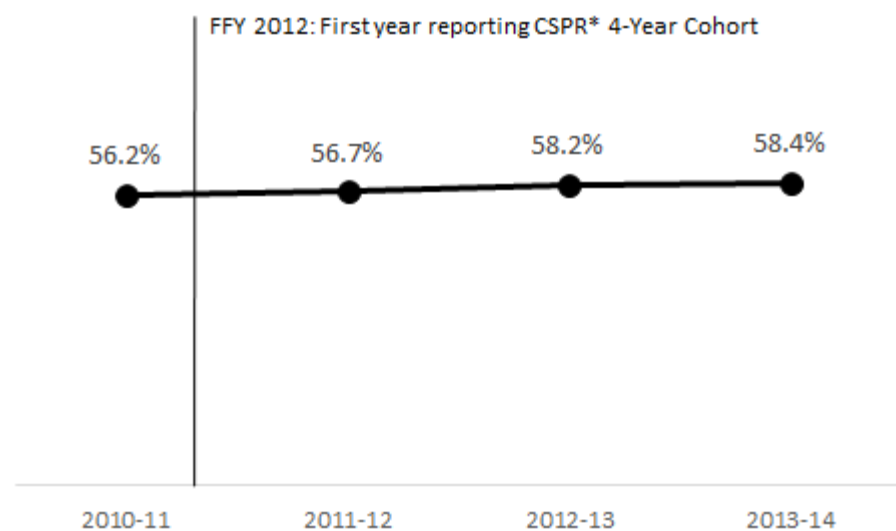
This program funds specially designed instruction and related services for children and youth with disabilities ages birth-21.

Goal: To increase the graduation rate of students with disabilities.

Measure: Graduation rate of students with disabilities.

Minnesota Graduation Rates for Youth with IEPs

4-Year Cohort



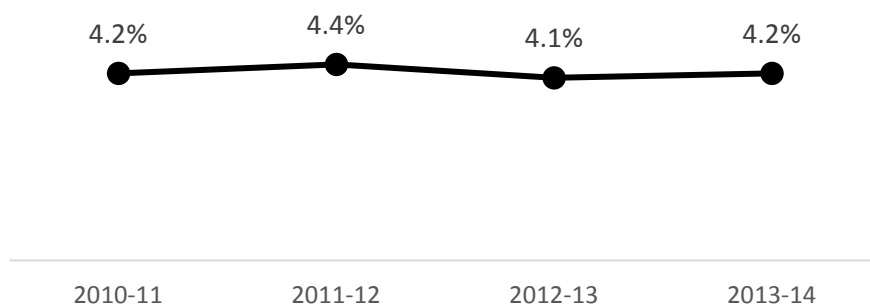
*CSPR: Consolidated State Performance Report

Goal: To decrease the dropout rate of students with disabilities.

Measure: Dropout rate of students with disabilities.

Minnesota Dropout Rates for Youth with IEPs

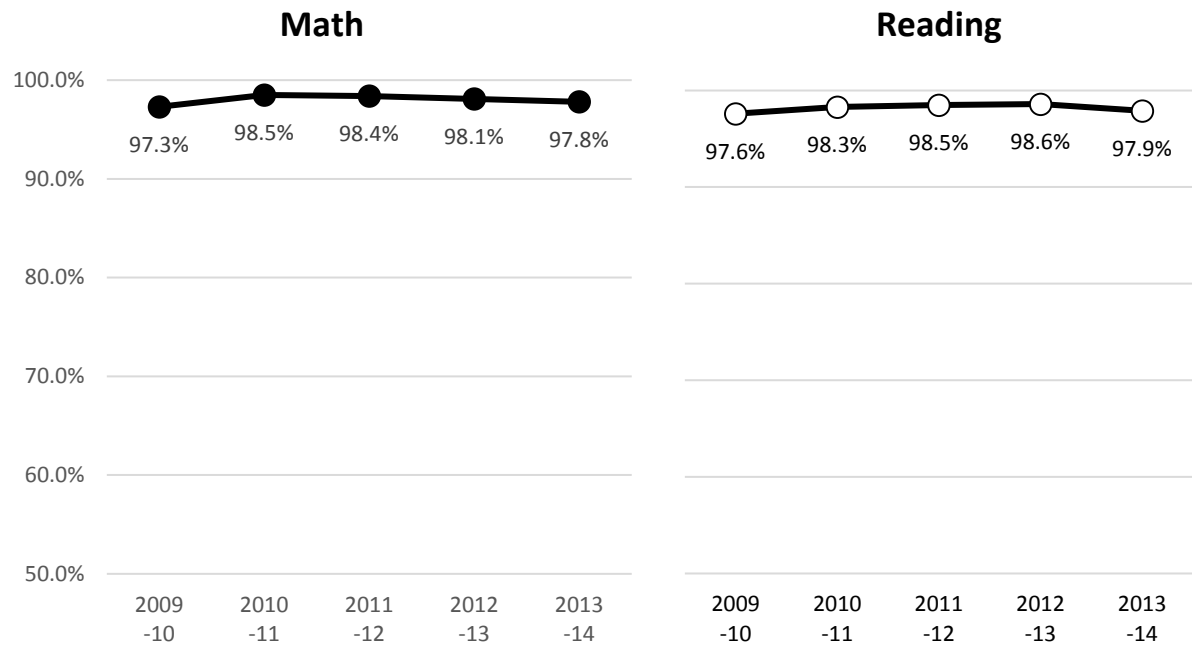
4-Year Cohort



Goal: To support the inclusion of students with disabilities in the statewide assessment system.

Participation in Statewide Assessments by Minnesota Students with IEPs

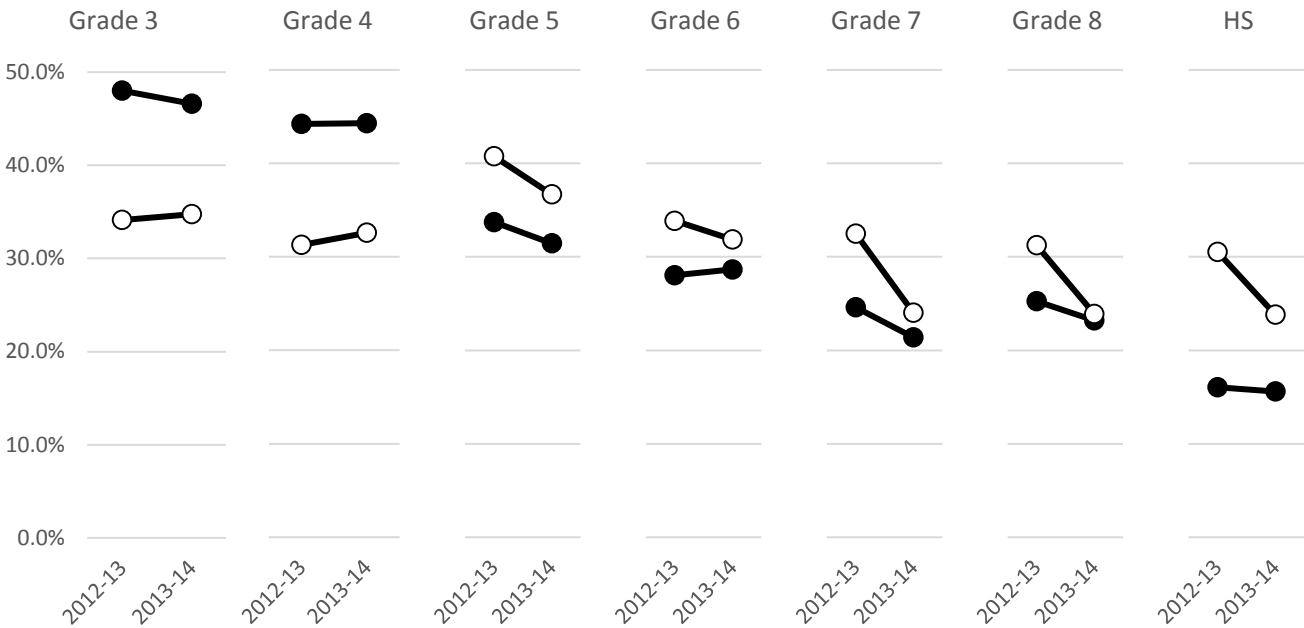
Goal is 95% participation in both Math and Reading tests.



Measure: Participation and performance rates on statewide assessments (MCA and MTAS).

Proficiency Rates for Students with IEPs on the Minnesota Statewide Math (●) and Reading (○) Assessments.

Only students with valid scores are included in the figure below.

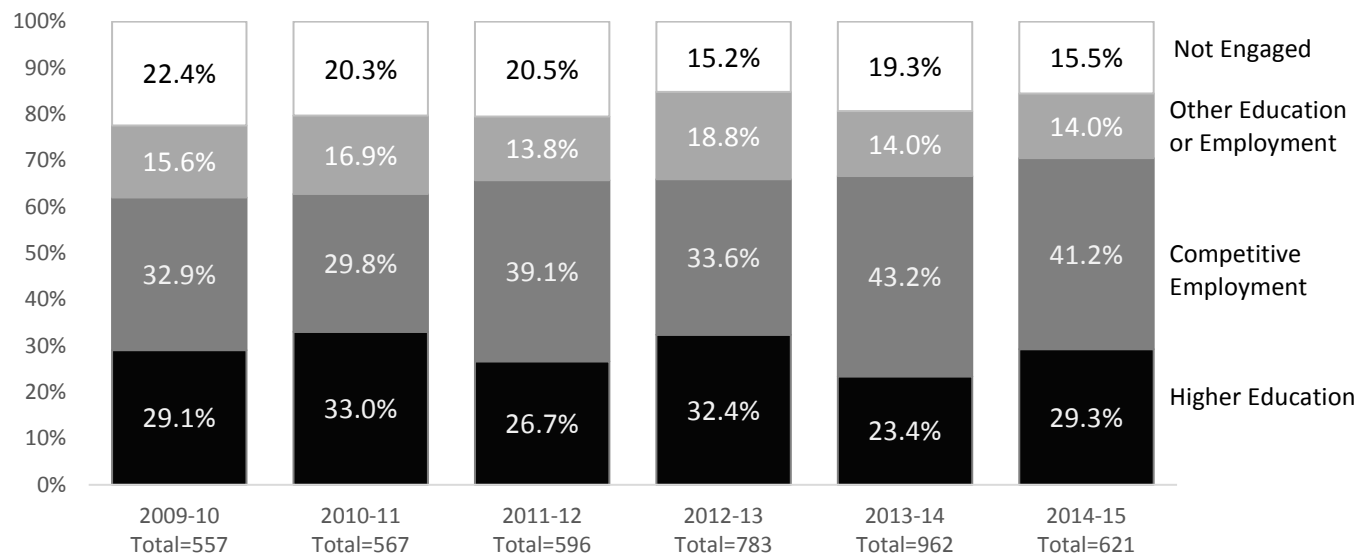


Goal: To increase postsecondary education and employment outcomes for students with disabilities.

Measure: Participation rate one year after exiting high school.

Post School Outcome Survey Trends among Minnesota Students with IEPs

Students surveyed one year after exiting.



M.S.125A.02; M.S.125A.03; M.S.125A.75; MN Rules 3525;

Special Education disability categories MN Rules 3525.1325 to 3525.1348;

Eligibility criteria for infant and toddler intervention services MN Rules 3525.1350

Federal Law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300)

Statutory Change(s):

M.S. 125A.76

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Voluntary Pre-Kindergarten Expansion

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	77,963	96,894	103,607	109,431
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	77,963	96,894	103,607	109,431
FTEs	0	0	0	0

Recommendation:

The Governor recommends the following changes in the voluntary pre-kindergarten program for FY 2018 and later:

1. Change the cap on the voluntary pre-kindergarten program from a limit on the state aid entitlement to a limit on number of participants.
2. Create separate allocations for the Minneapolis school district and the Saint Paul school district to ensure an equitable distribution of participants between the two districts.
3. Increase the maximum number of participants from approximately 3,300 in FY 2017 to 12,908 for 2018, with an annual increase of 1,000 participants each year thereafter.
4. Provide Q Comp revenue for new sites by using current year voluntary pre-kindergarten enrollment.
5. Require school districts to provide age-appropriate school bus safety training for public school pupils enrolled in voluntary pre-kindergarten as well as students in kindergarten through grade 10, beginning in FY 2018.
6. Require schools with approved voluntary pre-kindergarten to hire licensed teachers by school year 2020.

The fiscal impact shown above reflects the impact of the 2.0 percent annual increases in the general education formula for FY 2018 and FY 2019 also recommended by the Governor, and assumes that the increase in state total levies resulting from voluntary pre-kindergarten expansion will be neutralized with an offsetting reduction to other levies.

Rationale/Background:

The voluntary pre-kindergarten program is currently capped based on the combined statewide aid entitlements for all funding streams affected by the program. This is a cumbersome, administratively awkward method to limit participation. A statewide limit on the number of program participants would be a much simpler and more transparent way to limit the state's commitment to funding voluntary pre-kindergarten. In addition, the allocation of participant slots among groups based on revenue generated results in a smaller percentage of children being served in groups with the highest concentration of children living in poverty because the revenue per student is higher in those groups. Basing the allocation among groups on participants rather than revenues generated would ensure that the same percentage of four year old children are served in every group. This proposal would not change the amount of state aid for the program.

Under current law, applications are prioritized based on kindergarten poverty concentration and access to three or four-star Parent Aware rated programs within four groups as follows: the Minneapolis and St. Paul school districts; other school districts located in the seven-county metro area, non-metro school districts, and charter schools. This proposal would separate the Minneapolis and Saint Paul school districts into two separate groups for prioritization to ensure that both districts receive a

proportionate share of funded participation slots. For FY 2017, the allocations were very uneven, with Minneapolis receiving funding for five sites and Saint Paul receiving only partial funding for just one site. Separating the two districts into two groups would enable Saint Paul to catch up in FY 2018.

The current statewide cap on voluntary pre-kindergarten funding enables only about 3,300 learners to participate, about 5.5 percent of 4-year-olds. Too many of Minnesota's most vulnerable learners are not getting the high-quality services they need to prepare them for success in kindergarten and in life. Intensive, high-quality pre-kindergarten programs can close much of the early achievement gap for low income children. This substantially increases their school success and produces a host of life-long benefits, including increased school achievement and social and economic success as adults (Reynolds, 2000). These goals can be reached through the expansion of high-quality pre-kindergarten programs..

Expanding high-quality pre-kindergarten throughout the state will give school districts an intentional pathway to support their communities' youngest learners by partnering with community-based providers to align curriculum, assessments, instruction, and professional development not just in pre-kindergarten but along the pre-K through third-grade learning continuum. This will also provide the opportunity to engage with and prepare families prior to school entry. This will enable districts to effectively adhere to the World's Best Workforce legislation, as well as be supported in implementing the English Learner legislation.

While approximately 3,300 pre-kindergarteners are participating under this capped program, applications that were denied due to lack of funding sought to cover almost 6,700 more students, which exceeds the proposed increase of 5,000 students for FY 2018.

Because Q Comp funding is based on prior year enrollment, no additional Q Comp funding is generated under current law by sites in their first year of voluntary pre-kindergarten. This proposal would provide Q Comp funding for new sites based on current year voluntary pre-kindergarten enrollment to support the new staff needed to serve pre-kindergarten students. This would be consistent with the use of current year data for calculating compensatory revenue for new voluntary pre-kindergarten sites and new charter schools. The cost of adjusting Q Comp revenue for new voluntary pre-kindergarten sites is \$585,000 in FY 2018, \$182,000 in FY 2019, \$130,000 in later years.

Pre-kindergarten students should receive age-appropriate bus safety training, consistent with the training currently provided for students in kindergarten through grade 10. This proposal would not change the amount of state aid for the program.

Proposal:

Beginning in FY 2018, replace the state aid entitlement dollar limits on funding for the program with a limit of 12,908 participants for FY 2018 and an annual increase of 1,000 participants over the FY 2018 limit for FY 2019 and later years.

Beginning in FY 2018, allocate the statewide limit on the number of participants among five groups (Minneapolis school district, St Paul school district, metro suburban districts, non-metro districts, and charter schools) based on each group's share of the statewide kindergarten enrollment on October 1 of the previous school year, rather than allocating the total aid among four groups based on the kindergarten enrollment. This will ensure that all groups will receive funding for an equal percentage of eligible 4-year-old children.

Provide Q Comp revenue for new sites by using current year voluntary pre-kindergarten enrollment.

Require school districts to provide age-appropriate school bus safety training for public school pupils enrolled in voluntary pre-kindergarten as well as students in kindergarten through grade 10, beginning in FY 2018.

Offset the increase in state total levies resulting from voluntary pre-kindergarten expansion with a reduction in other levies to neutralize the statewide levy impact of the expansion.

Equity and Inclusion:

Gradually expanding participation in voluntary pre-kindergarten presents an extraordinary opportunity to meet the needs of Minnesota's most disadvantaged 4-year-old children first, and then expanding the program to benefit all 4-year-olds.

Extending the requirement for school districts to provide public school pupils with age-appropriate school bus safety training to include students enrolled in voluntary pre-kindergarten programs will help to ensure that these students are transported safely to and from school.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	% of third-graders reading at grade level	57%	58%	59%
Quality	Reading achievement gap closure (% Schools that met targets)	Not available	65%	43%
Quality	Math achievement gap closure (% Schools that met targets)	Not available	59%	41%
Quality	High school graduation rates	80%	81%	82%
Quality	% of kids ready for kindergarten	Not available	Not available	Not available
Quality	% of students (11 th grade) proficient in both 10 th -grade reading and 11 th -grade math	Not available	Not available	43%
Quality	% of high school graduates enrolled in college in Minnesota requiring developmental courses within two years of high school graduation	26%	22%	Not available*

Rigorous annual targets are set in all student groups to reduce the achievement gap by 50 percent by 2017. Schools must remain above the increasing targets each year to stay on track to the 2017 goal. The data includes targets for the seven traditionally under-performing student groups, including Asian, American Indian, Hispanic, African American, Free/Reduced-Price Lunch, Special Education and English Learners.

*This data will not be available for 2015 until the winter of 2017.

Statutory Change(s):

124D.151, 123B.90, subd. 2

Education

FY18-19 Biennial Budget Change Item

Change Item Title: American Indian Tribal Contract Aid

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	1,640	2,088	2,236	2,366
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,640	2,088	2,236	2,366
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the maximum American Indian tribal contract aid per pupil unit be continued at the FY 2017 level of \$3,230, and not decreased to \$1,500 as provided in current law. The fiscal impact shown above reflects the impact of the 2.0 percent annual increases in the general education formula for FY 2018 and FY 2019 also recommended by the Governor.

Rationale/Background:

This state aid program provides funding to promote equal education for American Indian students enrolled in Bureau of Indian Education (BIE) tribal contract schools.

The program ensures tribal schools have sufficient funds to provide an adequate and uniform education to their students, as required by the Minnesota Constitution. Participants include the four tribal contract schools in the state: Bug-O-Nay-Ge-Shig School, Leech Lake; Circle of Life Academy, White Earth; Nay ah Shing School, Mille Lacs; and Fond du Lac Ojibwe School, Fond du Lac.

The aid is calculated based on the difference between the amount of state aid per pupil unit that would have been generated if these students had been enrolled in public schools and the amount provided by the federal government, with a limit on the amount of aid per pupil unit.

The per pupil unit state aid limit was set at \$1,500 in 1989 when the program was enacted. Legislation enacted in 2015 increased the aid limit to \$3,230 for FY 2016 and FY 2017 only.

Proposal:

- Continue the FY 2017 aid limit of \$3,230 for FY 2018 and later school years.
- If the aid limit is not maintained at the FY 2017 level, the state total aid entitlement is projected to decrease by 45 percent between FY 2017 and FY 2018, from \$3,716,000 to \$2,056,000.

Equity and Inclusion:

In FY 2016, 759 American Indian students attended the four Bureau of Indian Education (BIE) tribal contract schools in Minnesota. The proposal will prevent a 45 percent reduction in state funding to support educational opportunities for these students.

IT Related Proposal:

NA

Results:

This program mainly addresses two goal areas of the World's Best Workforce by ensuring that all racial and economic achievement gaps between students are closed and that all students graduate from high school.

MDE does not track or report participant performance. Tribal contract schools are not public schools, so cannot be required to submit assessment data related to this program.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	American Indian student graduation rate in BIE Tribal contract schools*	62.9%*	71.8%*	FY 2014 FY 2015

*This graduation rate was calculated using data reported from two of four tribal contract schools in the state. The remaining two schools had data cells that were too small to report.

Statutory Change(s):

M.S. 124D.83

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Debt Service Equalization Increase

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	5,760	13,220	19,230	23,530
Revenues	0	790	120	(420)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,760	12,430	19,110	23,950
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the state share of school debt service revenue from 3.0% in FY 2017 to 5.6% in FY 2021. This would be accomplished by lowering the threshold for Tier 2 debt service equalization from 26.24% of Adjusted Net Tax Capacity (ANTC) for FY 2017 to 22.34% of ANTC for FY 2018, and to 19% of ANTC for FY 2019 and later.

Debt equalization revenue helps ensure that school districts, regardless of property wealth, can provide adequate education facilities for their students by helping to offset property owners' relatively high tax burden in areas with low- to-moderate tax bases. This additional aid will help fund school facilities in locations around Minnesota.

Rationale/Background:

All Minnesota students need a world class education, no matter where they live. However, in school districts without high-value land, the burden of paying for modern schools can fall disproportionately on just a few businesses, farms, or homeowners. The Governor has proposed a \$62 million over four years to help these districts.

Debt service equalization began in FY 1993, phasing in over three years. In FY 1995 – the first year this aid was fully phased in – the state share was 11.3% of the revenue. The state share gradually declined over the next several years as tax base increased with inflation and the debt service equalization formula was not adjusted to account for the inflation.

The formula was restructured for FY 2003 by adding a second tier of equalization, which temporarily stabilized the state share. But the state share declined from 6.1% in FY 2003 to 1.1% in FY 2010, again due primarily to inflation of the tax base without offsetting adjustments in the equalization formula. From FY 2011 to FY 2015, the state share increased to 3% due to declining property values. Indexing of the equalizing factors for FY 2017 has stabilized the state share around 3%. Under this proposal, the state share will grow to 5.6% by FY 2021, close to the FY 2003 level.

Proposal:

This proposal lowers the threshold for Tier 2 equalization aid from 26.24% of ANTC to 22.34% for FY 2018, and to 19% for FY 2019 and later. It provides additional funding to increase the number of districts receiving debt service aid from 40 to 61, and increase the amount of aid for 38 of the 40 districts currently receiving aid.

Equity and Inclusion:

The debt service equalization proposal will provide tax relief to all taxpayers of school districts with high debt service tax rates (over 19% of ANTC) and below average tax base per pupil. These are districts with below average tax base per pupil due to the lack of high-value property tax base to support their students.

Statutory Change(s):

Minnesota Statutes, section 123B.53, subd. 4

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Support our Students

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	\$4,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$4,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the Support Our Students Grant Program, which began in FY 2017, be expanded in order to offer another round of the 6-year grant program in FY 2018 for \$4,000,000 to schools in order to help them hire additional student support services personnel, which includes individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or a chemical dependency counselor in Minnesota.

The Governor recommends funding of \$4,000,000 in fiscal year 2018 to be available over a six-year grant period. A school that receives a grant must match the grant with local funds in each year of the grant. In each of the first four years of the grant, the local match equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the local match equals \$3 for every \$1 awarded in the same year. The local match may not include federal reimbursements attributable to positions funded.

Rationale/Background:

- The grant program would address shortages of student support services personnel within Minnesota schools; decrease caseloads for existing student support services, personnel to ensure effective services; ensure that students receive effective academic guidance and integrated and comprehensive services to improve kindergarten through grade 12 school outcomes and career and college readiness; ensure that student support services personnel serve within the scope and practice of their training and licensure; fully integrate learning supports, instruction, and school management within a comprehensive approach that facilitates interdisciplinary collaboration; and improve school safety and school climate to support academic success and career and college readiness.
- There were a total of 115 school site applications for the 6-year Support Our Students Grant Program in FY 2017; however, there was only enough grant funding for 77 school sites to hire student support services personnel. This reflects that more schools need grant funding in order to hire more personnel to help with the needs listed above.

Proposal:

- This is a one time continuation of the existing FY 2017 Support Our Students Grant Program in order to fund more student support services personnel in more schools through another round of 6-year grants, to be awarded in FY 2018.
 - Grants – The FY 2017 Support Our Students Grant Program of \$12,133,000 currently provided matching funding to 77 schools to hire student support services personnel over a 6-year period. Of those schools, 40 were non-metro sites and 37 were metro sites. The grants funded the following positions: 40 school counselors- 20 full-time, 20 part-time; 21 social workers- 17 full-time, 4 part-time; 7 chemical dependency counselors- 2 full-time, 5 part-time; 6 school psychologists- 2 full-time, 4 part-time; 3 school nurses- 2 full-time, 1 part-time.
 - In awarding the grants in FY 2017, the commissioner gave priority to schools in which student support services personnel positions did not exist. To the extent practicable, the commissioner also awarded grants equally between applicants in metro counties and non-metro counties.

- Criteria in the grant application included the following: existing student support services personnel caseloads; school demographics, Title 1 revenue; Minnesota student survey data; graduation rates; and postsecondary completion rates.
- A school that received a grant must submit a written report to the commissioner indicating how the new position affected two or more of the following measures: school climate; attendance rates; academic achievement; career and college readiness; and postsecondary completion rates.
- This work complements all of the World's Best Workforce work that is occurring in the agency to ensure every school district in the state is making strides to increase student performance. Each district must develop a plan that addresses the following five goals: all children are ready for school; all third-graders can read at grade level; all racial and economic achievement gaps between students are closed; all students are ready for career and college; and all students graduate from high school.
- This proposal will provide matching funding for schools to hire student support services personnel and address the shortages of student support services personnel within Minnesota schools; decrease caseloads for existing student support services personnel to ensure effective services; ensure that students receive effective academic guidance and integrated and comprehensive services to improve kindergarten through grade 12 school outcomes and career and college readiness; ensure that student support services personnel serve within the scope and practice of their training and licensure; fully integrate learning supports, instruction, and school management within a comprehensive approach that facilitates interdisciplinary collaboration; and improve school safety and school climate to support academic success and career and college readiness.
- The effective implementation date will be July 2017 in order for schools to hire student support services personnel. The new grants will be able to help students beginning in the fall of 2017.
- This proposal includes up to \$200,000 for the administration of the grants to allow the department to have the capacity to perform accountability and oversight functions.

Equity and Inclusion:

- Access to student support services will benefit all students.
- Underserved students such as those qualifying for special education services, English learners, and economically disadvantaged students will have increased access to needed support staff. This will result in higher attendance and greater academic achievement.
- This change item is sustainable. Over a 6-year period, the schools will have increased their matching funding of the student support services personnel from a local match of \$1 for every \$1 awarded in each of the first four years of the grant, and in years five and six of the grant, the local match equals \$3 for every \$1 awarded in the same year.

Results:

- The FY 2017 Support Our Students Grant Program of \$12,133,000 currently provides matching funding to 77 schools to hire student support services personnel over a 6-year period. Of those schools, 40 were non-metro sites and 37 were metro sites. The positions funded the following: 40 school counselors- 20 full-time, 20 part-time; 21 social workers- 17 full-time, 4 part-time; 7 chemical dependency counselors- 2 full-time, 5 part-time; and 6 school psychologists- 2 full-time, 4 part-time; 3 school nurses- 2 full-time, 1 part-time.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of student support services personnel positions funded by schools increased by 77 positions via the Support Our Students Grant Program	na	77 positions	July 1, 2017- June 30, 2022.
Results	School climate; attendance rates; academic achievement; career and college readiness; and postsecondary completion rates	New grant program in FY 2017	No current data. First year school report due by Feb. 1, 2018	School report due to commissioner by Feb.1 following each fiscal year of the grant.

- The grant program will impact two or more of the following: school climate; attendance rates; academic achievement; career and college readiness; and postsecondary completion rates.
- By February 1 following any fiscal year in which it received a grant, a school must submit a written report to the commissioner indicating how the new position affected two or more of the following measures: school climate; attendance rates; academic achievement; career and college readiness; and postsecondary completion rates.

Statutory Change(s):

Minnesota 2016 Session Law, Chapter 189, Article 25, Section 56.

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Full Service Community Schools Program

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	1,000	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	1,000	1,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends providing the Minnesota Department of Education (MDE) with \$1 million per year to expand the Full Service Community Schools Program grants in order to reach more children and improve the quality and outcomes of the services provided. Ongoing funding would also make this a sustained program.

The funding will provide grants to schools in order to provide wrap-around services in school sites that aim to improve student outcomes and strengthen family stability. Up to 5% of the appropriation will be used for MDE grant administration, to provide technical assistance to full service community schools, and to facilitate the full service community school review as outlined by Minnesota Statute 124D.231.

Rationale/Background:

The Full Services Community Schools is a new program established in 2015 that provides funding to eligible schools to plan, implement, and improve full-service community schools. Additional funds were allocated in 2016 for expansion of the program.

The current funding has provided grants to 13 schools—4 in round one and 9 additional schools in round two. This money would allow MDE to expand the numbers of schools who are awarded Full Service Community School Grants and make this a sustained grant program.

Proposal:

Full service community school grant funds allow schools to partner with community agencies to provide onsite health and dental clinics, mental health services, family resource centers, college access information, out-of-school program information, and other family support services as outlined in Minnesota Statute 124D.231.

In addition to grant funds, this proposal includes funding for MDE administration of the grant program including technical assistance to grantees and other full service community schools, coordination with school improvement initiatives, competitive grants process administration, review of progress reports submitted by participating schools, and reporting on program progress.

Equity and Inclusion:

The purpose of this program is to provide additional, comprehensive services to underserved student populations. As defined in Minnesota Statute, the full service community schools are schools with school improvement plans and schools receiving Achievement and Integration funding. As part of the planning process, schools must base their plans on a needs assessment that includes the needs of underserved student populations. School populations including poverty, student mobility, and homelessness may be considered as part of grant approval.

IT Related Proposals:

Not Applicable

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Grants awarded	4	13	FY2016- FY2017
Results	New program. Final grant reports have not been submitted. Reviews are not required until the third year of implementation by Minnesota Statute.	N/A	N/A	

Grantees must conduct a program review and submit a report that meets requirements in Minnesota Statute. The report must include an assessment of effectiveness, number and percentage of students served, number and percentage of community members served, retention data, student academic data, school readiness data, family engagement data, and satisfaction data.

Statutory Change(s):

N/A

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Help Me Grow

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	1,500	1,500	1,500	1,500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,500	1,500	1,500	1,500
Total FTEs	1.25	1.25	1.25	1.25

Recommendation:

The Governor recommends building upon the current Help Me Grow system to develop a comprehensive, statewide, coordinated system of early identification, referral and follow-up for young children and their families from birth to grade three who could benefit from the components of Help Me Grow. Expanding the current Help Me Grow system is a cross-agency effort, which includes: the Minnesota Department of Education; The Minnesota Department of Health; and the Minnesota Department of Human Services.

Children with “high needs” includes children who are:

- In poverty, highly mobile or experiencing homelessness.
- English learners.
- Demonstrating developmental delays or disabilities.
- From families experiencing mental health concerns.

Help Me Grow will work to connect children with high needs, and their families, to existing services within Minnesota’s strong system of early learning and development programs. The system, built upon a model developed by the University of Connecticut Children’s Hospital, includes four essential components.

1. A centralized telephone/web based access point.
2. Community outreach.
3. Health care provider outreach.
4. Data collection.

The Governor is requesting a total of \$6 million from the general fund for FY 2018, FY 2019, FY 2020, and FY 2021. This funding supports maintaining and expanding the number of state staff who are focused on Help Me Grow. These maintained and new staff are housed at the Department of Education, the Department of Health, and the Department of Human Services. Funding staff at the three agencies allows a comprehensive approach to planning, entering into, and scaling to full implementation, a contract with a qualified vendor to implement this initiative to state specifications.

Rationale/Background:

Many early care and education programs exist to promote kindergarten readiness and academic success during the early elementary years. Because these programs are offered by a multitude of agencies funded by many sources it is often challenging for families to find and pay for needed services. Help Me Grow will enhance efforts to reduce or prevent the achievement gap between children with high needs and their peers by creating a navigation tool to connect children, especially those with high needs, to early intervention services.

Identifying and linking at-risk children to community-based supports as early as possible is essential to optimal child development. Families, child health providers, and other professionals often have difficulty recognizing when children show early signs of developmental delays or behavioral health issues. The Help Me Grow initiative will help to prevent the educational gaps between children with high needs and their peers by effectively connecting children most in need to existing intervention services within Minnesota's strong system of early learning and development programs.

Proposal:

This proposal, built upon meaningful collaboration across state agencies and public sectors, will expand Minnesota's existing Help Me Grow initiative to establish a more comprehensive system. When fully implemented and operational in 2018, more than 630,000 young children and their families from birth to grade three could benefit from the components of Help Me Grow which will include:

- A centralized access point (telephone, web-based, etc.) to services, staffed by highly trained early childhood specialists, who connect families to needed services and provide essential follow-up support. Computer hardware and software, used by call center personnel, will manage information on comprehensive early childhood services and supports available across Minnesota, and make and monitor referrals.
- Child health care provider outreach and education to promote the importance of periodic developmental and social emotional screening.
- A cost-effective mechanism to identify young children at risk for developmental and behavioral problems, and their linkage to community based services.
- Public awareness and outreach to providers and consumers of essential services.
- Efficient strategies for families to enroll in comprehensive services.
- An information infrastructure necessary to monitor the effectiveness and continuously improve the Help Me Grow system, including identification of gaps, barriers and lack of resources.
- The system will be implemented by non-profit entity, selected through a competitive process. 1.75 FTE will be maintained from the state's workforce to manage all aspects of the comprehensive system.

Equity and Inclusion:

The Minnesota Departments of Health, Human Services and Education hosted a Help Me Grow summit in December 2013 to obtain community feedback on whether to expand to a more comprehensive Help Me Grow model. Over 100 community stakeholders from health, human services, education, and parents participated. Through a follow-up survey, 98 percent of respondents agreed that Minnesota should pursue expanding to a more comprehensive Help Me Grow system. Since the summit a cross-agency planning team has received input from over 400 community stakeholders on how to best implement a more comprehensive system. These community stakeholders represented culturally and linguistically diverse populations, tribal nations, health care providers, education providers, human service and mental health providers, and families. Stakeholders also represented both greater Minnesota and Metro regions of the state.

Through this process recommendations have been made to ensure that Help Me Grow will be available to all Minnesota families with young children prenatal through age 8, regardless of income. Help Me Grow staff will provide targeted outreach to Minnesota's vulnerable populations to ensure timely connection and follow-up is made to community-based services. As a result, identifying and linking children to community-based supports as early as possible will support optimal child development thus resulting in children who enter school ready to learn.

IT Related Proposals:

None

Results:

Help Me Grow data collection and analysis procedures will require the centralized access entity to report on a set of key indicators that begins with a participant's initial inquiry to Help Me Grow and concludes with follow-up on service linkage referrals. Data will then be analyzed to identify gaps, barriers and lack of resources to inform a statewide continuous quality improvement process.

Help Me Grow will utilize the Results-Based Accountability framework using these three performance measures:

- How much is Help Me Grow doing?
- How well is Help Me Grow doing?
- Is anyone better off as a result of utilizing Help Me Grow?

Help Me Grow Key Indicators:

1. Help Me Grow Demographics

- a. Total number of children entered into client tracking system (unduplicated count per calendar year).
- b. Total number of entries from 1a. in which caregiver agreed to Care Coordination.
- c. Who initially contacted Help Me Grow on behalf of the child?
- d. Age of child at time of initial entry (Includes prenatal as an age)?
- e. Race/Ethnicity of the child?
- f. How did the initial caller/entry learn about Help Me Grow?
- g. What state does the child live in?

2. Nature of Issues

- a. Number by type of issues/concerns.

3. Developmental Screening

- a) Total number of children who received screening using an evidence based tool through Help.

*Me Grow** (unduplicated count of each child regardless of number of screenings and screening tools).

4. Referrals by Help Me Grow to Services/Programs (provide ranking and total number of entries for each)

- a) Top five types of services/programs to which referrals were made.
- b) Top five service/program gaps (service/program gap means a service/program does not exist to address the need).
- c) Top five barriers that keep children from receiving a service/program that does exist.

5. Help Me Grow Outcomes

- a) Total number of children successfully connected to at least one service.
- b) Total number of children referred for services and are pending the start date.

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Education Partnership Pilot and Transformation Zone Expansion

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	500	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	500	500
FTEs	0	0	0	0

Recommendation:

The Governor recommends an additional \$500,000 annually to support the continuation of the Education Partnership Pilots [Northside Achievement Zone; Northfield Promise; Every Hand Joined (Red Wing); Partner for Student Success (St. Cloud); and St. Paul Promise Neighborhood] and fund the remaining two Race to the Top – Early Learning Challenge grant Transformation Zones (White Earth Reservation and Itasca County).

Currently each grantee receives:	FY16	FY17
Northside Achievement Zone (ongoing appropriation)	\$1,200,000	\$1,210,000
St. Paul Promise Neighborhood (ongoing appropriation)	\$1,200,000	\$1,210,000
Jones Family Foundation (Every Hand Joined)	\$167,000	\$177,000
Independent School District No. 742 (Partner for Student Success)	\$167,000	\$177,000
Northfield Healthy Community Initiative (Northfield Promise)	\$167,000	\$177,000

Each Education Partnership Program will continue to support community collaborations focused on academic achievement and youth development, use a comprehensive and data driven approach to increase student success, and measure outcomes, such as kindergarten readiness through the administration of the Kindergarten Entry Profile. In addition, each program will measure reading proficiency at third grade, high school graduation and college and career readiness. All program components will be aligned to each district's World's Best workforce Plan.

Currently \$5,822,000 is allocated for the existing five education partnership programs. The Northside Achievement Zone and St. Paul Promise Neighborhood have a base of \$1,200,000 each. The other three programs do not have continuing funding. The additional \$1,000,000 will provide a stable level of funding for all the existing programs as well as add two new communities that received funding under the Race to the Top – Early Learning Challenge grant.

Rationale/Background:

There is a need to target state investments to support a comprehensive local community approach that establishes educational partnerships that emphasize local solutions and results-based accountability strategies that support each district/community's World's Best Workforce Plan. Each Education Partnership Community works together to define solutions that will enable them to impact schools readiness, third grade reading, high school graduation, and close achievement gaps. By supporting communities to (1) align efforts through local partnerships that allow them to scale and sustain proven and effective solutions, (2) ensure programming is integrated across sectors, and (3) remove barriers to efficiency, we will be supporting the capacity of communities to build effective and comprehensive support systems where the schools are at the center of a continuum of family and community supports focused on ALL children's success.

Key indicators will be identified, measured and evaluated for transparency and accountability including all goal areas of the World's Best Workforce legislation – which are currently being used as identified goal areas for the Educational Partnership Coalition.

Proposal:

This proposal will provide ongoing allocations for the current Educational Partnership Pilots and Transformation Zone funding and expand the program by adding two new grantees.

To ensure an equitable geographic balance between metro and greater Minnesota and to fund all four of the existing Race to the Top Transformation Zones, White Earth Reservation and Itasca County will be added.

The chart below outlines the proposed allocation of the additional \$1 million in new funds.

	FY18	FY19	FY 20	FY21
Northside Achievement Zone	\$100,000	\$100,000	\$100,000	\$100,000
St. Paul Promise Neighborhood	\$100,000	\$100,000	\$100,000	\$100,000
White Earth Transformation Zone	\$50,000	\$50,000	\$50,000	\$50,000
Itasca Transformation Zone	\$50,000	\$50,000	\$50,000	\$50,000
Every Hand Joined (Red Wing)	\$50,000	\$50,000	\$50,000	\$50,000
Partner for Student Success (St. Cloud)	\$100,000	\$100,000	\$100,000	\$100,000
Northfield Promise	\$50,000	\$50,000	\$50,000	\$50,000

The Northside Achievement Zone and St. Paul Promise Neighborhood will each receive a total of \$1,300,000 per year. This proposal will also fund each Education Partnership Collaboration at the indicated amount on an annual basis.

This proposal complements many existing statewide initiatives and legislation. Most notably, the goals of the Education Partnership Coalition are very similar to the state's World's Best Workforce initiative. Other areas this grant program complements is the Full Service Community Schools grant program, the Early Learning Scholarship program, as well as various other state and county-level assistance programs, the work being done on supporting communities to align their early learning systems PreK-3rd Grade, and adult basic education and family education programs.

The premise of this grant program is based on leveraging partnerships at all levels. For Education Partnerships to be effective, communities must engage multiple stakeholders at the state, regional and local levels in order to ensure all possible supports are in place for success and to meet the varying needs of children and families in each unique community.

Each Education Partnership Coalition works together to define solutions that will enable them to impact school readiness, third grade reading, high school graduation, and close achievement gaps. By supporting communities to (1) align efforts through local partnerships that allow them to scale and sustain proven and effective solutions, (2) ensure programming is integrated across sectors, and (3) remove barriers to efficiency, we will be supporting the capacity of communities to build effective and comprehensive support systems where the schools are at the center of a continuum of family and community supports focused on ALL children's success.

Grant proposals and implementation will start July 1, 2017. On February 15 of each year of the grant, each partnership program and transformation zone shall submit to the chairs and ranking minority member of the legislative committees with primary jurisdiction over pre-K through grade 12 education, a report describing the activities funded by the grant, changes in outcomes measures attributable to the grant-funded activities, and the recipients program plan for the following year.

Equity and Inclusion:

The grant program enables underserved communities to expand access to comprehensive, holistic services throughout their communities by forging meaningful partnership so all children can have equal access to these high quality services and educational opportunities. MDE has met with the Educational Partnership coalition and are in agreement that this holistic approach to programming across sectors is an effective and efficient strategy to meet the goals of each community's World's Best Workforce Plan.

Once the proposal is fully funded, all four of the existing Race to the Top Transformation Zones will receive funding as well as the Educational Partnership Coalition communities.

This proposal impacts communities with low socio-economic status the most because it provides them with equitable resources for high quality services they may not otherwise be able to access.

IT Related Proposals:

N/A

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of families enrolled in the Northside Achievement Zone	n/a	548	2013 year-end
Quantity	Number of scholars enrolled in the Northside Achievement Zone	n/a	1,390	2013 year-end
Quantity	Number of students participating in the St. Paul Promise Neighborhood Freedom School	224	485	Summer 2012 Summer 2013
Quantity	Percentage of students who were consistent participants in the St. Paul Promise Neighborhood Freedom School	87%	78%	Summer 2012 Summer 2013
Quantity	Number of Freedom School Sites	1	3	Summer 2012 Summer 2013

Statutory Change(s):

N/A

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Early Learning Scholarships

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends expanding Early Learning Scholarships access to ages zero to five.

Rationale/Background:

Increasing children's access to high-quality early care and education programs in order to support the healthy development and learning of Minnesota's youngest children has been a goal of the Governor's since before he came into office. Minnesota has significantly increased its investments in early care and education programs over the past two biennia, including investing significant funds in Early Learning Scholarships, allowing three and four-year olds to attend high quality early learning programs in private and public settings. However, more remains to be done if Minnesota wants to meet its goal of ensuring all children are well prepared for success in school and life.

Children's growth and development is significant during the early years before kindergarten, and it is especially important during the first three years of life. Making the most of these early years and ensuring a stable and supportive environment for children in these early years can make a difference for children and provide a strong start to school.

In order to support children and their families during these crucial early years, easy access to high quality early care and education programs is essential.

Proposal:

In order to support children's early development and learning, the Governor seeks to continue increase access to high quality early care and education programs for young children birth through kindergarten entrance. This proposal expands access to Early Learning Scholarships to ages zero to five. This will increase children's access to high-quality early care and education programs during a critical period in which young children experience incredible growth in brain functioning and when social interactions play an important role for later school readiness and lifelong learning. This proposal compliments the Governor's proposal to expand voluntary pre-kindergarten and support young children's development and school readiness.

Equity and Inclusion:

This proposal will provide access to low-income families with young children. Childcare for infants and young toddlers can be the most expensive care option.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Quantity	Number of early care and education programs participating in Parent Aware.	575	1,467	1,892	2,343
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.	84%*	76%*	74%*	71%*
Quantity	Number of high-needs children attending a 3- or 4-Star Parent Aware rated early care or education program.	7,401	21,489	24,818	26,748
Quantity	Number of children receiving a scholarship	509	5,869	8,225	11,219

Statutory Change(s):

M.S. 124D.165

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Pension Aid to Districts

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	22,851	45,703	45,703	45,703
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	22,851	45,703	45,703	45,703
FTEs	0	0	0	0

Request:

The Governor recommends providing aid to school districts to offset an increase in employer contribution rates for the Teacher's Retirement Association (TRA) and St. Paul Teachers Retirement Fund Association (SPTRFA). The increase in employer contribution rates is one part of comprehensive pension funding packages for each of these systems.

Rationale/Background:

This proposal will increase aid to school districts to help cover increased employer contributions for covered employees. For more information on recommendations for each plan please see the governor's proposals on pensions.

Proposal:

This aid will be distributed to districts by amending the Pension Adjustment Revenue formula which is a part of the General Education formula. Aid will be distributed to all local education agencies who employ teachers enrolled in TRA (or SPTRFA) including traditional school districts, charters, cooperatives and intermediate districts. Aid amounts will be calculated based on prior year salaries paid to employees who are members of TRA (or SPTRFA) and a statewide cap will be in place to limit spending to the annual amounts listed above.

This aid will help districts fund the increased employer obligations under the pension recommendations made by the Governor. Please refer to the Governor's recommendations on pensions for more specific information on the changes proposed.

Results:

For more information on recommendations for each plan please see the governor's proposal on pensions.

Statutory Change(s):

- § 354A. Teachers Retirement, Certain Cities
- § 356. Retirement Systems, Generally
- § 356.215 Actuarial Valuations and Experience Studies.
- § 126C.10 General Education Revenue
- § 127A.45 Payments of Aids and Credits to School Districts

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Mainframe Update

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	2,750	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,750	500	500	500
FTEs	0	0	0	0

Recommendation:

The Governor recommends this critically needed migration of Minnesota Department of Education's (MDE) mainframe applications to a more up to date system that will support current technologies. These applications are used to calculate and distribute in excess of \$6 billion in state aid and \$380 million in federal aid annually to school districts and various other entities.

Rationale/Background:

MDE's mainframe applications are written in ANSI 1974 COBOL, and the skill sets to maintain and develop in this environment are rapidly disappearing from the marketplace. When current employees retire, it will be very difficult, if not impossible, to replace them with employees with COBOL knowledge. To illustrate the risk and age of the code, a number of applications on the mainframe are written in Algorithmic Language (ALGOL) which is a computer programming language, originally developed in the mid-1950s. With skills disappearing from the marketplace to support these applications, compounded by retirements, MDE is at risk of not being able to equitably distribute approximately 25 percent of the entire budget to local school districts.

The current mainframe system, UNISYS ClearPath systems, collects data for, calculates and distributes in excess of \$6 billion in State aid and \$380 million in Federal aid to school districts and various other entities per year. The application programs that rely on this system to distribute aid are:

Abatement Aid, Adult Basic Education Aid, General Education Development (GED), Teacher Licensing, Levies, General Education Aid, Integrated District Education Aids System (IDEAS), Abatement Aid, Capital Expenditure Aid, Community Education Aid, Post-Secondary, Transportation Aid, Training and Experience Index, Vocational Handicap Aid, Special Education Aid and Tuition Billing, Staff Automated Reporting System (STAR), Census reporting, UFARS Reporting, Profiles, Title I, II, VI Federal Aid, and Non-public Enrollment.

Proposal:

This proposal is based on three guiding principles:

1. Design and build a solution that is reliable, adaptable, scalable, and accessible so it can evolve as MDE's needs emerge and change over time.
2. Use standards and technologies that are widely used to ensure supportability.

Increase the ability to manage security and auditing capabilities.

This proposal seeks to reduce the risks related to the use of old technology; especially for systems that are used to process state and federal aid payments by funding a new mainframe. The goal for this migration is to move all of the Department's active COBOL applications from the current mainframe to a Windows Server platform using a more modern SQL Server database.

This will allow our IT operations support staff to manage all our application systems using a common infrastructure. Further, the common database platform will allow MDE's MN.IT staff to apply common application solutions to compliance problems such as user security and auditing. It will also offer future opportunities for integration and elimination of duplicated data between Java and COBOL applications.

The primary principle of the migration process is to migrate the current application to the new Windows platform so that it functions in all fundamental matters the same as it did on the legacy platform but using the new Windows components. An actual rewrite of all of the mainframe applications would be a far more expensive endeavor, and would cost in excess of \$20 million and require years to complete.

IT Related Proposals:

The purpose of this request is to ensure that MDE is able to continue to deliver funding to school districts for years to come. As each year passes, the risk of being able to support the COBOL applications increases, as the skillset required are leaving the marketplace. It is estimated that the on-going annual costs will be \$500,000 for maintenance and licensing activities.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	% of third-graders reading at grade level	57%	58%	59%
Quality	Reading achievement gap closure (% Schools that met targets)	Not available	65%	43%
Quality	Math achievement gap closure (% Schools that met targets)	Not available	59%	41%
Quality	High school graduation rates	80%	81%	82%
Quality	% of kids ready for kindergarten	Not available	Not available	Not available
Quality	% of students (11 th grade) proficient in both 10 th -grade reading and 11 th -grade math	Not available	Not available	43%
Quality	% of high school graduates enrolled in college in Minnesota requiring developmental courses within two years of high school graduation	26%	22%	Not available*

Rigorous annual targets are set in all student groups to reduce the achievement gap by 50 percent by 2017. Schools must remain above the increasing targets each year to stay on track to the 2017 goal. The data includes targets for the seven traditionally under-performing student groups, including Asian, American Indian, Hispanic, African American, Free/Reduced-Price Lunch, Special Education and English Learners.

*This data will not be available for 2015 until the winter of 2017.

Statutory Change(s):

N/A

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Online Individual Education Program (IEP)

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	860	622	750	750
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	860	622	750	750
FTEs	0	0	0	0

Recommendation:

The Governor recommends funding the creation of a state online special education due process system and providing ongoing funding to maintain the system. The funding is necessary to carry out the legislative charge in Minnesota Statute section 125A.085. The system will be optional and free to the school districts and charter schools that choose to participate. The purpose of the online special education due process system is to create a streamlined system to make it easier for teachers to complete required due process documents and spend more time focusing on teaching students with disabilities. This will improve educational outcomes for students with disabilities and improve graduation rates.

Rationale/Background:

Currently, school districts use multiple vendors from whom they purchase the due process programs that they use to complete necessary documents, such as a student's individualized education program (IEP) and evaluation report. Those systems do not interface with each other and there are gaps in education records being sent to a new district using a different vendor. During a task force to examine the special education caseloads rule in 2013, many educators raised concerns over the time consuming nature of special education paperwork and that it was unclear what was required by federal and state requirements, and what was required due to local reporting decisions. In addition, school districts often raise concerns over the time needed to complete third party billing. The proposed state system would include only the documentation required by state and federal law, which would decrease time spent on paperwork that is not required, but included in other vendor systems.

The immediate goal is to reduce the paperwork burden on special education teachers to support teaching for better schools, to provide educational leadership, and streamline and clarify federal and state due process requirements. The ultimate goal is that this will improve the graduation rates for students with disabilities.

The 2016 Legislature ordered the Minnesota Department of Education (MDE) to reduce special education paperwork burden by 25 percent by FY 2019. This proposal would help MDE achieve that goal.

Proposal:

This initiative was previously funded and MDE had determined what the new system needed to include and has gone through the Request for Proposal process twice to find a vendor. However, the 2016 Legislature cancelled funding and MDE suspended issuing a contract and moving forward with the new system.

The online due process system will:

- Reduce time spent completing federally required due process documents.
- Provide consistency in due process documents for those districts using the free system.
- Eliminate current wait times for records to be transferred from another school or district.
- Pull data for the documents in real time.
- Reduce time spent on third party billing.

- Eliminate the additional paperwork requirements created by local districts.
- Be process oriented so teachers only see questions that are relevant for that student. The system will help teachers better understand why information is needed and will reduce the need to answer irrelevant question and to have to repeat information.

Funding:

- The majority of the funding will be used for a contract with a vendor for the online due process system. The funding will cover implementation and maintenance and training. Existing MDE staff will be part of a core design team to work closely with the vendor to ensure the process flow makes sense. In addition, MDE and districts staff will be part of the process review team to ensure all constituencies understand and have an opportunity to comment on the configuration of the new system.
- We have also designated \$10,000 for the first two years to hire district staff as trainers and use the train-the-trainer model for districts.
- MN.IT will be involved to work closely with the vendor and will have the most expenses during FY 2018.
- This proposal complements our work in paperwork reduction, as well as making due process forms more readable for parents. It also complements our work in results based accountability as we move toward targeting resources to identified areas of need.
- We will need district partners to ensure that the system meets their needs through the process review team, and to have districts assist in training staff.
- The online due process system will enable MDE to move forward with the charge in state statute to develop the online system, to reduce the paperwork burden on special education teachers, and to clarify federal and state requirements. In addition, the system will make it much easier for district staff to complete the third party billing section to improve correct completion and increase reimbursement.
- Once we are able to sign a contract with a vendor chosen through the RFP process, we can begin setting up the core design team and the process review team. Once that work is completed, we can begin training and roll out the new system. Depending on the time needed to accomplish the development work, the new system would be available no later than the beginning of FY 2019.

Equity and Inclusion:

Students with disabilities, including students from different racial groups will be impacted by this change item.

By implementing the online due process system, more time can be spent educating students with disabilities. More effective teaching will help reduce disparities for students with disabilities. In addition, for students who are mobile and move between districts, the system will make records transfer much more efficient. This proposal is aligned with our State Strategic Improvement Plan approved by the Federal Department of Education's Minnesota Office of Special Education Programs to improve graduation rates for students with disabilities, specifically black and American Indian students.

The online due process system will need on-going funding to maintain the system, including the vendor hosting the data offsite.

IT Related Proposals:

MN.IT staff have determined that the annual cost once the system is up and running to be approximately \$12,000 annually.

Results:

This will be a new program. We will measure results by completion of the process flow and system configuration, and buy in from districts that participate in the process review team. We will then conduct training and will measure how many districts choose to use the system. It is optional and free for districts to use. Once districts are using the system, we will collect data on how the system is working and make any changes for the next year as needed. We will collect data on how well the system works for teachers and special education administrators and other staff. Data will be collected by survey. We will use the results to make changes as needed. We will share data about the system and survey results both internally and with our stakeholders.

Statutory Change(s):

Minnesota Statutes section 125A.083 will need to be revised to change the beginning date to July 1, 2019.

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Agency Operating Activities

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	4,871	5,585	5,662	5,662
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,871	5,585	5,662	5,662
FTEs	15	15	15	15

Recommendation:

The Governor recommends maintaining and enhancing services and assistance provided to children, students, teachers, parents and schools. This proposal focuses on maintaining agency and interagency initiatives by providing funding for operating cost increases including legal, IT and compensation costs anticipated in the next biennium. In addition, services will be expanded in the areas of school support, data reporting and behavior data collection. The funding is essential to avoid layoffs and to properly manage the core responsibilities of the agency.

Rationale/Background:

State education aid represents the largest portion of the state budget. It is the responsibility of the Minnesota Department of Education (MDE) to accurately disburse and monitor both state and federal aid to schools totaling approximately \$20 billion biennially. Additionally, helping schools meet their World's Best Workforce goals will require MDE to provide additional support and assistance to students, teachers, parents, and schools. The agency's efforts to improve educational achievement will need to focus on establishing clear standards, measuring school performance, implementing new requirements of the new federal Every Student Succeeds Act (ESSA) law, providing professional development and training to educators, intervening with low performing schools, and increasing opportunities for adult learners to meet the state's advanced workplace demands.

Increased costs, unfunded and under-funded mandates and actual funding cuts have hampered MDE's ability to provide support and assistance to schools, meet increased demands to help schools improve student outcomes, close achievement and opportunity gaps, and support other critical priorities such as teacher evaluation, academic standards support, improved data analysis, and implementation of new early learning scholarship, prekindergarten and Indian education programs.

Employee compensation costs rise each year as a result of labor negotiations for across-the-board and step increases and increases in the state share of employee health insurance, tax obligations and/or retirement contributions. In addition, other required operating agreements rise each year. These increases have a significant impact on MDE's budget and if not funded, will negatively impact the agency operations and activities outlined above.

Proposal:

This request includes:

- \$2,000,000/year for increased legal support costs associated with Attorney General activities and other direct court costs. These costs are increasing for MDE due to several large lawsuits.
- \$722,000/year for increased technology support costs associated with MN.IT@MDE and MN.IT Central Office activities. These costs are increasing for MDE due to increasing compensation, benefit and other operating cost increases for MN.IT and MN.IT's shift to a rate model for workstation and other central services.
- \$450,000/year to maintain and \$720,000/year to expand school support services and data analytics including reporting and behavior data collection.

- Approximately \$300,000/year for fixed cost operating increases such as the lease agreement and other interagency initiatives.
- \$700,000 in FY2018 and \$1 million in FY19 and beyond for compensation costs and pension cost increases.

This proposal impacts all divisions within the agency, MN.IT @ MDE and the Attorney General's Office and maintains approximately 15 full-time equivalent positions (FTEs) within MDE.

Equity and Inclusion:

Traditionally underserved and protected-class students, including students with disabilities, economically disadvantaged students, students from diverse communities and racial and ethnic groups, LGBT students and American Indian students would benefit from MDE's enhanced ability to provide the support and assistance outlined in this request. Typically, the state's most low-performing schools have disproportionate numbers of these specific student groups. Enhanced direct professional and technical support that MDE provides has been shown to improve student outcomes in these schools, however with limited resources, the support has only been available to the lowest 5 percent of schools, which represents a fraction of the need.

MDE has done substantial outreach and engagement with a wide array of representatives from diverse communities and interest groups who have provided input that has informed this budget request. Negative impacts, including increased inequity in the support provided to the highest need schools would be minimized with full funding of the request; equitable outcomes are best achieved by ensuring the agency has sufficient capacity to support all students, teachers and schools by addressing their unique needs.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	% of third-graders reading at grade level	57%	58%	59%
Quality	Reading achievement gap closure (% Schools that met targets)	Not available	65%	43%
Quality	Math achievement gap closure (% Schools that met targets)	Not available	59%	41%
Quality	High school graduation rates	80%	81%	82%
Quality	% of kids ready for kindergarten	Not available	Not available	Not available
Quality	% of students (11 th grade) proficient in both 10 th -grade reading and 11 th -grade math	Not available	Not available	43%
Quality	% of high school graduates enrolled in college in Minnesota requiring developmental courses within two years of high school graduation	26%	22%	Not available*

Rigorous annual targets are set in all student groups to reduce the achievement gap by 50 percent by 2017. Schools must remain above the increasing targets each year to stay on track to the 2017 goal. The data includes targets for the seven traditionally under-performing student groups, including Asian, American Indian, Hispanic, African American, Free/Reduced-Price Lunch, Special Education and English Learners.

*These data will not be available for 2015 until the winter of 2017.

Statutory Change(s):

N/A

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Ag Educator Grants

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	500	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	500	500
FTEs	0	0	0	0

Recommendation:

The Governor Recommends extending the Ag Educator Grant program and increasing available grant funds to \$500,000 annually.

This grant is a 50-50 match between local school district and MDE to provide funding for up to 40 days of extended time for instructors in Ag Food and Natural Resources (AFNR) Programs. The Ag Educator Grant Program Goals include: a. Student Leadership Development, b. Career Exploration and Career Development opportunities, c. Farm Safety instruction, d. Community Service projects, and AFNR Program Development.

This grant was a one-time appropriation by the legislature in FY 17 of \$250,000. This grant funded 43 programs and 63 teachers for the summer of 2017. No funds were left over from this appropriation.

Rationale/Background:

- There is a lack of funding available at the local level to provide consistent funding for programs in agriculture over the summer. This is a key time to help students develop career exploration and development opportunities during the summer growing season.
- This grant program focuses on career exploration and career development to help students identify career pathway options connected to post-secondary educational opportunities.
- The number of students served annually in Agriculture, Food and Natural Resources (AFNR) continues to grow. 21,000 in grades 9-12 were enrolled in AFNR programs during the 2015-2016 school year (Carl Perkins data collection). The Minnesota FFA association membership serves nearly 11,000 members across the state. The trends are driven by student interest, and the changing demographics of CTE in Minnesota.

Proposal:

This request changes the current grant program from a one-time funded project to an ongoing program. This is important as many school administrators preferred a sustainable funding source, rather than starting a program that is not sustainable without support.

This appropriation will be used for grants as follows:

- 43 schools and 63 teachers were served in 2017.
- Average grant was about \$4,000 per teacher.
- The grants were used across the state, including metro area schools.
 - Administrative or programmatic capacity – Include a comparison of dollars and FTEs for the increase relative to the unit that currently performs that work where applicable. Describe the results of that increased capacity –

for example indicate if it leads to faster response times, a larger number of clients served, a higher number of inspections completed within the target time, or better outcomes for program clients.

- There will be data available in the fall of 2017 that will provide the number of students served, details on the variety of projects completed and impact on their school and community.
- There were no funds identified to administer the program / grant. MDE provided grant leadership, readers, and documentation. MDE is required to provide oversight and do the follow up report on grant impact. Without additional resources MDE ability to provide this support will be limited.
- Equipment or supplies – Include a description and cost estimate of the equipment and/or supplies, and an explanation of how that purchase will impact or change programmatic work- for example indicate if it is replacing equipment that has reached the end of its useful life, or if the equipment will add program capacity.
 - No equipment or supplies are funded through this proposal, the grant is used to match the salary expenses of the AFNR teachers during their extended contract employment.
- Forecasted (Uncapped) Programs – Describe the specific group and number of people that will be impacted, as well as the nature of the change that will impact them – for example benefits value, number eligible, rate increase, etc.
 - It is estimated that 86 programs and 130 teachers would be able to be served annually.
- Indicate where the proposal compliments or overlaps with work that is occurring in your agency and in other agencies.
 - There are no overlaps in the funding of this grant.
 - The grant compliments the Career and Technical Education (CTE) Levy .
 - This compliments program dimensions of the AFNR Program approval.
 - This program compliments, the National Quality Program Standards (NQPS) that are used to aid in identifying local program goals.
- Describe any partners you may need to achieve your desired result.
 - Each school district is a partner in match funding the grant program. Each school district is required to match the funds awarded from the grant program.
 - This requires each AFNR program advisory committee to meet with their school board and administration to develop a common set of goals and objectives for the extended day grant.
- How will this proposal help address the problem you described in the "Rationale" section?
 - This program will serve about 50% of the districts offering AFNR programs in Minnesota
- What is the effective implementation date and what steps need to occur?
 - The grant applications would be accepted in the fall (October) for the following June through August extended contract period.
 - Frequently asked questions and information on the grant program would be need to be sent to school districts in September.
 - The grant application would be need to ready for schools to apply by October 1st.
 - Grant readers would need to be identified to read and score the applications.
 - Grant award letters would be sent in December.
 - The grant management team, working with the AFNR specialist will execute the grant awards to each qualifying district.
 - Following completion of the program each district will submit a report to the AFNR specialist and the MDE grants management team.
 - With approval of the final report to MDE the funds will be sent to each district participating thin the extended grants program.

Equity and Inclusion:

In the equity description of the change item, please address the following questions:

- What groups are impacted by the proposed change item? (Racial and Ethnic groups, Lesbian, Gay, Bisexual and Transgender groups, Persons with Disabilities and Veterans) What is the nature of the impact? Have representatives from these groups been consulted and collaborated with in order to determine how to address these impacts?
 - This group reflect the demographics of CTE students in Minnesota, a. Economically Disadvantaged (41.8%), b. Non Traditional by gender (34.2%), and individuals with disabilities (17.3%).

- Is the proposed change item submitted to reduce or eliminate any disparities for Racial and Ethnic groups, Lesbian, Gay, Bisexual and Transgender groups, Persons with Disabilities and Veterans? Please explain how implementation of the proposed item will reduce or eliminate these disparities;
 - See the above response.
- Are there potential positive or negative impacts on the identified groups? Explain those impacts. If negative, please adjust the proposal to achieve a more equitable outcome.
- Can the change item be sustainably successful? Discuss the on-going funding, implementation strategies/opportunities, and performance measures/accountability mechanisms.
 - The impact of the program will be based on the number of students served and the impact on each participating school.
 - Should school districts not see the impact and value, they will not continue to partner in the grant program.

IT Related Proposals:

If this is an information technology recommendation, also include project costs for the FY 22-23 biennium. Specify the purposes of the funding recommendation, such as infrastructure, hardware, software, or training.

Results:

- If this is an existing program, what performance measures are currently used?
- What are the current trends on those performance measures? Describe current program performance. Agencies are encouraged to use accessible charts to display performance information. If your agency does not currently have graphical information to display performance information, you may use the chart below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Number of students served.	1. Leadership Development activities		Summer 2017 is the first grant series.	
Number of events participated in.	2. Service Learning			
Number of AFNR Programs participating	3. Experiential Learning (Supervised Agricultural Experiences (SAE))		Data will be available after the completion.	
	4. Career Exploration –			
	5. Farm Safety.			
	6. Program Development			

Statutory Change(s):

NA

Education

FY18-19 Biennial Budget Change Item

Change Item Title: Minnesota Indian Teacher Training Program (MITTP) Language Update

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends creating more flexibility in the existing Minnesota Indian Teacher Training Program (MITTP) to ensure funds are being utilized to best serve Indian teachers. This proposal would eliminate the loan portion of the program, while expanding the amount a student can receive through the scholarship program.

Rationale/Background:

The current Indian Teacher Training Program is not being utilized and implemented to its full potential due to limitations of dated statute language and the inability to award appropriate scholarship funds to program participants. This proposal will significantly increase the number of American Indian teachers in Minnesota by creating more flexibility in how current funds can be used by scholarship recipients and program participants.

Proposal:

This proposal intends to make technical and policy changes to the existing Minnesota Indian Teacher Training Program (M.S. 122A.63). The program currently offers a scholarship component and a loan component. The current program is limited to four joint grant recipients identified in the statute. They are:

1. University of Minnesota Duluth and Duluth Public Schools, ISD 709.
2. Bemidji State University and Red Lake Public Schools, ISD 38.
3. Minnesota State University Moorhead and Mahnomen Public Schools (White Earth Reservation).
4. Augsburg College and Minneapolis Public Schools and St. Paul Public Schools.

There are two proposed policy changes. One will be to eliminate the “loan” portion of the program since the loan portion may result in a violation of federal Title IV rules and regulations because it directs programs to award student loan funds above the federal cost of attendance cap. The program currently does not include the disclosures required by new federal laws pertaining to non-federal loans (i.e. bank loans).

This proposal will also expand the total amount of scholarships student qualify for by removing a reference in Subd. 6, Para (3), that refers to the Expected Family Contribution, and aligning allowable uses of the scholarship funds with the Cost of Attendance language under 136A.126 Indian Scholarships. There have been grant cycles where the entire appropriation has not been utilized by the joint grantees. This is partially due to how the funding is applied to individual students as part of the federal financial aid formula. Eligible middle-income students may not qualify for Indian Teacher Training funds because Pell grant funding, state aid, and Tribal scholarships are all awarded first, and the remaining cost falls into the Expected Family Contribution. By changing the definition of the scholarship cap to align with 136A.126, the state would significantly increase participation in the program and would make it easier for higher education institutions and school districts to recruit program participants and fully expend the annual appropriation.

Equity and Inclusion:

This proposal benefits American Indian people who are interested in becoming teachers as well as current American Indian teachers seeking additional education and certifications. Representatives from the American Indian community and Indian Education professionals have been consulted on the proposed changes. The proposal seeks to increase the number of American Indian teachers in the state, working towards MDE's goal to diversify overall teacher talent pool in order to close gaps.

IT Related Proposals:

N/A

Results:

Success will be measured by increasing the number of American Indian students that complete teacher preparation programs in higher education institutions, resulting in a larger pool of American Indian teacher candidates. Current school district employees including paraprofessionals will also be identified as teacher and administrator candidates.

Statutory Change(s):

122A.63 GRANTS TO PREPARE INDIAN TEACHERS

Program: Education Leadership and Support

AT A GLANCE

Set policy and direct the annual spending of \$8.9 billion (FY2015).

Provide guidance and assistance to:

- 845,527 pre-K through 12th-grade students.
- Over 118,000 children participating in early learning programs.
- 55,277 FTE licensed teachers.
- 332 school districts and 157 charter schools.
- Over 60,000 adult learners.

PURPOSE & CONTEXT

The mission of the Minnesota Department of Education (MDE) is: "Leading for educational excellence and equity. Every day for everyone." MDE is striving to create the World's Best Workforce by focusing on five key student outcome goals, including: all students ready for school, all students reading at grade level in third grade, all achievement gaps closed, all students graduating from high school and all students ready for career and college.

We provide the infrastructure for services and assistance to children, students, teachers, parents, and schools. We exist to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

SERVICES PROVIDED

Services provided by the Minnesota Department of Education (MDE) support three overarching strategies:

Direct Support: We directly support the continuous improvement of teaching and learning to schools, teachers, children, students, and parents.

- Provide training and resources to assist schools, parents, and the department in maintaining compliance with state and federal laws and policies.
- Issue educator licenses.
- Assist schools and childcare providers in providing nutritious meals and creating safe and healthy learning environments.
- Develop and extend statewide library services.
- Establish and administer a School Safety Technical Assistance Center to assist districts and schools to provide a safe and supportive learning environment.

Pre-K through 12th-Grade Systems: We provide systems support through program and policy development and assessment.

- Administer Carl Perkins federal grant program.
- Administer and collect data for the state's assessment and accountability system.
- Develop and implement assessment systems to measure student knowledge and skills on Minnesota Academic Standards and Minnesota English Language Proficiency Standards.
- Develop academic standards.
- Monitor school district and MDE compliance with state and federal education laws.
- Administer the Minnesota Braille and Talking Book Library.
- Implement the student maltreatment, charter schools, and early education policies and programs.

Guidance, Technical Assistance, and Funding: We provide supportive leadership to all educational entities by providing guidance, technical assistance to meet state and federally legislated requirements, and administer school funding programs.

- Provide leadership, policy direction, and information technology services for the agency.
- Develop tools and provide guidance to assist schools in the implementation of programs and academic standards.
- Provide policy guidance for school choice programs including online learning.

- Distribute formula, competitive grant, and aid programs.
- Calculate state aid and distribute payments to school districts and charter schools.
- Calculate school district local property tax levies.

RESULTS

Type of Measure	Name of Measure	FY 2013	FY 2014	FY 2015
Quality	Percentage of kids ready for kindergarten	Not available	Not available	Not available
Quality	Percentage of third-graders reading at grade level	57%	58%	59%
Quality	Reading achievement gap closure (percentage of schools that met targets) *	Not available	65%	43%
Quality	Math achievement gap closure (percentage of schools that met targets) *	Not available	59%	41%
Quality	Percentage of students (11 th grade) proficient in both 10 th -grade reading and 11 th -grade math	Not available	Not available	43%
Quality	High school graduation rates	80%	81%	82%
Quality	Percentage of high school graduates enrolled in college in Minnesota requiring developmental courses within two years of high school graduation	26%	22%	Not available*

Rigorous annual targets are set in all student groups to reduce the achievement gap by 50 percent by 2017. Schools must remain above the increasing targets each year to stay on track to the 2017 goal. The data includes targets for the seven traditionally under-performing student groups, including Asian, American Indian, Hispanic, African American, Free/Reduced-Price Lunch, Special Education and English Learners.

*This data will not be available for 2015 until the fall/winter of 2016.

M.S. 119A; M.S. 120-129B; M.S. 134-135.

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	18,171	24,409	21,061	28,391	23,299	23,273	31,170	29,408
2000 - Restrict Misc Special Revenue	7,680	6,833	6,403	7,729	7,152	7,072	7,152	7,072
2001 - Other Misc Special Revenue	640	460	700	942	667	668	667	668
2403 - Gift	63	61	62	127	79	79	79	79
3000 - Federal	52,339	55,541	60,288	71,603	76,419	73,678	76,419	73,678
6000 - Miscellaneous Agency	7	0	1	1	1	1	1	1
Total	78,900	87,304	88,516	108,793	107,617	104,770	115,488	110,905
Biennial Change				31,105		15,078		29,084
Biennial % Change				19		8		15
Governor's Change from Base								14,006
Governor's % Change from Base								7

Expenditures by Budget Activity

Budget Activity: Education Excellence	7,763	8,760	20,508	25,011	22,657	22,617	30,478	28,702
Budget Activity: Early Learning	36,255	39,644	34,957	48,504	46,650	45,339	46,700	45,389
Budget Activity: Innovation & Special Educ	13,125	16,721	18,583	17,590	22,211	21,516	22,211	21,516
Budget Activity: Compliance & Monitoring	3,213	3,617	2,738	4,907	4,707	3,999	4,707	3,999
Budget Activity: Infrastructure	18,372	18,351	11,478	12,513	11,161	11,068	11,161	11,068
Budget Activity: Pass Through Programs	171	212	251	268	231	231	231	231
Total	78,900	87,304	88,516	108,793	107,617	104,770	115,488	110,905

Expenditures by Category

Compensation	38,810	40,741	36,940	40,937	40,550	41,128	42,689	43,738
Operating Expenses	18,463	19,821	26,924	36,400	31,978	29,894	37,710	33,419
Other Financial Transactions	370	109	37	162	0	0	0	0
Grants, Aids and Subsidies	21,248	26,633	24,615	31,294	35,088	33,749	35,088	33,749
Capital Outlay-Real Property	9	0	0	0	0	0	0	0
Total	78,900	87,304	88,516	108,793	107,617	104,770	115,488	110,905
Total Agency Expenditures	78,900	87,304	88,516	108,793	107,617	104,770	115,488	110,905
Internal Billing Expenditures	4,987	4,910	5,102	6,392	6,017	5,920	6,017	5,920
Expenditures Less Internal Billing	73,913	82,395	83,414	102,401	101,599	98,851	109,470	104,986

(Dollars in Thousands)

<u>Full-Time Equivalents</u>	413.5	413.9	371.3	407.6	400.1	387.9	405.1	392.9
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1000 - General

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Direct Appropriation	22,352	20,466	21,503	27,484	23,071	23,046	30,942	29,181
Balance Forward In	0	5,766	0	746	50	40	50	40
Net Transfers	1,177	(1,416)	1,990	211	217	217	217	217
Cancellations	0	406	1,686	0	0	0	0	0
Expenditures	18,171	24,409	21,061	28,391	23,299	23,273	31,170	29,408
Balance Forward Out	5,359	0	746	50	40	30	40	30
<i>Biennial Change in Expenditures</i>				6,872		(2,880)		11,126
<i>Biennial % Change in Expenditures</i>				16		(6)		22
<i>Gov's Exp Change from Base</i>								14,006
<i>Gov's Exp % Change from Base</i>								30
Full-Time Equivalents	151.7	158.0	140.3	157.2	149.8	138.0	154.8	143.0

2000 - Restrict Misc Special Revenue

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	3,808	2,252	1,135	1,118	411	248	411	248
Receipts	5,968	5,811	6,386	7,034	6,997	7,044	6,997	7,044
Internal Billing Receipts	5,034	5,127	5,375	5,649	5,649	5,649	5,649	5,649
Net Transfers	0	0	0	31	0	0	0	0
Cancellations	0	0	0	41	8	8	8	8
Expenditures	7,680	6,833	6,403	7,729	7,152	7,072	7,152	7,072
Balance Forward Out	2,096	1,231	1,118	411	248	212	248	212
<i>Biennial Change in Expenditures</i>				(380)		92		92
<i>Biennial % Change in Expenditures</i>				(3)		1		1
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	49.1	51.4	28.7	29.4	27.6	25.7	27.6	25.7

2001 - Other Misc Special Revenue

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	212	92	224	217	10	0	10	0
Receipts	510	470	693	737	657	668	657	668
Net Transfers	5	5	0	0	0	0	0	0

2001 - Other Misc Special Revenue

Expenditures	640	460	700	942	667	668	667	668
Balance Forward Out	88	106	217	10	0	0	0	0
<i>Biennial Change in Expenditures</i>				542		(308)		(308)
<i>Biennial % Change in Expenditures</i>				49		(19)		(19)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	2.4	2.4	4.7	4.7	4.0	4.0	4.0	4.0

2403 - Gift

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	184	163	174	184	117	98	117	98
Receipts	42	72	72	60	60	60	60	60
Expenditures	63	61	62	127	79	79	79	79
Balance Forward Out	163	174	184	117	98	79	98	79
<i>Biennial Change in Expenditures</i>				64		(32)		(32)
<i>Biennial % Change in Expenditures</i>				52		(17)		(17)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2820 - Maximum Effort School Loan

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	1,020	335	431	1,852	48	263	48	263
Receipts	335	431	1,852	60,672	263	575	263	575
Net Transfers	(1,020)	(335)	(431)	(62,477)	(48)	(263)	(48)	(263)
Balance Forward Out	335	431	1,852	48	263	575	263	575

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	357	517	34	0	0	0	0
Receipts	52,339	55,534	59,807	71,605	76,417	73,676	76,417	73,676
Net Transfers	0	0	0	(35)	0	0	0	0
Expenditures	52,339	55,541	60,288	71,603	76,419	73,678	76,419	73,678

3000 - Federal

Balance Forward Out	0	351	34	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				24,011		18,206		18,206
<i>Biennial % Change in Expenditures</i>				22		14		14
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	210.2	202.1	197.6	216.4	218.7	220.3	218.7	220.3

6000 - Miscellaneous Agency

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	52	33	43	52	61	71	61	71
Receipts	21	21	10	11	11	11	11	11
Net Transfers	(33)	(11)	0	0	0	0	0	0
Expenditures	7	0	1	1	1	1	1	1
Balance Forward Out	33	43	52	61	71	81	71	81
<i>Biennial Change in Expenditures</i>				(4)		0		0
<i>Biennial % Change in Expenditures</i>				(61)		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Regional Centers of Excellence (Information Only)

education.state.mn.us/MDE/dse/rc/

AT A GLANCE

- In FY 2016, the Regional Centers provided support to:
 - 3 School Improvement Grant schools
 - 21 Priority schools
 - 54 Focus schools
 - 83 Continuous Improvement schools
- From July 2015 to May 2016, Center staff provided 13,624 hours of direct support to just Priority and Focus schools.
- In FY 2016, the Regional Centers facilitated 38 professional development sessions for 770 participants from schools served.

PURPOSE & CONTEXT

The Regional Centers of Excellence were established in partnership with Minnesota Service Cooperatives to provide supports to districts and schools to meet goals in Minnesota World's Best Workforce legislation.

- The Centers provide onsite technical assistance and professional development to schools identified as underperforming based on Minnesota's Multiple Measures Rating accountability system.
- The Centers support the Minnesota Department of Education's mission by ensuring that all students attend quality schools, closing achievement gaps between groups of students, and supporting high-quality teaching.
- Priority schools are the five percent most persistently low-performing Title I schools. Focus schools are the ten percent of schools with the largest achievement gaps.

SERVICES PROVIDED

Identified schools receive intensive on-site coaching and technical assistance in the following areas:

1. Standards-based, culturally responsive educational systems.
2. School leadership teams that work on continuous improvement.
3. Continuous improvement processes.
4. Implementation of evidence-based practices for improved teaching and learning in schools.
5. Teacher teams that focus on instruction and learning, and use data-based instructional decision making.
6. Ways to support individual teacher development and learning.
7. How to sustain improvement efforts.

Schools and districts also participate in professional development activities.

The Centers also develop resources and tools for use by all schools and districts Minnesota to support data use, planning, teaching and learning, and community engagement.

The Minnesota Department of Education provides program evaluation, coordination, and support for this program.

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Percentage of Students Proficient in Math in Priority and Focus Schools	36.6%	38.6%	FY 2014 FY 2015
Quantity	Percentage of Students Proficient in Reading in Priority and Focus Schools	35.5%	38.3%	FY 2014 FY 2015

Quantity	Multiple Measures Rating (Priority and Focus Schools)**	26.3%	31.4%	FY 2014 FY 2015
Quantity	Focus Rating (Priority and Focus Schools)***	25.8%	29.3%	FY 2014 FY 2015
Quantity	Achievement Gap Reduction Score (Priority and Focus Schools)****	0.3397	0.2161	FY 2014 FY 2015
Quantity	Growth Score (Priority and Focus Schools)	-0.2158	-0.1295	FY 2014 FY 2015

*Current schools were identified based on 2014 data.

** Multiple Measures Rating (MMR) is a measurement of school performance used for holding schools accountable under Minnesota's approved No Child Left Behind waiver. The MMR considers the proficiency, growth, achievement gap reduction and graduation rates of schools.

*** The Focus Rating (FR) is a secondary measurement within the MMR that measures schools specifically on the performance of student groups that exhibit an achievement gap in Minnesota.

**** The lower the Achievement Gap Reduction scores, the more progress made toward closing the achievement gap.

M.S. 120B.115

Program: Positive Behavioral Interventions and Supports (PBIS) (Information Only)

education.state.mn.us/MDE/dse/005869

AT A GLANCE

- To date, 543 schools have participated in PBIS training.
- 42 new schools will receive training in the fall of 2016.
- The total number of schools trained by the Minnesota Department of Education by fall represents 28.5 percent of Minnesota schools.

PURPOSE & CONTEXT

Positive Behavioral Interventions and Supports (PBIS) is a framework of evidence-based practices in behavior designed to improve student outcomes.

- The Minnesota Department of Education (MDE) supports a partnership with districts and schools to train local school teams and help them put the framework of PBIS effectively in place.
- This initiative helps to improve student outcomes, such as increased learning time, decreased suspensions and decreased office discipline referrals.
- This program supports the World's Best Workforce goals of closing racial and economic achievement gaps between students and having all students graduate from high school.

SERVICES PROVIDED

The Minnesota Department of Education has an application process for schools to take part in a regional training cohort.

- As part of the training model, schools receive nine days of training over two school years.
- Evaluation helps measure the extent to which schools effectively put the pieces of the framework in place.
- With a critical mass of the features in place (fidelity of implementation), students are much more likely to receive the benefit of improved student outcomes associated with this evidence-based framework.

The Minnesota Department of Education provides training, coaching, and evaluation supports all as part of the technical assistance support that school teams receive over the two-year training cycle.

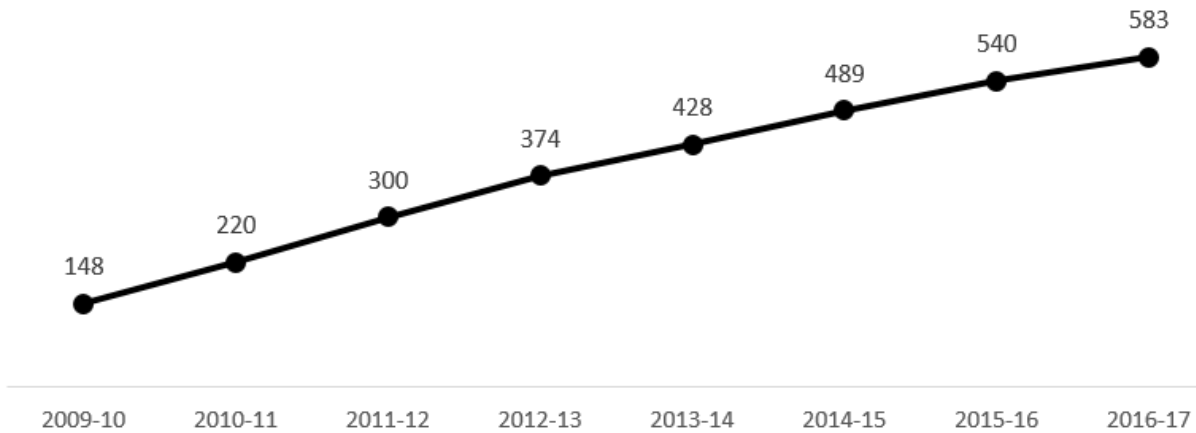
The 2016 Legislature appropriated \$2 million for FY17 only to allow more schools access to PBIS training.

RESULTS

Goal: To increase Positive Behavioral Interventions and Supports (PBIS), which is a comprehensive, data-driven and educational set of practices ensuring all students, staff and families are working from the same playbook when it comes to supporting positive behavior and academic achievement, in Minnesota schools.

Measure: Number of schools implementing PBIS.

Number of Minnesota Schools Implementing Positive Behavioral Interventions and Supports (PBIS)



<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total number of statewide Disciplinary Actions, as measured by the Disciplinary Incident Reporting System (DIRS)	43,358	41,743	FY 2014 FY 2015
Quality	Decreases in statewide Disciplinary Actions, as measured by the Disciplinary Incident Reporting System (DIRS)	(1,496)	(1,615)	FY 2014 FY 2015

Laws of Minnesota 2016, chapter 189, article 33, section 2

Program: Board of School Administrators (Information Only)

mnbosa.org/BOSA/Index.htm

AT A GLANCE

- Fourteen universities consisting of 42 administrative preparation programs are approved by the Board.
- There are 6,877 Minnesota licensed school administrators.
- In FY 16, the Board approved 101 first-time administrative applicants; issued 36 administrative variances; approved 1,630 continuing education professional development programs; reviewed 104 complaints/disciplinary matters.

PURPOSE & CONTEXT

The purpose of BOSA is to:

- Establish and maintain high standards for a quality administrator licensing system for Minnesota public schools.
- Ensure that the highest quality administrators serve the needs of Minnesota citizens.
- Seek to ensure that every administrator in the state of Minnesota is highly qualified and appropriately licensed.
- Ensure high standards for continuing education professional development programs.

SERVICES PROVIDED

The Board of School Administrators (BOSA) is an autonomous body created by the Minnesota Legislature in 2001 with the support of the Minnesota educational administration organizations. Ten board members are appointed by the governor to serve four-year terms. The Board members represent secondary and elementary principals, superintendents, directors of special education, community education directors, higher education institutions, teachers, school board members and the public. Two employees are hired by the Board; an executive director and an administrative assistant.

The duties of the Board:

- Licensing Minnesota school administrators.
- Approving university administrative preparation programs.
- Setting requirements for continuing education professional development.
- Reviewing disciplinary matters.
- Reviewing and monitoring licensure preparation programs.
- Collecting fees.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	First-time Minnesota administrative licenses	89	101	FY 2015 FY 2016
Quantity	Endorsements	515	551	FY 2015 FY 2016
Quantity	Board-approved continuing education professional development programs	1,157	1,630	FY 2015 FY 2016
Quantity	Disciplinary matters – conduct, mandated reports, complaints	78	104	FY 2015 FY 2016

M.S. 122A,14; MN Rule 3512

Program: General Education
Activity: General Education

education.state.mn.us/MDE/dse/schfin/GenEd/

AT A GLANCE

In FY 2015:

- 845,527 pre-kindergarten through grade 12 students.
- 332 school districts and 157 charter schools.
- \$6.5 billion in state aid and \$1.0 billion in local property taxes.
- \$8,796 average general education funding per student.
- Largest single item of state general fund spending.
- Largest resource available to school districts and charter schools.
- Beginning in FY2017, pre-kindergarten funding was made available to 102 school sites.

PURPOSE & CONTEXT

General education revenue provides core funding to promote a general and uniform, thorough and efficient system of public schools throughout the state. Funding is provided for:

- All public school students in kindergarten through grade 12, and pre-kindergarten students with disabilities.
- Students receiving dual college credit.
- Private contracted education services.
- Private school students enrolled part time in public school programs.

SERVICES PROVIDED

Core funding allowances for all districts and charter schools (in FY 2015):

- Basic Revenue (\$5.3 billion) provides districts and charter schools with uniform funding per pupil unit. In FY 2017, the basic education funding formula is \$6,067 per weighted student. Elementary students are weighted at 1.0; secondary students are weighted at 1.2.

Additional funding for students with unique needs:

- English Learner Revenue (\$51.1 million) is based on the number and concentration of English Learner students enrolled in a district or charter school.
- Compensatory Revenue (\$523.1 million) is additional funding based on the concentration of students who are income-eligible for the federal free and reduced-price lunch programs. This revenue is calculated on a site level instead of a district level.
- Extended Time Revenue (\$61.1 million) provides districts with additional revenue to fund educational programs for at-risk students outside the traditional school year schedule.
- Gifted and Talented Revenue (\$11.9 million) provides districts and charter schools with funding for gifted and talented educational programs. In FY 2017, the gifted and talented funding formula is \$13 per weighted student.

Additional funding for cost differences among school districts:

- Sparsity Revenue (\$26.1 million) funds the added costs of operating small schools that are too isolated to reduce costs by cooperating or consolidating.
- Transportation Sparsity Revenue (\$63.0 million) funds the added cost of pupil transportation in areas with low population density.
- Small Schools Revenue (\$16.5 million) provides additional funding to small districts with less than 960 weighted students.
- Declining Enrollment Revenue (\$6.7 million) provides districts and charter schools with funding to limit the impact of declining enrollment.

- Pension Adjustment Revenue (\$7.1 million) provides state aid for districts with below state average revenue increase from the elimination of an aid reduction for changes in pension contribution rates beginning in 2015

Additional funding for Voluntary Pre-Kindergarten Programs (Begins FY 2017):

- Aid entitlement for FY 2017 is capped at \$27.1 million (\$25 million on 90-10 appropriations basis), of which \$21.4 million is for direct aid to school districts and charter schools with voluntary pre-kindergarten programs, \$5.7 million is to provide property tax relief to neutralize the statewide impact of the program on school levies, and \$0.6 million is for MDE administration, including one-time IT costs. Aid entitlement caps for later years will allow approximately the same number of participants statewide for FY 2018 and later.
- Sixty-four school districts and 10 charter schools will receive funding in FY 2017 for 102 sites serving 3,302 students.
- An additional 160 sites serving 6,837 students in 105 school districts and four charter schools applied for funding and received program approval, but went unfunded due to the statewide funding cap.
- Funding is allocated among four groups (Minneapolis and St. Paul districts, suburban metro districts, nonmetro districts, and charter schools based on each group's share of prior year kindergarten enrollment), and funding within groups is prioritized based on poverty concentration and proximity to nonschool 3 or 4 star rated Parent Aware programs.
- Requirements outlined in law include providing at least 350 hours of instruction for the school year, staff-to-child ratios not to exceed one-to-ten with class size not to exceed 20; instructional salaries comparable to local K-12 staff, and several program requirements.
- School districts and charter schools with sites approved for funding receive funding on a per pupil basis, with pupil units limited to 0.6 per participant. All pupil-driven formulas apply (e.g., basic revenue, compensatory revenue, referendum revenue, long-term facilities maintenance revenue, safe schools levy, achievement and integration revenue).

Additional funding with property tax components (school districts must tax local property to receive state aid for these revenues):

- Operating Referendum Revenue (\$734.2 million) is optional revenue raised by either public vote or school board resolution to provide funding for their district.
- Operating Capital Revenue (\$206.7 million) is reserved for facilities and equipment purposes.
- Equity Revenue (\$106.4 million) provides additional funding targeted primarily to districts with low referendum revenue per weighted student.
- Transition Revenue (\$30.0 million) is funding to protect districts from loss of revenue due to law changes.
- Local Optional Revenue (\$244.3 million) provides up to \$424 per weighted student. Deducted from referendum revenue approved by voters in 2013 or earlier.

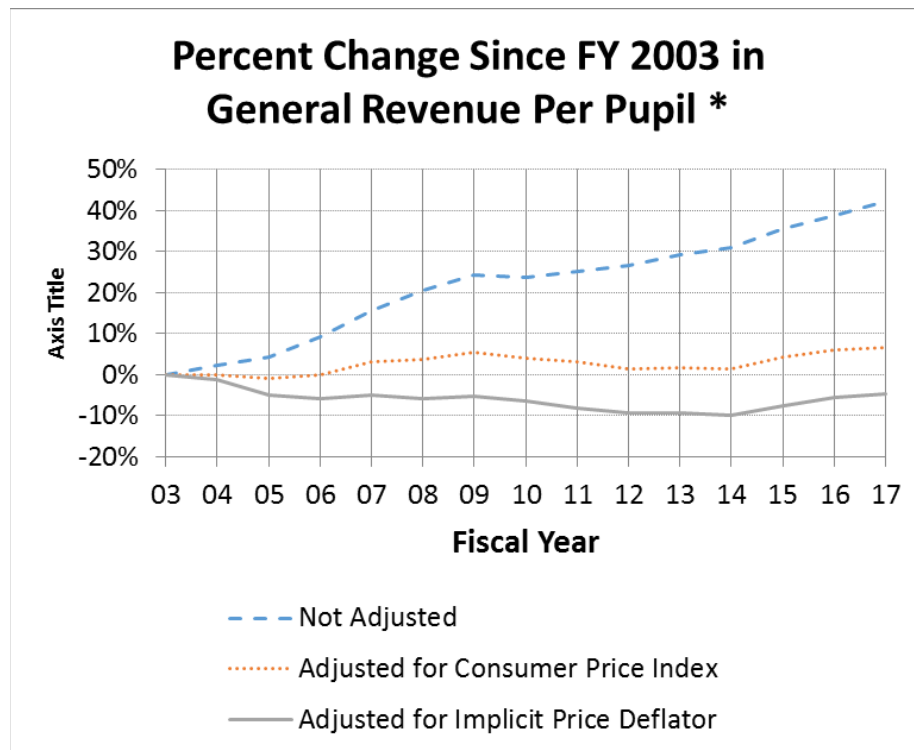
Miscellaneous Adjustments to General Education Revenue:

- Postsecondary Enrollment Options (PSEO) Aid is paid to Minnesota colleges and universities for courses taken by eligible 10th- through 12th-grade students, and 10th-grade students on a more limited basis, for high school credit.
- Contract Alternative Aid is paid to districts for students eligible to participate in the graduation incentives program who enroll in nonpublic, nonsectarian schools that have contracted with the serving school district to provide education services.
- Shared Time Aid is paid to districts for students who attend public schools on a part-time basis while also attending private schools.

MDE calculates and processes aid payments and provides technical support for these programs.

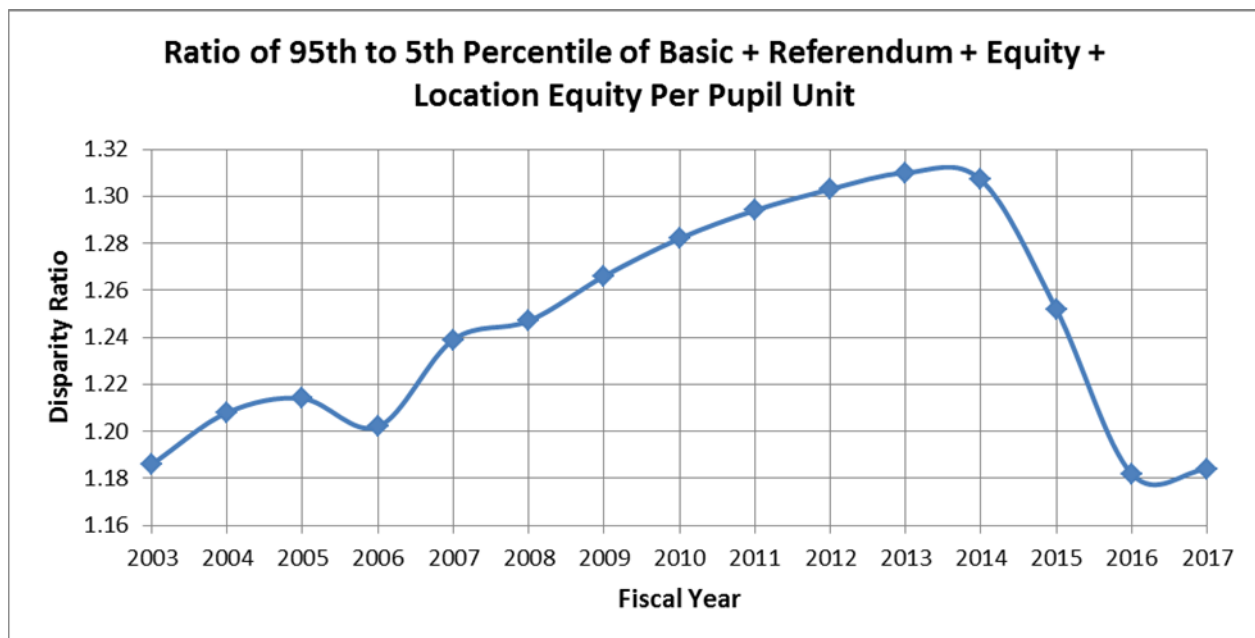
RESULTS

Quality Result: This chart shows the percentage change in general education revenue per student between FY 2003 and FY 2017, based on unadjusted current dollars and adjusted for inflation using the consumer price index and the implicit price deflator. Revenue per student in unadjusted current dollars increased by over 42 percent during this period. However, when adjusted for inflation, revenue per student remained essentially constant.



*General Education revenue, including local referendum revenue

Quality Result: This chart shows the ratio of unrestricted general education funding per student in high revenue districts versus low revenue districts for FY 2003 through FY 2017. The funding gap between high revenue and low revenue districts increased from 18 percent in FY 2003 to 31 percent in FY 2014, then declined to 18 percent by FY 2017. The gap between high revenue and low revenue districts is primarily driven by property tax disparities.



M.S.126C.10 – General Education Revenue: <https://www.revisor.mn.gov/statutes/?id=126C.10>.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	6,824,253	6,442,889	6,661,760	6,861,597	6,906,793	6,967,336	7,116,945	7,351,811
3801 - Endowment School	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
Total	6,847,994	6,468,528	6,689,523	6,891,710	6,938,056	6,999,348	7,148,208	7,383,823
<i>Biennial Change</i>				264,711		356,171		950,798
<i>Biennial % Change</i>				2		3		7
<i>Governor's Change from Base</i>							594,627	
<i>Governor's % Change from Base</i>								4

Expenditures by Category

Grants, Aids and Subsidies	6,847,994	6,468,528	6,689,523	6,891,710	6,938,056	6,999,348	7,148,208	7,383,823
Total	6,847,994	6,468,528	6,689,523	6,891,710	6,938,056	6,999,348	7,148,208	7,383,823
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	6,630,848	6,491,426	6,681,013	6,868,289	6,910,775	6,973,378	7,098,076	7,312,150
Levies	968,873	959,115	1,033,806	1,112,402	1,129,770	1,179,487	1,127,465	1,176,651
District Revenue	7,599,721	7,450,541	7,714,819	7,980,690	8,040,545	8,152,865	8,225,541	8,488,801
Direct Appropriation	6,824,253	6,443,330	6,664,142	6,861,597	6,906,793	6,967,336	7,116,945	7,351,811
Current Year	6,045,303	5,856,507	6,026,524	6,207,109	6,245,613	6,302,175	6,432,914	6,620,156
Prior Year	780,156	586,824	635,236	654,488	661,180	665,161	661,180	685,951
Net Transfers	0	0	0	0	0	0	0	0
Cancellations	0	441	2,382	0	0	0	0	0
Expenditures	6,824,253	6,442,889	6,661,760	6,861,597	6,906,793	6,967,336	7,116,945	7,351,811
<i>Biennial Change in Expenditures</i>				256,215		350,772		945,399
<i>Biennial % Change in Expenditures</i>				2		3		7
<i>Gov's Exp Change from Base</i>								594,627
<i>Gov's Exp % Change from Base</i>								4

3801 - Endowment School

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Net Transfers	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
Expenditures	23,741	25,639	27,763	30,113	31,263	32,012	31,263	32,012
<i>Biennial Change in Expenditures</i>				8,496		5,399		5,399
<i>Biennial % Change in Expenditures</i>				17		9		9
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education
Activity: Enrollment Options Transport

AT A GLANCE

- 96 students served in FY 2015.
- Of the 96 students, 6 were from the postsecondary enrollment options program and 90 were in the open enrollment program.

PURPOSE & CONTEXT

This state aid program helps low-income students participate in postsecondary enrollment options (PSEO), school district enrollment options, and charter school programs by reimbursing transportation costs.

This aid program addresses the World's Best Workforce goal of reducing the racial and economic achievement gaps for low-income students by reimbursing their transportation costs.

SERVICES PROVIDED

School districts and charter schools get state aid to reimburse transportation costs for qualifying low-income students who participate in PSEO or open enrollment. Postsecondary Enrollment Options (PSEO) is a program that allows 10th, 11th and 12th grade students to earn college credit while still in high school, through enrollment in and successful completion of college-level courses. Open enrollment programs allow kindergarten through 12th grade students and pre-kindergarten children with disabilities to apply to attend a public school outside of their resident district.

PSEO students apply for reimbursement through their resident district or charter school (or the postsecondary institution, if nonpublic). Open enrollment students apply to the enrolling districts. Students/families provide their own transportation in these programs.

School districts and charter schools that provide out-of-district transportation for a fee are reimbursed for the transportation costs of qualifying low-income students.

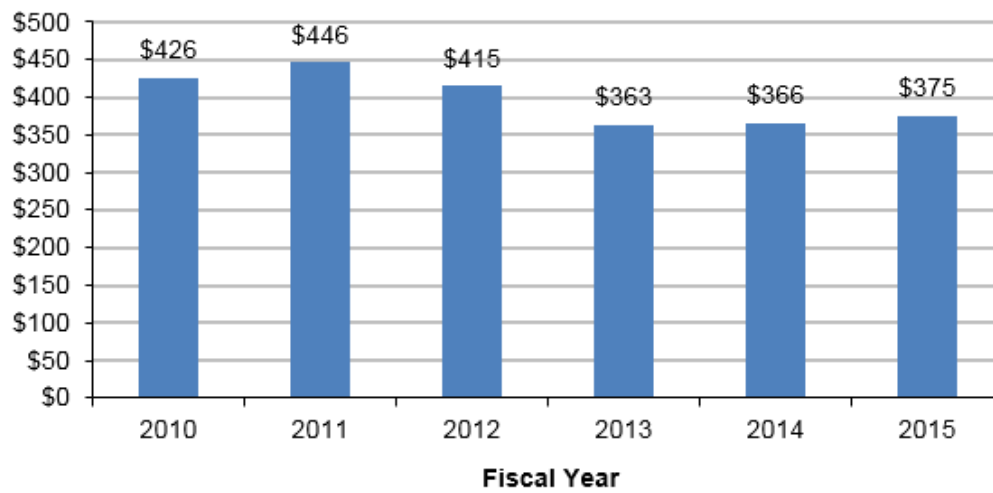
The mileage reimbursement rate is set at \$0.15 per mile and no more than 250 miles per week.

MDE processes reimbursement requests and provides technical support for this program.

RESULTS

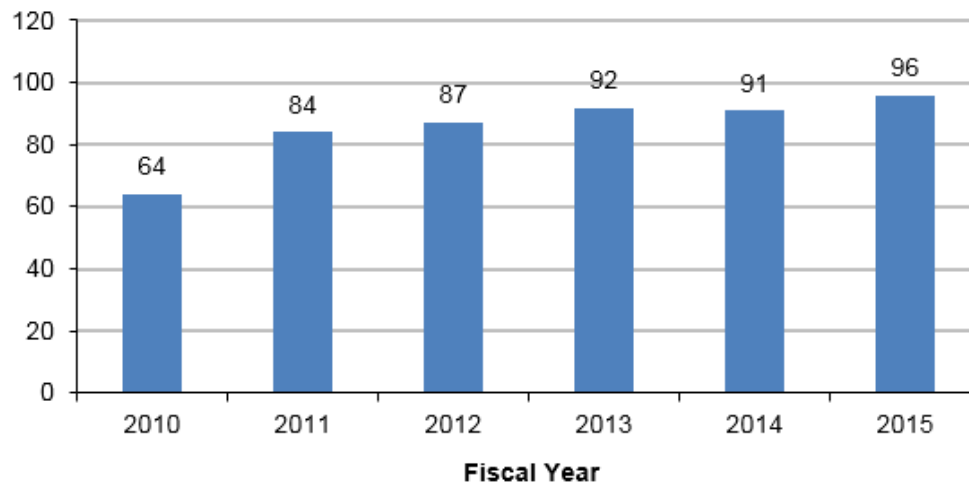
The graph below represents the average amount of a claim for mileage reimbursement per student per year in postsecondary enrollment options, school district enrollment options, and charter school programs over the last six years. It is difficult to see any trend from the data. With a qualifying income level that is very low, the number of families that fall into that qualifying level vary from year to year. Because there are few participants in the program, a few students who travel long distances to the postsecondary institution can skew the data.

Average Claim per Student per Year



The graph below represents the number of students served per year in postsecondary enrollment options, school district enrollment options, and charter school programs over the last six years.

Number of Students Served



M.S. 124D.03; M.S. 124D.09; M.S. 124E.15

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	34	26	28	26	29	31	29	31
Total	34	26	28	26	29	31	29	31
<i>Biennial Change</i>				(6)		6		6
<i>Biennial % Change</i>				(10)		11		11
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	34	26	28	26	29	31	29	31
Total	34	26	28	26	29	31	29	31
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	34	0	0	0	0	0	0	0
District Revenue	34	0	0	0	0	0	0	0
Direct Appropriation	34	36	39	26	29	31	29	31
Current Year	34	0	0	0	0	0	0	0
Cancellations	0	10	11	0	0	0	0	0
Expenditures	34	26	28	26	29	31	29	31
<i>Biennial Change in Expenditures</i>				(6)		6		6
<i>Biennial % Change in Expenditures</i>				(10)		11		11
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education
Activity: Abatement Revenue

AT A GLANCE

- Abatement Aid totaled \$3.08M in FY 2016.
- Abatement Levy totaled \$13.23M in FY 2016.

PURPOSE & CONTEXT

This state aid and local property tax levy program maintains equity for students and taxpayers by replacing revenue the district was entitled to but did not receive due to abatements. An "abatement" occurs when property taxes on a real estate parcel are decreased after the district certifies levy revenue.

For FY 2016, 233 school districts in Minnesota participated in this program.

SERVICES PROVIDED

Abatement aid and levy is calculated annually based on abatements reported by counties to the Minnesota Department of Education (MDE).

The aid and levy are designed to replace the revenue in the same proportion of aid and levy as the original entitlement.

MDE calculates and processes aid payments and levy limitations for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2015</i>	<i>FY 2016</i>
Quantity	District Revenue Loss Prevented	\$14.6 M	\$16.3 M

M.S. 126C.46; M.S. 127A.49, Subd.2

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	2,876	2,795	3,051	2,666	2,374	2,163	2,374	2,163
Total	2,876	2,795	3,051	2,666	2,374	2,163	2,374	2,163
<i>Biennial Change</i>				46		(1,180)		(1,180)
<i>Biennial % Change</i>				1		(21)		(21)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	2,876	2,795	3,051	2,666	2,374	2,163	2,374	2,163
Total	2,876	2,795	3,051	2,666	2,374	2,163	2,374	2,163
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	2,861	2,788	3,081	2,620	2,346	2,143	2,346	2,143
Levies	16,404	13,495	12,336	12,729	11,628	12,403	11,628	12,403
District Revenue	19,265	16,283	15,417	15,349	13,974	14,546	13,974	14,546
Direct Appropriation	2,876	2,796	3,051	2,666	2,374	2,163	2,374	2,163
Current Year	2,575	2,510	2,773	2,358	2,112	1,929	2,112	1,929
Prior Year	301	286	278	308	262	234	262	234
Cancellations	0	1	0	0	0	0	0	0
Expenditures	2,876	2,795	3,051	2,666	2,374	2,163	2,374	2,163
<i>Biennial Change in Expenditures</i>				46		(1,180)		(1,180)
<i>Biennial % Change in Expenditures</i>				1		(21)		(21)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education
Activity: Consolidation Transition

education.state.mn.us/MDE/dse/schfin/

AT A GLANCE

- There was one school district consolidation for FY 2013 and four school district consolidations for FY 2014.
- There have been no consolidations since FY 2014.

PURPOSE & CONTEXT

School districts consolidate to expand programs and services and to become more financially stable. The consolidation transition revenue program provides funds for reorganization to districts that have recently consolidated. Students and communities in the consolidating districts are served by this program.

SERVICES PROVIDED

Consolidation Transition revenue must be used to cover district costs for early retirement incentives granted by the district, to reduce operating debt, to enhance learning opportunities, and to cover reorganization expenses.

Aid is \$200 per resident pupil unit in the new district in the first year of consolidation, and \$100 per resident pupil unit the year after consolidation.

This program is mainly funded with state aid. Optional local property taxes may be used to cover additional costs.

MDE calculates state aid payments and property tax levy limits, and provides technical assistance to districts that choose to consolidate.

RESULTS

There have been five consolidations since FY 2012. While the number of consolidations is easy to calculate, the true performance measure is in the satisfaction and achievement of the districts that consolidated, which we do not evaluate.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	First Year of Consolidation	0	1	4	0	0	0

M.S. 123A.485, M.S. 123A.48, M.S. 123B.82

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	597	262	21	0	185	382	185	382
Total	597	262	21	0	185	382	185	382
<i>Biennial Change</i>				(838)		546		546
<i>Biennial % Change</i>				(98)		2,661		2,661
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	597	262	21	0	185	382	185	382
Total	597	262	21	0	185	382	185	382
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	617	223	0	0	0	300	0	300
District Revenue	617	223	0	0	0	300	0	300
Direct Appropriation	597	263	22	0	185	382	185	382
Current Year	557	202	0	0	0	517	0	517
Prior Year	40	60	21	0	0	0	0	0
Cancellations	0	1	1	0	0	0	0	0
Expenditures	597	262	21	0	185	382	185	382
<i>Biennial Change in Expenditures</i>				(838)		546		546
<i>Biennial % Change in Expenditures</i>				(98)		2,661		2,661
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education
Activity: Nonpublic Pupil

AT A GLANCE

- Number of students participating (FY 2016)
 Textbook/Materials 68,849
 Health Services 64,447
 Guidance and Counseling 25,434
- Rates per nonpublic student (FY 2016)
 Textbook/Materials \$88.17
 Health Services \$64.45
 Guidance and Counseling \$229.74
- All nonpublic students requesting materials and/or services by the statutory deadline have been and are being accommodated.

PURPOSE & CONTEXT

This state-aid program exists to ensure fair access to nonreligious study materials and student support services for those students who choose nonpublic education.

This aid program addresses the World's Best Workforce goal of having all students graduate from high school.

SERVICES PROVIDED

Funding is allocated to public school districts for the benefit of nonpublic school students and not directly to the nonpublic schools. School districts are reimbursed for the costs of the educational materials loaned to nonpublic school students and for the costs of providing support services to nonpublic school students.

There are three basic categories of nonpublic pupil aid supporting the following services:

- Textbooks, individualized instructional materials, and standardized tests.
- Health services.
- Guidance and counseling services.

School districts receive additional funds to cover administrative costs. This amount is equal to five percent of their total aid reimbursement amount.

The Minnesota Department of Education calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of nonpublic students applying for access to textbooks.	81%	81%	FY2015 FY2016
Quality	Percentage of nonpublic students applying for access to health services.	75%	76%	FY2015 FY2016
Quality	Percentage of secondary nonpublic students applying for access to guidance and counseling services.	91%	93%	FY2015 FY2016

M.S. 123B.40-48

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	14,391	13,961	15,965	16,680	18,138	18,987	18,197	19,225
Total	14,391	13,961	15,965	16,680	18,138	18,987	18,197	19,225
<i>Biennial Change</i>				4,293		4,480		4,777
<i>Biennial % Change</i>				15		14		15
<i>Governor's Change from Base</i>								297
<i>Governor's % Change from Base</i>								1

Expenditures by Category

Grants, Aids and Subsidies	14,391	13,961	15,965	16,680	18,138	18,987	18,197	19,225
Total	14,391	13,961	15,965	16,680	18,138	18,987	18,197	19,225
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	13,947	14,379	14,887	16,879	18,278	19,066	18,337	19,304
District Revenue	13,947	14,379	14,887	16,879	18,278	19,066	18,337	19,304
Direct Appropriation	14,503	15,569	16,759	16,680	18,138	18,987	18,197	19,225
Current Year	12,789	12,804	13,399	15,192	16,451	17,160	16,510	17,391
Prior Year	1,838	1,158	1,575	1,488	1,687	1,827	1,687	1,834
Net Transfers	0	(312)	(794)	0	0	0	0	0
Cancellations	112	1,296	0	0	0	0	0	0
Expenditures	14,391	13,961	15,965	16,680	18,138	18,987	18,197	19,225
<i>Biennial Change in Expenditures</i>				4,293		4,480		4,777
<i>Biennial % Change in Expenditures</i>				15		14		15
<i>Gov's Exp Change from Base</i>								297
<i>Gov's Exp % Change from Base</i>								1

Program: Other General Education
Activity: Nonpublic Transportation

AT A GLANCE

- 45,140 nonpublic students were transported to and from school in FY 2015.
- 199 of 334 districts transported nonpublic students in FY 2015.

PURPOSE & CONTEXT

This program ensures that nonpublic school students receive the same level of transportation services as public school students, and that the school districts are able to provide this transportation without significant costs being paid from their general fund.

SERVICES PROVIDED

School districts must provide equal transportation services within the district for public and nonpublic school students living within the district. If the district transports nonpublic school students to a school in another district, the nonpublic school or the parents pay the cost of transportation outside of the district boundaries.

Public school districts must provide nonpublic school student transportation within the district boundaries for health and secondary guidance/counseling services that the school district provides to the nonpublic school students.

The public school district must transport nonpublic school students on late activity bus routes if it provides that service for public school students.

The Minnesota Department of Education calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

Participation is measured by the percentage of nonpublic students transported to and from school.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of nonpublic students transported	67.5%	66.4%	FY 2014 FY 2015

M.S. 123B.92, Subd.9; M.S. 123B.84-87

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	18,517	17,098	17,673	18,270	18,049	17,857	18,372	18,541
Total	18,517	17,098	17,673	18,270	18,049	17,857	18,372	18,541
Biennial Change				329		(37)		970
Biennial % Change				1		0		3
Governor's Change from Base								1,007
Governor's % Change from Base								3

Expenditures by Category

Grants, Aids and Subsidies	18,517	17,098	17,673	18,270	18,049	17,857	18,372	18,541
Total	18,517	17,098	17,673	18,270	18,049	17,857	18,372	18,541
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	17,889	17,199	17,536	18,352	18,015	17,840	18,338	18,524
District Revenue	17,889	17,199	17,536	18,352	18,015	17,840	18,338	18,524
Direct Appropriation	18,725	18,118	17,673	18,270	18,049	17,857	18,372	18,541
Current Year	16,123	15,332	15,783	16,517	16,214	16,056	16,537	16,704
Prior Year	2,394	1,766	1,816	1,753	1,835	1,801	1,835	1,837
Cancellations	208	1,020	0	0	0	0	0	0
Expenditures	18,517	17,098	17,673	18,270	18,049	17,857	18,372	18,541
<i>Biennial Change in Expenditures</i>				329		(37)		970
<i>Biennial % Change in Expenditures</i>				1		0		3
<i>Gov's Exp Change from Base</i>								1,007
<i>Gov's Exp % Change from Base</i>								3

Program: Educational Programs

Activity: Career and Technical Education Revenue

education.state.mn.us/MDE/dse/datasub/CareerTechEducLevyRecalcReportSys/

AT A GLANCE

- 314 districts levied for Career and Technical Education revenue for FY 2015.
- 180 districts received Career and Technical Education aid for FY 2015, totaling \$5,049,000.

PURPOSE & CONTEXT

Career and Technical Education Revenue (CTE) is a state aid and local property tax levy program that allows districts to receive revenue for Career and Technical program expenses.

All school districts with approved Career and Technical programs are eligible for this revenue.

Federal Carl D. Perkins funds are available to help provide vocational-technical education programs and services.

Many high school career and technical education programs are designed as pathway courses aimed at guiding students toward advanced programs at a state technical college, community college, or four-year institution. Some of the courses offer opportunities for students to earn college credits during high school and many offer experiential learning opportunities as part of the course, such as service-learning, work-based learning, and internships.

These programs align with Minnesota's World's Best Workforce Goals by helping students learn about, explore, and prepare for a career.

SERVICES PROVIDED

Districts must submit annual budgets for their Career and Technical Education programs to qualify for this revenue. A district with an approved Career and Technical Education program may levy for costs associated with the program.

- A district is eligible for revenue equal to 35 percent of approved expenditures in the fiscal year in which the levy is certified.

Career and Technical Education property tax levy equals:

- Career and Technical Education revenue, times
- The lesser of
 - one, or
 - the ratio of the adjusted net tax capacity per student in the fiscal year in which the levy is certified, to \$7,612.

Career and Technical aid equals:

- Career and Technical revenue minus Career and Technical Education levy.

MDE reviews district programs for approval, calculates aid and property tax levies, and makes federal and state aid payments for these programs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of districts participating in CTE programs	313	314	FY 2014 FY 2015
Quantity	Amount of property tax levy for CTE program	\$16,370,041	\$18,605,821	FY 2014 FY 2015

Note: In FY 2014 state aid was added to the Career and Technical Education Revenue program. Prior to FY 2014, CTE was funded by property tax levies only.

M.S. 124D.4531

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	3,906	5,061	5,811	4,800	4,561	4,125	4,561	4,125
3000 - Federal	35	25	27	30	30	30	30	30
Total	3,941	5,085	5,838	4,830	4,591	4,155	4,591	4,155
<i>Biennial Change</i>				1,642		(1,922)		(1,922)
<i>Biennial % Change</i>				18		(18)		(18)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	26	19	21	23	23	23	23	23
Operating Expenses	8	6	6	7	7	7	7	7
Grants, Aids and Subsidies	3,906	5,061	5,811	4,800	4,561	4,125	4,561	4,125
Total	3,941	5,085	5,838	4,830	4,591	4,155	4,591	4,155
Total Agency Expenditures	3,941	5,085	5,838	4,830	4,591	4,155	4,591	4,155
Internal Billing Expenditures	6	4	4	5	5	5	5	5
Expenditures Less Internal Billing	3,935	5,081	5,834	4,825	4,586	4,150	4,586	4,150
<u>Full-Time Equivalents</u>	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Budget Activity: Career and Technical Education
Revenue

Budget Activity Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	5,043	5,050	5,814	4,765	4,538	4,080	4,538	4,080
Levies	14,728	13,411	18,606	20,034	21,643	23,920	21,643	23,920
District Revenue	19,771	18,461	24,420	24,799	26,181	28,000	26,181	28,000
Direct Appropriation	3,906	5,617	5,922	4,800	4,561	4,125	4,561	4,125
Current Year	3,915	4,622	5,293	4,289	4,085	3,672	4,085	3,672
Prior Year	0	439	428	511	476	453	476	453
Net Transfers	0	0	36	0	0	0	0	0
Cancellations	0	556	147	0	0	0	0	0
Expenditures	3,906	5,061	5,811	4,800	4,561	4,125	4,561	4,125
<i>Biennial Change in Expenditures</i>				1,644		(1,925)		(1,925)
<i>Biennial % Change in Expenditures</i>				18		(18)		(18)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	35	24	26	30	30	30	30	30
Expenditures	35	25	27	30	30	30	30	30
<i>Biennial Change in Expenditures</i>				(3)		3		3
<i>Biennial % Change in Expenditures</i>				(5)		6		6
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Program: Other General Education
Activity: Compensatory Pilot Grants

AT A GLANCE

- Seven districts received pilot grants in FY 2016: Anoka-Hennepin, Brooklyn Center, Osseo, Robbinsdale, Rochester, South Washington, and Albert Lea.

PURPOSE & CONTEXT

Compensatory revenue provided through general education is calculated according to the number of free and reduced-price lunch students at a school site.

This pilot project was established in 2005 for two purposes: (1) to look at whether giving districts greater flexibility in allocating compensatory revenue among schools based on student performance would be a good strategy for improving overall student performance; and, (2) to provide additional compensatory revenue to some large suburban and non-metro districts to correct what was viewed as inequities in the compensatory revenue formula.

SERVICES PROVIDED

In general, school districts are required to allocate at least 50 percent of compensatory revenue to the school site generating the revenue. This pilot project provides additional state funding to seven districts, and allows selected school districts to allocate the compensatory revenue received through general education revenue and pilot grant revenue among their school buildings according to each building's school performance measures.

Participating school districts are required to submit an application and board-approved plan that includes the following information:

- Identification of the test results that will be used to assess student performance.
- Description of the method the district will use to distribute the compensatory revenue based on each building's test results to assess student performance.
- Summarization of the evaluation procedure the district will use to determine if the distribution of pilot project compensatory revenue results in an improvement of measurable student performance.

The Minnesota Department of Education distributes funds, facilitates district planning and implementation, and monitors results through annual reports from districts.

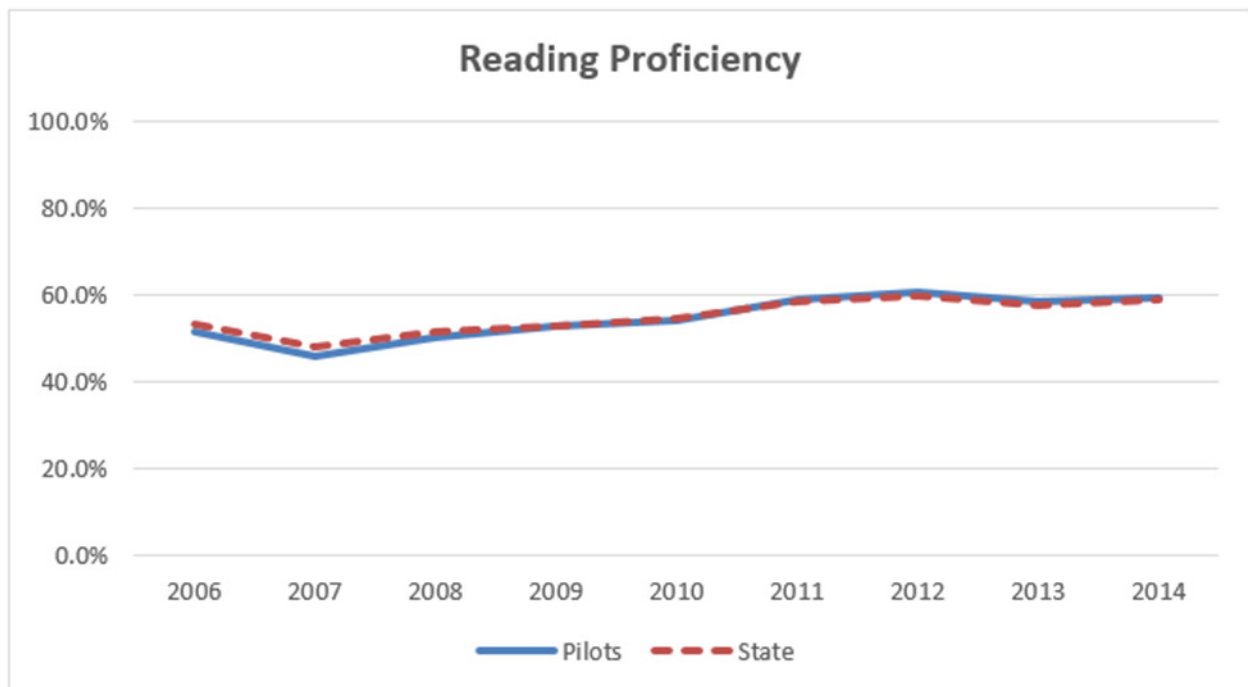
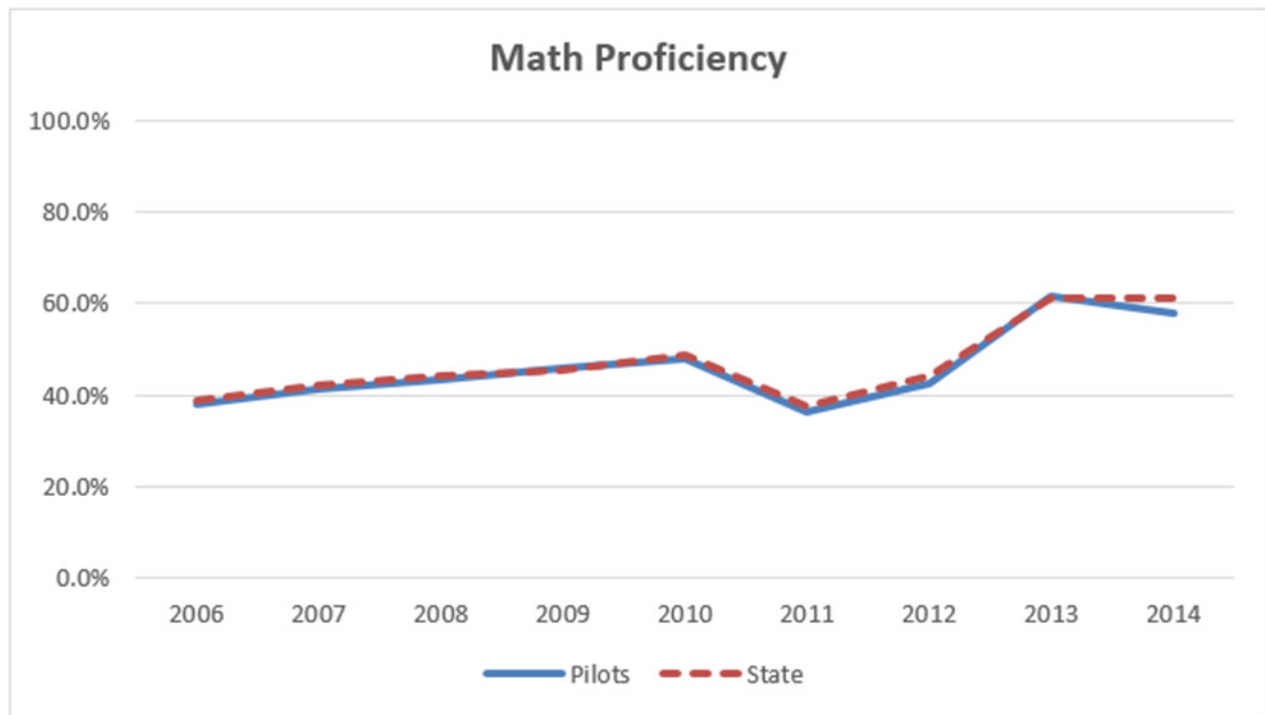
RESULTS

The Minnesota Department of Education submitted a report to the Legislature in February 2008 on the effectiveness of the Compensatory Revenue Pilot grant projects. The report findings were inconclusive as to the impact the pilot projects have had on student achievement. While some of the participating schools had experienced a positive impact, results of the test data used were inconsistent.

The following graphs are based on the portions of students who have shown proficiency on recent Minnesota Comprehensive Assessments (MCA) math and reading tests. Results are based on a combination of all grade levels.

Each graph displays two lines. One line shows the performance of all low-income students in districts that are receiving compensatory pilot revenue. The second line shows the performance of all low-income students in Minnesota public schools, excluding students in the pilot districts. The data indicates that from 2006-2014, there has been little difference in performance

between low-income students in districts receiving compensatory pilot revenue and other low-income students throughout the state.



Laws 2005 1st Special Session, Chapter 5, Article 1, Section 50, as amended by Laws 2007, chapter 146, Article 1, Section 21

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
Total	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
<i>Biennial Change</i>				(2,109)		(10,000)		(10,000)
<i>Biennial % Change</i>				(13)		(68)		(68)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
Total	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
Expenditures	9,434	7,325	7,325	7,325	2,325	2,325	2,325	2,325
<i>Biennial Change in Expenditures</i>				(2,109)		(10,000)		(10,000)
<i>Biennial % Change in Expenditures</i>				(13)		(68)		(68)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education

Activity: Special Provision For Select Districts

AT A GLANCE

- This program was implemented in FY 1995.

PURPOSE & CONTEXT

The One-Room Schoolhouse program provides additional revenue to the Warroad school district to assist with expenses related to the Angle Inlet Elementary School.

SERVICES PROVIDED

This program provides \$65,000 each year to the isolated one-room schoolhouse.

The Minnesota Department of Education processes the aid payment for this program.

RESULTS

The Minnesota Department of Education does not collect data regarding utilization of One-Room Schoolhouse aid.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2015</i>	<i>FY 2016</i>
Quantity	Number of students attending Angle Inlet School	7	12

MN Laws 2015 1st Special Session, Chapter 3, Article 1, Section 27, Subd. 8

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	65	65	65	65	65	65	65	65
Total	65	65	65	65	65	65	65	65
<i>Biennial Change</i>				0		0		0
<i>Biennial % Change</i>				0		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	65	65	65	65	65	65	65	65
Total	65	65	65	65	65	65	65	65
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	65	65	65	65	65	65	65	65
Balance Forward In	700	700	0	0	0	0	0	0
Net Transfers	0	(700)	0	0	0	0	0	0
Expenditures	65	65	65	65	65	65	65	65
Balance Forward Out	700	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Other General Education

Activity: Miscellaneous Levies (information only)

<http://education.state.mn.us/MDE/dse/datasub/LevyCertSys/>

AT A GLANCE

- 13 levy programs have estimated levies for FY 2017.

PURPOSE & CONTEXT

These programs provide additional local property tax levy revenue to school districts to fund specific obligations of the district's general fund.

SERVICES PROVIDED

The following levies are currently in effect:

- Reemployment Insurance Levy
 - A school district may levy for unemployment insurance and for job-placement services offered to eligible employees.
- Judgment Levy
 - A school district may levy for judgments against the district, including interest costs or for its proportionate share of the costs of a judgment against an intermediate district.
- Health Benefit Levy
 - A school district may levy for health insurance and unreimbursed medical expenses of employees who retired before 7-1-92.
- Additional Retirement Levy
 - The Minneapolis and St. Paul school districts may levy for certain pension obligations.
- Minneapolis Health Insurance Subsidy Levy
 - The Minneapolis school district may levy to subsidize health insurance costs for eligible retired teachers.
- St. Paul Severance Levy
 - The St. Paul school district may levy to pay for severance costs.
- Safe Schools Levy
 - A school district may levy up to \$36 per pupil unit to provide a drug abuse prevention program in the elementary schools; to provide police liaison services in the schools; to provide a gang resistance education program in the schools; to pay the costs for security on school property and/or pay for other crime prevention and staff; to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems.
- Ice Arena Levy
 - A school district may levy for the net operational costs of the ice arena for the previous fiscal year.
- Severance Levies
 - A school district that reorganizes under dissolution and attachment may levy the costs of severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses. Districts with an agreement to allow pupils to attend school in an adjoining state may levy for severance costs resulting from the agreement.
- Swimming Pool Levy
 - Certain school districts on the Canadian border may levy for the net operational costs of a swimming pool, not to exceed the net actual costs of operation of the swimming pool for the previous year.
- Economic Development Abatement Levy
 - The governing body of a political subdivision may grant an abatement of the taxes imposed by the political subdivision on a parcel of property, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply. The political subdivision must add to its levy amount for the current year the total estimated amount of all current year abatements granted. No abatement aid is generated for these abatements.

- Tree Growth Replacement Levy
 - Districts may levy an amount not to exceed its tree-growth revenue for taxes payable in 2001.
- Reorganization Operating Debt Levy
 - A school district that reorganizes under consolidation or dissolution and attachment may levy to retire the net negative undesignated fund balance in the operating funds.
- Annual Other Postemployment Benefits Levy
 - A school district may levy for other postemployment benefit expenses if the district: 1) has created an actuarial liability to pay postemployment benefits; and, 2) has a sunset clause in effect for the current collective bargaining agreement.
- Consolidation Retirement Levies
 - For a school district that consolidates under Minnesota Statutes, section 123A.48, consolidation transition aid is equal to a maximum of \$200 per resident pupil unit for the first year of consolidation and \$100 per resident pupil unit for the second year of consolidation. If the cost of the early retirement incentives offered by the district under subdivision 23 exceeds the amount of consolidation transition aid, the district may levy for the difference for a period not to exceed three years.
- Consolidation/Transition Levies
 - The board(s) of districts combining or combined under Minnesota Statutes, section 123.37, subdivision 2, may levy over three years or less for costs directly related to the transition from cooperation to combination.
- Administrative Services Levy
 - The school district may levy for costs of retirement incentives or severance pay or other costs related to the discontinuance of administrative positions, under certain circumstances.

The Minnesota Department of Education collects data from the districts, calculates the levy authority and in some cases, reviews and approves levy requests.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous: In Thousands</i>	<i>Current: In Thousands</i>	<i>Dates</i>
Quantity	Judgment Levy	\$330.3	\$1,300.5	2014 pay 2015 2015 pay 2016
Quantity	Health Benefit Levy	\$1,707.0	\$1,835.8	2014 pay 2015 2015 pay 2016
Quantity	Health Benefit Levy	\$1,707.0	\$1,835.8	2014 pay 2015 2015 pay 2016
Quantity	Additional Retirement Levy	\$22,330.6	\$24,869.7	2014 pay 2015 2015 pay 2016
Quantity	Minneapolis Health Insurance Subsidy Levy	\$0	\$0	2014 pay 2015 2015 pay 2016

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous: In Thousands</i>	<i>Current: In Thousands</i>	<i>Dates</i>
Quantity	St. Paul Severance Levy	\$829.0	\$877.3	2014 pay 2015 2015 pay 2016
Quantity	Safe Schools Levy	\$33,962.8	\$34,592.1	2014 pay 2015 2015 pay 2016
Quantity	Ice Arena Levy	\$2,209.0	\$2,156.1	2014 pay 2015 2015 pay 2016
Quantity	Severance Levies	\$1,278.5	\$889.1	2014 pay 2015 2015 pay 2016
Quantity	Swimming Pool Levy	\$551.4	\$599.3	2014 pay 2015 2015 pay 2016
Quantity	Economic Development Abatement Levy	\$1,276.4	\$1,314.7	2014 pay 2015 2015 pay 2016
Quantity	Economic Development Abatement Levy	\$1,276.4	\$1,314.7	2014 pay 2015 2015 pay 2016
Quantity	Tree-Growth Replacement Levy	\$693.7	\$694.0	2014 pay 2015 2015 pay 2016
Quantity	Reorganization Operating Debt Levy	\$30.7	\$30.7	2014 pay 2015 2015 pay 2016

M.S. 126C.43, Subd. 2; M.S. 126C.43, Subd. 3; M.S. 126C.41, Subd. 2; M.S. 126C.41 Subd. 3; M.S. 126C.41, Subd. 4; M.S. 126C.41, Subd. 5; M.S. 126C.44; M.S. 126C.45; M.S. 123A.30, Subd. 6; M.S. 123A.39, Subd. 3; M.S. 123A.73, Subd. 12; M.S. 123A.444; M.S. 124D.05, Subd. 3; M.S. 126C.41, Subd. 6; M.S. 126C.455; M.S. 469.1812-1815; M.S. 126C.445; M.S. 123A.73, Subd. 9; M.S. 123B.82; M.S. 126C.445; M.S. 123A.485; M.S. 123A.41, Subd. 4; M.S. 123A.76; M.S. 123A.12

Program: Choice Programs
Activity: Charter School Lease Aid

education.state.mn.us/MDE/dse/chart

AT A GLANCE

- In FY 2016, 160 of the 164 charter schools in Minnesota received lease aid.
- Maximum lease aid per pupil unit is \$1,314.

PURPOSE & CONTEXT

Unlike school districts, charter schools cannot receive property tax revenue to pay for school buildings. The Charter School Lease Aid program provides partial funding to charter schools to lease facilities and land.

SERVICES PROVIDED

This program provides funding to charter schools to lease facilities for instructional purposes. Charter schools submit applications for lease aid that are approved or denied based on:

- Reasonableness of the price per square foot.
- Appropriateness of the proposed lease in the context of the space needs, code compliance and financial circumstances of the charter school.
- Conformity of the leased space and lease agreement to the laws and rules of the state and federal governments.

State aid is the lesser of:

- Ninety percent of the actual net lease costs; or
- \$1,314 times the number of pupil units served.

MDE approves charter school lease aid applications.

Beginning FY 2017, lease aid will be available for approved pre-K school programs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>Preliminary FY 2016</i>
Quantity	Charter Schools receiving lease aid	145	153	160
Quantity	Pupil Units Served	48,686	50,883	54,228
Quantity	Average Lease Cost per Pupil Unit	\$1,300	\$1,394	1,421
Quantity	Average Aid per Pupil Unit	\$1,083	\$1,173	1,175

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Preliminary FY 2016 Minneapolis</i>	<i>Preliminary FY 2016 Saint Paul</i>	<i>Preliminary FY 2016 Remaining Seven County Metro</i>	<i>Preliminary FY 2016 80 County Non-Metro</i>	<i>Preliminary FY 2016 Total</i>
Quantity	Charter Schools receiving lease aid	37	33	41	49	160
Quantity	Pupil Units Served	15,083	11,712	17,308	10,034	54,137*
Quantity	Average Lease Cost per Pupil Unit	\$1,310	\$1,416	\$1,545	\$1,392	\$1,423
Quantity	Average Aid per Pupil Unit	\$1,147	\$1,192	\$1,213	\$1,146	\$1,177

*The total pupil units exclude 91 pupil units for a charter school that had closed and received no state aid for that year.

M.S. 124E.22 M.S. 124E.22

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	54,115	58,935	62,844	68,028	73,173	78,603	73,368	79,098
Total	54,115	58,935	62,844	68,028	73,173	78,603	73,368	79,098
<i>Biennial Change</i>				17,822		20,904		21,594
<i>Biennial % Change</i>				16		16		17
<i>Governor's Change from Base</i>								690
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	54,115	58,935	62,844	68,028	73,173	78,603	73,368	79,098
Total	54,115	58,935	62,844	68,028	73,173	78,603	73,368	79,098
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	52,704	59,694	63,718	68,507	73,692	79,148	73,887	79,643
District Revenue	52,704	59,694	63,718	68,507	73,692	79,148	73,887	79,643
Direct Appropriation	54,440	59,565	63,540	68,028	73,173	78,603	73,368	79,098
Current Year	47,609	53,665	57,347	61,657	66,323	71,234	66,518	71,708
Prior Year	6,681	5,270	6,032	6,371	6,850	7,369	6,850	7,390
Net Transfers	0	0	(696)	0	0	0	0	0
Cancellations	325	630	0	0	0	0	0	0
Expenditures	54,115	58,935	62,844	68,028	73,173	78,603	73,368	79,098
<i>Biennial Change in Expenditures</i>				17,822		20,904		21,594
<i>Biennial % Change in Expenditures</i>				16		16		17
<i>Gov's Exp Change from Base</i>								690
<i>Gov's Exp % Change from Base</i>								0

Program: Choice Programs

Activity: Achievement and Integration Revenue

education.state.mn.us/MDE/dse/acint/

AT A GLANCE

- There are 55 racially identifiable schools* (in 15 different districts) and 40 racially isolated districts**. Ninety additional districts are in the program to work with racially isolated districts on integration activities.
- Districts use the funds to increase achievement and equity within their districts and to work collaboratively with neighboring districts to decrease racial and economic enrollment disparities.

*A school with enrollment of protected students more than 20 percentage points above that of the district.

**A district with districtwide enrollment of protected students that exceeds that of any adjoining district by more than 20 percentage points.

PURPOSE & CONTEXT

This program exists to reduce achievement gaps between student groups, to increase racial and economic integration among students, and to provide students equitable access to a qualified and racially diverse teaching staff.

Districts are required to incorporate their achievement and integration plan into their World's Best Workforce plan. The most closely aligned area of both plans is the goal of closing the achievement gap.

Achievement and Integration revenue is funded through local property tax levy (30 percent) and state aid (70 percent).

Students served include pre-k through grade 12 students attending public school districts that are eligible under the Minnesota Desegregation and Integration Rule.

This program supports the World's Best Workforce goals of closing all racial and economic achievement gaps.

SERVICES PROVIDED

Achievement and Integration revenue is used to support activities included in a district's approved Achievement and Integration plan. District plans must contain activities that are specific to racially segregated schools and to closing achievement gaps within the district, which could include collaborative integration activities between neighboring school districts.

Achievement and Integration plans may include the following types of activities:

- Family involvement programs.
- Integrated pre-k to grade 12 programs with school enrollment choices designed to decrease racial and economic enrollment disparities within or between districts.
- Training for teachers and administrators to improve the achievement of all students.
- Career and college readiness programs for underserved students.
- Recruitment and retention of a racially and ethnically diverse staff.
- Research-based interventions that include formative assessments.

MDE reviews and approves district plans and budgets, calculates and processes aid payments, and provides ongoing technical assistance to districts on monitoring their progress and reporting results.

RESULTS

The current achievement and integration plans were submitted in FY 2015 and will end in FY 2017. Districts self-report on the extent to which they've realized the goals in their plans. Final results for these three-year plans are not yet available. Results from one year of monitoring progress toward the goals in districts' plans are listed below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	On track to reduce reading achievement gap	None available	23.9%	6/30/2015
Quality	On track to reduce math achievement gap	None available	26.9%	6/30/2015
Quality	On track or making progress toward meeting their integration goal	None available	66.8%	6/30/2015

M.S.124D.861; M.S.124D.862; MN Rules 3535.0100-3535.0180

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	70,665	60,184	65,060	66,634	70,968	72,986	71,263	73,336
Total	70,665	60,184	65,060	66,634	70,968	72,986	71,263	73,336
<i>Biennial Change</i>				846		12,260		12,905
<i>Biennial % Change</i>				1		9		10
<i>Governor's Change from Base</i>								645
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	70,665	60,184	65,060	66,634	70,968	72,986	71,263	73,336
Total	70,665	60,184	65,060	66,634	70,968	72,986	71,263	73,336
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	60,402	61,420	63,850	67,255	71,693	73,442	71,988	73,792
Levies	28,266	26,388	27,761	27,197	29,713	32,781	29,792	32,869
District Revenue	88,668	87,808	91,611	94,452	101,406	106,223	101,780	106,661
Direct Appropriation	71,261	63,831	65,439	66,915	71,249	73,267	71,544	73,617
Current Year	55,215	55,249	57,465	60,530	64,524	66,098	64,819	66,415
Prior Year	0	5,187	6,171	6,385	6,725	7,169	6,725	7,202
Net Transfers	(269)	(2,448)	(167)	(281)	(281)	(281)	(281)	(281)
Cancellations	327	1,199	212	0	0	0	0	0
Expenditures	70,665	60,184	65,060	66,634	70,968	72,986	71,263	73,336
<i>Biennial Change in Expenditures</i>				846		12,260		12,905
<i>Biennial % Change in Expenditures</i>				1		9		10
<i>Gov's Exp Change from Base</i>								645
<i>Gov's Exp % Change from Base</i>								0

Program: Choice Programs

Activity: Interdistrict Desegregation Transportation

education.state.mn.us/MDE/dse/acint/

AT A GLANCE

- In FY 2015, over 9,200 open enrolled students were transported to and from schools participating in Achievement and Integration programs at a total cost of \$16.4 million.
- Other students were transported to Achievement and Integration programs and events at a total cost of \$483,660 in FY 2015.

PURPOSE & CONTEXT

This state aid program supports the Achievement and Integration program by funding unreimbursed transportation costs for students in the program.

This aid program addresses the World's Best Workforce goal of reducing the racial and economical achievement gaps between students.

SERVICES PROVIDED

Transportation is provided between the student's home or school and the Achievement and Integration program or school.

The aid paid to school districts is the difference between the cost of transportation and the portion of general education revenue attributable to transportation that the students generate.

MDE calculates aid payments and provides technical support for this program.

RESULTS

Both the number of districts and the number of students participating has remained steady with some minor fluctuations over time.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of Districts	53	64	61	61
Quantity	Number of Students Transported	9,093	9,004	9,060	9,264

M.S. 124D: 87

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	13,714	14,261	14,543	13,496	14,198	14,936	14,198	14,936
Total	13,714	14,261	14,543	13,496	14,198	14,936	14,198	14,936
<i>Biennial Change</i>				64		1,095		1,095
<i>Biennial % Change</i>				0		4		4
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	13,714	14,261	14,543	13,496	14,198	14,936	14,198	14,936
Total	13,714	14,261	14,543	13,496	14,198	14,936	14,198	14,936
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	13,714	14,261	14,423	13,496	14,198	14,936	14,198	14,936
Net Transfers	0	0	120	0	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	13,714	14,261	14,543	13,496	14,198	14,936	14,198	14,936
<i>Biennial Change in Expenditures</i>				64		1,095		1,095
<i>Biennial % Change in Expenditures</i>				0		4		4
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: School Choice
Activity: Recovery Program Grants

AT A GLANCE

- \$500,000 in grant funds are available in each year of the biennium.
- Recovery programs are eligible for grants of up to \$125,000 per year.

PURPOSE & CONTEXT

The Recovery Program Grant provides additional revenue to help with the cost of substance abuse recovery program support staff at approved recovery schools. Recovery programs must provide academic instruction designed to meet graduation requirements and assist students recovering from substance abuse or dependency.

This grant program supports the World's Best Workforce goal of all students graduating from high school.

SERVICES PROVIDED

Grants pay for a portion the costs of recovery program support staff.

- Recovery program support staff are defined as:
- Licensed alcohol and chemical dependency counselors.
- Licensed school counselors.
- Licensed school psychologists.
- Licensed school nurses.
- Licensed school social workers.

The Minnesota Department of Education approves recovery programs, reviews and approves grants, and processes aid payments for this program.

The Minnesota Department of Education administers all aspects of the grant program. Services include:

- Approving recovery programs.
- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>
Quantity	Number of schools receiving grants	4	5 (fifth is a partial grant)

M.S.124D.695

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	383	489	511	500	500	500	500
Total	0	383	489	511	500	500	500	500
<i>Biennial Change</i>				617		0		0
<i>Biennial % Change</i>				161		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	383	489	511	500	500	500	500
Total	0	383	489	511	500	500	500	500
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	500	500	500	500	500	500	500
Balance Forward In	0	0	0	11	0	0	0	0
Cancellations	0	117	0	0	0	0	0	0
Expenditures	0	383	489	511	500	500	500	500
Balance Forward Out	0	0	11	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				617		0		0
<i>Biennial % Change in Expenditures</i>				161		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Indian Education

Activity: Indian Teacher Training Program

education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- Grants are awarded to four project sites: Augsburg College in collaboration with Minneapolis Public Schools and St. Paul Public Schools, Bemidji State University in collaboration with Red Lake Public Schools, Minnesota State University Moorhead in collaboration with Mahnomon Public Schools, and the University of Minnesota-Duluth in collaboration with Duluth Public Schools.
- The grants support approximately 18 students per year.

PURPOSE & CONTEXT

Indian teacher preparation scholarships assist American Indian students to become teachers and assist current American Indian teachers in gaining additional education, credentials, or certifications. The program seeks to diversify the pool of Minnesota teachers in order to increase all students' cultural awareness, experiences, and exposure to a diverse population of teachers.

This program is designed to meet all goal areas of the World's Best Workforce, with a special focus on ensuring that all racial and economic achievement gaps between students are closed.

SERVICES PROVIDED

This program provides scholarships to American Indian students who have the potential to complete a teacher-training program and have demonstrated a financial need.

RESULTS

There have been 63 graduates* from this program since its inception in 1979.

Seventy American Indian college students and current professionals have taken part in the program since 2008. A majority of students that receive scholarship/grant funds are supported for multiple years during their teacher training program.

In the 2015-2016 school year, there were a total of 18 students participating four institutions in the Indian Teacher Training Program. The program receives \$190,000 per year.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	New Student Program Participants	4	10	FY 2014 FY 2016

*The total number of graduates listed reflects only students who were receiving grants at the time of graduation. It does not reflect students who may have participated in the program at some point during their teacher training program. The total number of graduates also does not reflect students who returned to receive additional certifications or credentials.

M.S. 122A. 63; M.S. 124D.72.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	172	189	190	460	460	460	460	460
Total	172	189	190	460	460	460	460	460
<i>Biennial Change</i>				289		270		270
<i>Biennial % Change</i>				80		42		42
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	172	189	190	460	460	460	460	460
Total	172	189	190	460	460	460	460	460
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	190	190	190	460	460	460	460	460
Cancellations	18	1	0	0	0	0	0	0
Expenditures	172	189	190	460	460	460	460	460
<i>Biennial Change in Expenditures</i>				289		270		270
<i>Biennial % Change in Expenditures</i>				80		42		42
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Indian Education
Activity: Tribal Contract Schools

education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- In FY 2016, 759 American Indian students attended the four Bureau of Indian Education (BIE) tribal contract schools in Minnesota.

The program seeks to provide tribal schools with sufficient funding so they can provide an adequate and uniform education to their students, as required by the Minnesota Constitution. Participants include the four tribal contract schools in the state: Bug-O-Nay-Ge-Shig School, Leech Lake; Circle of Life Academy, White Earth; Nay ah Shing School, Mille Lacs; and Fond du Lac Ojibwe School, Fond du Lac.

This program mainly addresses two goal areas of the World's Best Workforce by ensuring that all racial and economic achievement gaps between students are closed and that all students graduate from high school.

SERVICES PROVIDED

This state aid program provides funding to promote equal education for American Indian students enrolled in Bureau of Indian Education (BIE) tribal contract schools.

State aid is calculated based on the difference between the state per pupil adjusted aid amount minus the amount provided by the federal government.

The funds provide general education services and are not specifically set aside to meet any legislated goals.

The Minnesota Department of Education calculates and processes aid payments to tribal contract schools for this program.

RESULTS

MDE does not track or report participant performance. Tribal contract schools are not public schools, so we cannot require tribal schools to submit assessment data related to this program.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	American Indian student graduation rate in BIE Tribal contract schools*	62.9%*	71.8%*	FY 2014 FY 2015

This graduation rate was calculated using data reported from two of four tribal contract schools in the state. The remaining two schools had data cells that were too small to report.

M.S. 124D.83

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	1,346	1,030	3,539	3,123	1,983	1,930	3,623	4,018
Total	1,346	1,030	3,539	3,123	1,983	1,930	3,623	4,018
Biennial Change				4,286		(2,749)		979
Biennial % Change				180		(41)		15
Governor's Change from Base								3,728
Governor's % Change from Base								95

Expenditures by Category

Other Financial Transactions	1,346	1,030	204	0	0	0	0	0
Grants, Aids and Subsidies	0	0	3,335	3,123	1,983	1,930	3,623	4,018
Total	1,346	1,030	3,539	3,123	1,983	1,930	3,623	4,018
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	1,311	1,234	2,159	3,231	1,844	1,940	3,484	4,028
District Revenue	1,311	1,234	2,159	3,231	1,844	1,940	3,484	4,028
Direct Appropriation	1,346	2,161	3,539	3,123	1,983	1,930	3,623	4,018
Current Year	1,311	1,030	1,944	2,908	1,660	1,746	3,300	3,652
Prior Year	166	0	204	215	323	184	323	366
Cancellations	0	1,131	0	0	0	0	0	0
Expenditures	1,346	1,030	3,539	3,123	1,983	1,930	3,623	4,018
<i>Biennial Change in Expenditures</i>				4,286		(2,749)		979
<i>Biennial % Change in Expenditures</i>				180		(41)		15
<i>Gov's Exp Change from Base</i>								3,728
<i>Gov's Exp % Change from Base</i>								95

Program: Indian Education

Activity: Tribal Early Childhood Family Education

education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- Provides support to four tribal early childhood family education (ECFE) programs.
- Serves 800 to 1100 children, birth to 5, every year.
- Program sites: Bug-O-Nay-Ge-Shig School in Leech Lake, Circle of Life in White Earth, Fond du Lac Ojibwe School in Cloquet, and Wewinabi Early Education Center in Mille Lacs.

PURPOSE & CONTEXT

This program ensures Early Childhood and Family Education (ECFE) services are available for parents who live in tribal communities and who will send their children to tribally controlled schools.

This program addresses two goal areas of the World's Best Workforce by ensuring that all children are ready for school and that all racial and economic achievement gaps between students are closed.

SERVICES PROVIDED

The programs use culturally appropriate materials and strategies to deliver the basic ECFE program, with an added emphasis on preserving American Indian history, language, and culture.

The programs require the direct presence and substantial involvement of the children's parents, especially fathers, and may include any or all of the following education services:

- Programs to educate parents about the physical and mental development of the children.
- Programs to enhance parents' skills in providing for their children's learning and development.
- Participation in "Positive Indian Parenting" programs.
- Learning experiences for children and parents.
- Activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems.
- Activities and materials designed to encourage self-esteem, skills, and behaviors that prevent sexual and other interpersonal violence.
- Educational materials that may be borrowed for home use.
- Home visits or center-based activities.
- Other programs or activities to improve the health, development, and school-readiness of children.

The Minnesota Department of Education, through the Office of Indian Education, works with each of the four project sites annually to determine how allocations will be utilized and verifies how many children and families are served. MDE also calculates and processes aid payments for this program.

RESULTS

Tribally controlled schools are not public schools and are not required to submit assessment data for this program. MDE does not track or report participant performance.

M.S. 124D.83, subd.4

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	68	68	68	68	68	68	68	68
Total	68	68	68	68	68	68	68	68
<i>Biennial Change</i>				0		0		0
<i>Biennial % Change</i>				0		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Other Financial Transactions	68	68	68	0	0	0	0	0
Grants, Aids and Subsidies	0	0	0	68	68	68	68	68
Total	68	68	68	68	68	68	68	68
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	68	68	68	68	68	68	68	68
Expenditures	68	68	68	68	68	68	68	68
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Indian Education
Activity: Indian Education Formula Aid

education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- Provides formula funding to 138 eligible school districts, charter schools, and tribal contract schools.
- Funding reaches nearly 95 percent of American Indian students statewide.
- 20,100 American Indian students served annually.
- One-third of the students served are in urban areas.
- The Indian Education program replaced the Success for the Future program in FY 2016.

PURPOSE & CONTEXT

This program increases the academic achievement, decreases the dropout rate, and improves the school climate of American Indian students in culturally appropriate ways. The program serves American Indian students in public school districts, Bureau of Indian Education tribal contract schools, and charter schools.

The Minnesota Department of Education's Office of Indian Education convened a stakeholder group to recommend how to improve educational outcomes for American Indian students. The working group decided that the Success for

the Future program, a \$4.2 million competitive grant program, needed to be replaced to reach more American Indian students. The recommendation, and eventual statutory funding formula, expands funding to eligible districts and schools from 32 to 136, serving nearly 95% of American Indian students in Minnesota.

This program is designed to address all goal areas of the World's Best Workforce, with a special focus on ensuring that all children are ready for school, all racial and economic achievement gaps between students are closed, and that all students are ready for college and career.

SERVICES PROVIDED

American Indian education programs are designed to meet the unique educational and cultural needs of American Indian students. They focus on:

- Getting students ready for college.
- Increasing achievement, especially in math and reading.
- Making the curriculum more relevant to students' cultural heritage.
- Reinforcing students' positive self-image.
- Developing intercultural awareness among students, parents, staff, and community.

The following services are funded by the American Indian formula aid program to increase student achievement, increase graduation rates, reduce the achievement gap, and lower dropout rates:

- Programs to improve daily attendance and keep students in school.
- Academic counseling.
- Advocates and liaisons between home and school.
- Innovative curriculum based on technology.
- Support for teaching American Indian history, culture, language, and literature.
- Staff development support through training.
- Best practices in teaching for American Indian students.

The Minnesota Department of Education administers the aid program and calculates payments to school districts, charter schools, and tribal contract schools.

RESULTS

The program serves nearly 95 percent of the state's American Indian students enrolled in public schools and enables participating students to take part in a variety of college and career-readiness programs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Statewide American Indian Graduation Rate	49%	51.92%	FY 2014 FY 2016
Results	Statewide American Indian MCA Reading Proficiency – 8 th Grade	32.2%	35.9%	FY 2014 FY 2016
Results	Statewide American Indian MCA Math Proficiency – 8 th Grade	26.1%	31.1%	FY 2014 FY 2016

M.S. 124D.81

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	2,189	2,113	7,933	8,717	9,244	9,464	9,244	9,464
Total	2,189	2,113	7,933	8,717	9,244	9,464	9,244	9,464
Biennial Change				12,348		2,058		2,058
Biennial % Change				287		12		12
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	2,189	2,113	7,933	8,717	9,244	9,464	9,244	9,464
Total	2,189	2,113	7,933	8,717	9,244	9,464	9,244	9,464
Full-Time Equivalents	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	0	7,396	8,864	9,286	9,484	9,286	9,484
District Revenue		0	7,396	8,864	9,286	9,484	9,286	9,484
Direct Appropriation	2,214	2,137	7,953	8,717	9,244	9,464	9,244	9,464
Current Year	0	0	6,657	7,978	8,358	8,536	8,358	8,536
Prior Year	0	0	0	739	886	928	886	928
Cancellations	25	24	20	0	0	0	0	0
Expenditures	2,189	2,113	7,933	8,717	9,244	9,464	9,244	9,464
<i>Biennial Change in Expenditures</i>				12,348		2,058		2,058
<i>Biennial % Change in Expenditures</i>				287		12		12
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Innovation and Accountability
Activity: Statewide Testing

AT A GLANCE

- Serves approximately 62,000 students per grade, grades three to high school.
- Serves approximately 60,000 English learners (ELs), grades K-12.
- Serves approximately 4,500 students with severe cognitive disabilities.

PURPOSE & CONTEXT

Statewide testing provides information for schools in order to inform parents, teachers, and the public on the achievement of students against the Minnesota K-12 Academic Standards or other standards for special populations.

- The division's efforts measure the state's progress toward meeting academic standards and proficiency.
- All 3rd – 8th grade and high school students are served by these efforts.

SERVICES PROVIDED

This program develops mathematics, reading, and science assessments related to the Minnesota K-12 Academic Standards.

This program administers, scores, and reports on assessments for:

- Mathematics, reading, and science.
- English language proficiency.
- National and International Assessments.

The Minnesota Department of Education (MDE) awards contracts to vendors, administers the contracts, and reports test results.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percent of assessments (academic content and EL) administered online. Academic assessments providing immediate results.	85%	97%	FY2016 FY2017
Quality	Number of Test Security Notifications submitted to MDE during the test administration.	55	57	FY2016 FY2017

M.S.120B.30; M.S. 120B.31; M.S. 124D.59
 ESEA 1965, Title VI, Part A, Subpart I, Section 1111(b)(2)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	15,743	23,525	10,255	11,841	10,892	10,892	10,892	10,892
3000 - Federal	8,152	8,310	4,762	5,769	6,861	6,519	6,861	6,519
Total	23,895	31,836	15,016	17,611	17,753	17,411	17,753	17,411
Biennial Change				(23,104)		2,537		2,537
Biennial % Change				(41)		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	23,895	31,633	15,016	5,769	6,861	6,519	6,861	6,519
Grants, Aids and Subsidies	0	203	0	11,841	10,892	10,892	10,892	10,892
Total	23,895	31,836	15,016	17,611	17,753	17,411	17,753	17,411
Total Agency Expenditures	23,895	31,836	15,016	17,611	17,753	17,411	17,753	17,411
Internal Billing Expenditures	9	10	14	14	14	14	14	14
Expenditures Less Internal Billing	23,886	31,825	15,002	17,596	17,739	17,397	17,739	17,397
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	16,784	21,001	11,204	10,892	10,892	10,892	10,892	10,892
Balance Forward In	0	4,223	0	949	0	0	0	0
Cancellations	0	1,698	0	0	0	0	0	0
Expenditures	15,743	23,525	10,255	11,841	10,892	10,892	10,892	10,892
Balance Forward Out	1,041	0	949	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(17,173)		(312)		(312)
<i>Biennial % Change in Expenditures</i>				(44)		(1)		(1)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	8,152	8,310	4,762	5,769	6,862	6,520	6,862	6,520
Expenditures	8,152	8,310	4,762	5,769	6,861	6,519	6,861	6,519
<i>Biennial Change in Expenditures</i>				(5,931)		2,849		2,849
<i>Biennial % Change in Expenditures</i>				(36)		27		27
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Innovation and Accountability
Activity: ACT Reimbursements

AT A GLANCE

- Serves approximately 62,000 students per year
- Testing reimbursement helps students access college entrance exams.

PURPOSE & CONTEXT

Statewide testing provides reimbursement to high school students for one college entrance exam during grade 11 or 12.

This program contributes to the World's Best Workforce goal of having students career and college ready.

SERVICES PROVIDED

This program reimburses districts for the cost of one nationally recognized college entrance exam per student who wishes to take the exam. The district must provide grade 11 and 12 students the opportunity to take the exam at the student's high school during the school day and at an ACT exam administration available to students in the district.

The Minnesota Department of Education processes reimbursement requests for this program.

RESULTS

This program was new in FY 2016 and no results are available at this time.

MN Laws 2015 1st special session, ch.3, art.3, sec.15, subd.3

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	0	6,022	3,011	3,011	3,011	3,011
Total	0	0	0	6,022	3,011	3,011	3,011	3,011
<i>Biennial Change</i>				6,022		0		0
<i>Biennial % Change</i>						0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	0	0	6,022	3,011	3,011	3,011	3,011
Total	0	0	0	6,022	3,011	3,011	3,011	3,011
Total Agency Expenditures	0	0	0	6,022	3,011	3,011	3,011	3,011
Expenditures Less Internal Billing	0	0	0	6,022	3,011	3,011	3,011	3,011
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	3,011	3,011	3,011	3,011	3,011	3,011
Balance Forward In	0	0	0	3,011	0	0	0	0
Expenditures	0	0	0	6,022	3,011	3,011	3,011	3,011
Balance Forward Out	0	0	3,011	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				6,022		0		0
<i>Biennial % Change in Expenditures</i>						0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Innovation and Accountability
Activity: Alternative Compensation (Q Comp)

education.state.mn.us/MDE/dse/qc/

AT A GLANCE

- In FY 2016, 151 districts and charter schools participated (30 percent):
 - 82 school districts participated (24 percent).
 - 69 charter schools participated (44 percent).
- In FY 2016, 848 school sites participated (41 percent).
- In FY 2016:
 - 421,850 students in the state were served (49 percent).
 - 32,786 full-time equivalent (FTE) licensed staff in the state were served (59 percent).
- Fifty-two districts and charter schools have applied to begin implementation in FY 2017.

PURPOSE & CONTEXT

The alternative teacher professional pay system (commonly known as Q Comp) provides school districts, charter schools, and the Perpich Center for Arts Education with up to \$260 per student and integration districts and intermediate districts with up to \$3,000 per teacher in additional revenue for designing and implementing a program.

Q Comp programs approved by the Minnesota Department of Education (MDE) use various methods to improve classroom instruction and student learning while also recruiting and retaining highly qualified teachers.

Program revenue is available to all districts and sites that apply and have an approved plan. However, basic aid was limited to \$75,636,000 for FY 2016, sufficient to fund about half of the students in the state. This will increase to \$88,118,000 for FY 2017.

This program supports the World's Best Workforce goals of closing the racial and economic achievement gap, third-grade students reading at grade level, students graduating from high school, and students being career and college ready.

SERVICES PROVIDED

Interested education sites are required to submit an application that includes:

- A plan of how licensed staff members can provide leadership to help others improve their instructional skills.
- Student achievement goals and the professional development plan that will help meet the goals.
- A description of the teacher observation/evaluation process and training plans.
- An explanation of salary schedule reform linking movement to performance measures and an overview of the performance pay system.

Approved districts or schools use the program funding to provide:

- Compensation to teacher leaders and licensed staff members.
- Professional development, training, and resources related to the program.

MDE calculates and processes Q Comp payments and provides technical support for this program.

Basic alternative compensation aid was capped at \$75.6 million for FY 2016, and was available to districts on a first-come, first-served basis. State total basic aid is currently at the upper level. The funding cap was met in FY 2016 and increased to \$88.1 million for FY 2017. Based on the number of pending applications, it is projected that the cap will again be met for FY 2017. The cap would need to be increased in order to provide funding to all interested districts.

School districts receive 65 percent of the \$260 per pupil amount (\$169) in the form of state aid and the balance (\$91 per pupil) in the form of equalized levy revenue.

Charter schools (which do not have levy authority) receive a prorated aid amount based on the percentage of \$260 per pupil that all districts receive.

Integration districts and intermediate districts (which do not have levy authority) receive \$3,000 per teacher.

RESULTS

The program evaluations conducted have noted that it is difficult to separate Q Comp from other district initiatives to measure the effect on student achievement:

- One study published in The Journal of Human Resources found a 3 percent standard deviation increase in student achievement on two different reading assessments and on one math assessment ([Journal of Human Resources study](#)).
- Another study identified a positive correlation between the implementation of Q Comp over a number of years and improved student achievement ([Hezel Associates Q Comp for Teachers Summative Evaluation](#)).

M.S. 122A.414; M.S. 122A.415

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	70,322	79,267	88,198	89,863	89,623	91,057	91,034
Total	0	70,322	79,267	88,198	89,863	89,623	91,057	91,034
<i>Biennial Change</i>				97,144		12,021		14,626
<i>Biennial % Change</i>				138		7		9
<i>Governor's Change from Base</i>								2,605
<i>Governor's % Change from Base</i>								1

Expenditures by Category

Grants, Aids and Subsidies	0	70,322	79,267	88,198	89,863	89,623	91,057	91,034
Total	0	70,322	79,267	88,198	89,863	89,623	91,057	91,034
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	77,779	79,377	89,178	89,939	89,588	91,133	90,999
Levies	22,417	33,106	31,560	33,439	36,766	34,410	37,142	34,833
District Revenue	22,417	110,885	110,937	122,617	126,705	123,998	128,275	125,832
Direct Appropriation	0	69,899	78,907	88,198	89,863	89,623	91,057	91,034
Current Year	0	70,322	71,440	80,261	80,946	80,630	82,140	81,908
Prior Year	0	0	7,766	7,937	8,917	8,993	8,917	9,126
Net Transfers	0	423	360	0	0	0	0	0
Expenditures	0	70,322	79,267	88,198	89,863	89,623	91,057	91,034
<i>Biennial Change in Expenditures</i>				97,144		12,021		14,626
<i>Biennial % Change in Expenditures</i>				138		7		9
<i>Gov's Exp Change from Base</i>								2,605
<i>Gov's Exp % Change from Base</i>								1

Program: Innovation and Accountability
Activity: Minnesota Principal's Academy

AT A GLANCE

- The two-year program consists of 13 units of study held in two-day training sessions.
- In FY 2016, the program served approximately 56 school leaders in two cohorts—Twin Cities and Northwest Minnesota.

PURPOSE & CONTEXT

The Minnesota Principal's Academy is an executive development program for school and system leaders focused on instructional leadership.

- Research underscores the importance of an effective school leader in school quality and student achievement.
- The overall goal of the program is to increase participants' capacities to lead effective schools and systems.

SERVICES PROVIDED

The Minnesota Principal's Academy is operated by the University of Minnesota College of Education and Human Development. In this program, school leaders:

- Participate in the research-based curriculum from the National Institute of School Leadership.
- Complete an action research project focused on an individual problem of practice.
- Receive over 30 days of professional development over two years.

The Minnesota Department of Education administers a \$150,000 annual grant to support the program.

RESULTS

This program was new for FY 2016. A complete program evaluation will be completed by the University of Minnesota in September 2017.

MN Laws 2015 1st Special Session, Chapter 3, Article 2, Section 70, subd.23

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	150	150	150	150	150	150
Total	0	0	150	150	150	150	150	150
<i>Biennial Change</i>				300		0		0
<i>Biennial % Change</i>						0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	0	150	150	150	150	150	150
Total	0	0	150	150	150	150	150	150
Total Agency Expenditures	0	0	150	150	150	150	150	150
Expenditures Less Internal Billing	0	0	150	150	150	150	150	150
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	150	150	150	150	150	150
Expenditures	0	0	150	150	150	150	150	150
<i>Biennial Change in Expenditures</i>				300		0		0
<i>Biennial % Change in Expenditures</i>						0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Innovation and Accountability
Activity: Nonrecurring Grant Programs

AT A GLANCE

- The Teacher-Governed School Grants, Singing-Based Pilot Program, and Vision-Therapy Pilot Project are all one-time appropriations.
- The Full-Service Community Schools program, first appropriated in FY 2016, has a one-time appropriation for FY 2017.

PURPOSE & CONTEXT

Teacher-Governed School Grants are awarded on a first-come basis to support planning by local school boards and teacher unions. Awarded funds encourage licensed teachers to explore, develop, and share site-level leadership, curriculum, instruction, and assessment models for creating teacher-governed schools.

The Singing-Based Pilot Program is a grant to implement a singing-based reading intervention program designed to improve the reading performance of students in grade 3 through 5.

- The pilot is being conducted by the Rock'n'Read Project.
- Pilot sites, in at least three schools, should give priority to schools in which a high proportion of students that 1) do not read at grade level and 2) are eligible for free or reduced-price lunch.
- This program contributes to the World's Best Workforce goals of all third-graders reading at grade level and closing the economic achievement gap.

The Vision-Therapy Pilot Project is a grant to Independent School District No. 12, Centennial, to implement a neuro-optometric vision-therapy pilot project.

- This project is designed to determine the impact of vision therapy on learning-related vision problems.
- This project contributes to the World's Best Workforce goal of all students graduating from high school.

The Full-Service Community Schools appropriation is available to school sites for the purpose of planning, implementing and improving full-service community schools.

- Full-service community schools serve as community hubs, bringing educators, families, and community partners together to offer wrap-around services and supports, such as health and social supports, to children and their families.
- This will result in integrating community school programming at each covered school site.
- The effect of the transition to a full-service community school on participating children and adults will be documented, tracked and reported to the public.
- This program supports all five of the World's Best Workforce goals.

SERVICES PROVIDED

Teacher-Governed School Grants:

- \$500,000 for FY 2017.
- Up to \$50,000 for planning grants
- Up to \$100,000 for implementation grants

Singing-Based Pilot Program:

- \$100,000 for FY 2017.
- Final report detailing expenditures and outcomes is due to MDE by February 15, 2017.

Vision-Therapy Pilot Project:

- \$200,000 for FY 2017, available until June 30, 2019.
- MDE will make a grant available to Centennial Schools. This grant will include specific measurable outcomes which Centennial Schools will be required to report to MDE.
- Centennial Schools will complete the pilot study on convergence insufficiency and report outcomes to MDE by September 2019.
- MDE will provide a report to the Minnesota Legislature no later than January 2020.

Full-Service Community Schools:

- \$250,000 for FY 2016.
- \$1,250,000 for FY 2017.
- Up to \$50,000 each year is for administration of this program.

MDE administers all aspects of the grant program. Services include:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

There is no data for these programs at this time.

M.S.124D.231;

MN Laws 2016, Chapter 189, Article 25, Section 49, subd. 19;

MN Laws 2016, Chapter 189, Article 25, Section 62, subd. 9, 13, and 16

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	200	2,000	0	0	950	950
Total	0	0	200	2,000	0	0	950	950
<i>Biennial Change</i>						(2,200)		(300)
<i>Biennial % Change</i>						(100)		(14)
<i>Governor's Change from Base</i>								1,900

Expenditures by Category

Grants, Aids and Subsidies	0	0	200	2,000	0	0	950	950
Total	0	0	200	2,000	0	0	950	950
Total Agency Expenditures	0	0	200	2,000	0	0	950	950
Expenditures Less Internal Billing	0	0	200	2,000	0	0	950	950
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	250	2,000	0	0	950	950
Net Transfers	0	0	(50)	0	0	0	0	0
Expenditures	0	0	200	2,000	0	0	950	950
<i>Biennial Change in Expenditures</i>				2,200		(2,200)		(300)
<i>Biennial % Change in Expenditures</i>						(100)		(14)
<i>Gov's Exp Change from Base</i>								1,900

Program: Special Student and Teacher Programs

Activity: Advanced Placement-International Baccalaureate

education.state.mn.us/MDE/dse/ccs/ap/

education.state.mn.us/MDE/dse/ccs/ib/

AT A GLANCE

In FY 2015:

- 74 IB programs were in place in 69 authorized IB schools.
- 42,814 AP students took 70,699 exams.
- 3,599 IB students took 7,698 exams.
- 6,133 low-income students took AP or IB exams.
- 933 AP teachers attended in-depth training.
- 1,107 IB teachers attended in-depth training.

PURPOSE & CONTEXT

This state-aid program gives high school students the opportunity to take college-level courses and earn college credit while in high school. The funding is used to pay all Advanced Placement (AP) and International Baccalaureate (IB) exam costs for low-income, fee-reduced students and a portion of exam costs for all non-low-income, non-fee-reduced students. The program also provides funding for AP/IB teachers to attend training programs.

This program supports the World's Best Workforce goal of having students be career and college ready.

SERVICES PROVIDED

Most of Minnesota's public and private colleges and universities have credit-awarding policies for AP and IB course credits for exams taken by students.

- Colleges and universities in Minnesota State must award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.
- The University of Minnesota and private postsecondary institutions are encouraged to award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.

The AP and IB programs provide financial incentives to support:

- Teacher training and support.
- Student examination fees.

MDE reviews and approves applications, and calculates and processes aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	Percent of AP exams –“proficient” or above	65.5%	65.8%
Quality	Number of IB exams–“proficient” or above	57.7%	57.4%
Quantity	Number of low-income students taking AP exams	N/A (FY14) 3,671 (FY13)	5,023
Quantity	Number of low-income students taking IB exams	1,102	1,110

M.S.120B.13

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	4,500	4,551	4,500	4,500	4,500	4,500	4,500	4,500
Total	4,500	4,551	4,500	4,500	4,500	4,500	4,500	4,500
<i>Biennial Change</i>				(51)		0		0
<i>Biennial % Change</i>				(1)		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	4,500	4,551	4,500	4,500	4,500	4,500	4,500	4,500
Total	4,500	4,551	4,500	4,500	4,500	4,500	4,500	4,500
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Balance Forward In	0	83	0	0	0	0	0	0
Cancellations	0	32	0	0	0	0	0	0
Expenditures	4,500	4,551	4,500	4,500	4,500	4,500	4,500	4,500
<i>Biennial Change in Expenditures</i>				(51)		0		0
<i>Biennial % Change in Expenditures</i>				(1)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher Programs
Activity: Concurrent Enrollment

education.state.mn.us/MDE/dse/ccs/pseo/index.htm

AT A GLANCE

- Of the 27,298 students that participated in FY 2015, 4,928 were low-income students and 171 were English learners.
- For FY 2015, the state aid amount per student was prorated to \$30.99 per student.

PURPOSE & CONTEXT

The Concurrent Enrollment program provides funding to districts to defray the cost of delivering concurrent enrollment courses in high schools. This program is available to all 11th and 12th grade students, to 10th grade students for career and technical education classes, and to 9th and 10th grade students on a limited bases, and provides dual high school and college credit.

This aid program supports the World's Best Workforce goals of having all students graduate from high school and all students be career and college ready.

SERVICES PROVIDED

This program provides funding to districts that offer an agreed-upon concurrent enrollment course for students who take the course at the high school.

- Concurrent enrollment courses are taught during the regular school day at the high school.
- These courses are offered in partnership with a college or university.
- State aid is nominally \$150 per student. However, funding is limited, initial funding exceeds the appropriation, and the program is prorated, with districts only receiving a percentage of their calculated state aid.

Participating students are provided:

- Credit for both high school and college credits at no cost to the student.
- Qualified high school instructors or college faculty teaching the course.
- Exposure to college-level courses and coursework.
- Similar coursework and testing as is used in classes taught on a college campus.
- Continued participation in the high school culture while earning college credits.

MDE:

- Helps districts interpret the laws regarding concurrent enrollment.
- Reviews and approves annual partnership agreements between school districts and colleges or universities.
- Verifies student eligibility, calculates and processes aid payments to districts.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of students participating	24,731	27,298	FY 2014 FY 2015
Quantity	College credits earned that generated Concurrent Enrollment aid	208,629 credits	224,594 credits	FY 2014 FY 2015

M.S. 124D.091

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Biennial Change				4,000		0		0
Biennial % Change				100		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
Expenditures	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000
<i>Biennial Change in Expenditures</i>				4,000		0		0
<i>Biennial % Change in Expenditures</i>				100		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher Programs
Activity: Collaborative Urban Educator

AT A GLANCE

- Four colleges are eligible for the Collaborative Urban Educator grant.
- In FY 2017, each college was granted additional funding.

PURPOSE & CONTEXT

This program addresses the need to recruit and train teachers prepared to meet the educational needs of urban schools and a diverse student population.

This program serves four institutions of higher learning in Minneapolis and St. Paul.

This program supports the World's Best Workforce goal of reducing the racial and economic achievement gaps between students.

SERVICES PROVIDED

Each institution, named in law, has discretion to determine the best way to accomplish the intent of the program using the appropriation:

- Concordia University focuses on providing a pathway to a bachelor's degree and teacher licensure for paraprofessionals, education assistants, and teaching assistants through the Southeast Asia Teacher (SEAT) Licensure Program.
- St. Thomas University currently focuses on preparing teachers at the graduate level leading to licensure in Special Education and English as a Second Language.
- Hamline University has established the Center for Excellence in Urban Teaching (CEUT), which focuses on preparing educators for urban settings and providing support for in-service teachers.
- Augsburg College focuses on preparing teachers of East African origin on multiple licensure areas (EAST Program).

Each institution must prepare, by January 1 of each year, a detailed report regarding funds used.

MDE administers all aspects of the grant program. Services include:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>#</i>	<i>Dates</i>
Quantity	Number of enrolled students at Concordia University	26	FY 2017
Quantity	Number of licenses earned via postgraduate degrees from St. Thomas University	34	FY 2015
Quantity	Total Enrollment in Hamline University	81	FY 2017

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>#</i>	<i>Dates</i>
Quantity	Number of candidates currently enrolled at Augsburg	25	FY 2017

MN Laws 2013, ch.116, art.3, sec.37, subd.12

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	780	804	780	1,090	780	780	780	780
Total	780	804	780	1,090	780	780	780	780
<i>Biennial Change</i>				286		(310)		(310)
<i>Biennial % Change</i>				18		(17)		(17)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	780	804	780	1,090	780	780	780	780
Total	780	804	780	1,090	780	780	780	780
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	780	780	780	1,090	780	780	780	780
Balance Forward In	0	24	0	0	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	780	804	780	1,090	780	780	780	780
Balance Forward Out	0	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				286		(310)		(310)
<i>Biennial % Change in Expenditures</i>				18		(17)		(17)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher Programs
Activity: Literacy Incentive Aid

AT A GLANCE

- FY 2015, 58.8 percent of 3rd grade students were proficient statewide.
- FY 2015, 74 percent of 4th grade students met their growth target statewide.

PURPOSE & CONTEXT

This program gives schools additional aid based on student reading performance.

Literacy incentive aid is available to all public school districts and charter schools with students in grades 3 and 4.

This program complies with the World's Best Workforce legislation by incentivizing districts and charter schools to have all third-graders reading at grade level and fourth-graders showing medium to high growth in reading and using MCA test scores to measure the results.

SERVICES PROVIDED

Literacy incentive aid is based on the portion of students in a school that meet or exceed proficiency on the Minnesota Comprehensive Assessments (MCA) grade 3 reading test (called "Proficiency Aid"). It is also based on the portion of students that show medium or high growth in reading proficiency between grades 3 and 4 (called "Growth Aid").

Proficiency and growth are based on three-year averages.

Proficiency aid = \$530 x grade 3 reading proficiency portion x grade 3 enrollment from the prior year.

Growth aid = \$530 x grade 4 growth portion x grade 4 enrollment from the prior year.

MDE calculates and processes aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quality	Portion of Grade 3 students generating Proficiency Aid	76.3%	78.5%	80.4%	57.2%	58.1%	58.8%
Quality	Portion of Grade 4 students generating Growth Aid	75.1%	79.9%	79.2%	72.3%	72.6%	74.0%

*Results for FY 2010 – FY 2012 are not comparable to results for FY 2013 – FY 2015 because a new reading test was implemented in FY 2013, establishing a new baseline of assessment for new, more rigorous state standards in English language arts.

M.S.124D.98

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	50,998	44,856	44,538	45,802	47,264	47,763	47,264	47,763
Total	50,998	44,856	44,538	45,802	47,264	47,763	47,264	47,763
Biennial Change				(5,513)		4,687		4,687
Biennial % Change				(6)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	50,998	44,856	44,538	45,802	47,264	47,763	47,264	47,763
Total	50,998	44,856	44,538	45,802	47,264	47,763	47,264	47,763
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	49,323	46,850	44,270	45,972	47,407	47,803	47,407	47,803
District Revenue	49,323	46,850	44,270	45,972	47,407	47,803	47,407	47,803
Direct Appropriation	50,998	44,839	44,538	45,802	47,264	47,763	47,264	47,763
Current Year	44,391	39,924	39,843	41,375	42,667	43,023	42,667	43,023
Prior Year	6,607	4,932	4,683	4,427	4,597	4,740	4,597	4,740
Net Transfers	0	17	0	0	0	0	0	0
Expenditures	50,998	44,856	44,538	45,802	47,264	47,763	47,264	47,763
<i>Biennial Change in Expenditures</i>				(5,513)		4,687		4,687
<i>Biennial % Change in Expenditures</i>				(6)		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher Programs
Activity: Student Organizations

AT A GLANCE

- There are seven Career and Technical Education student organizations supported by the Minnesota Foundation for Student Organizations (MSFO).
- MFSO is governed by a 23-member Board of Directors, half of which are appointed by the governor and half which serve as representatives to the student organizations.

PURPOSE & CONTEXT

The Minnesota Foundation of Student Organizations (MFSO) funds secondary and postsecondary career and technical student organizations that are operated as co-curricular activities. It also funds state-approved career and technical education programs.

This aid program addresses the World's Best Workforce goal of all students being ready for college and career.

SERVICES PROVIDED

The MFSO supports career and technical student organizations as they provide opportunities for:

- Leadership
- Personal development
- Community service
- Career preparation

The student organizations provide those opportunities in the following areas:

- Health
- Service
- Trade and industry
- Business
- Agriculture
- Family and consumer science
- Marketing

The MFSO coordinates joint activities and outreach among its member student organizations.

The MFSO requires member organizations to provide desired support and opportunities for students.

MDE processes payments and provides technical support for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2016</i>
Quantity	Membership in career and technical education student organizations	19,100	21,900

M.S.124D.34; M.S. 124D.355

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	725	682	725	725	725	725	725	725
Total	725	682	725	725	725	725	725	725
<i>Biennial Change</i>				43		0		0
<i>Biennial % Change</i>				3		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	725	682	725	725	725	725	725	725
Total	725	682	725	725	725	725	725	725
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	725	725	725	725	725	725	725	725
Cancellations	0	43	0	0	0	0	0	0
Expenditures	725	682	725	725	725	725	725	725
<i>Biennial Change in Expenditures</i>				43		0		0
<i>Biennial % Change in Expenditures</i>				3		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher Programs

Activity: Early Childhood Literacy / Minnesota Reading Corps

minnesotareadingcorps.org/

AT A GLANCE

- In FY 2015, the Minnesota Reading Corps served 30,884 students, age 3 to grade three.
- In FY 2014, there was a 57 percent pass rate on the statewide third-grade MCA test of reading proficiency for participants who completed their Minnesota Reading Corps tutoring.
- Minnesota Reading Corps worked with 496 elementary schools and 214 pre-K sites in FY 2015.

PURPOSE & CONTEXT

This program's purpose is to reduce Minnesota's achievement gap, better prepare preschoolers for kindergarten, and increase the number of students meeting literacy standards by the end of third grade, which are three of the five World's Best Workforce goals.

The program is funded with a combination of state aid, federal funds, and private donations.

SERVICES PROVIDED

The Minnesota Reading Corps places AmeriCorps members in early childhood and elementary school settings. AmeriCorps members:

- Are trained in research-based tutoring techniques and work with children age 3 to grade three.
- Monitor each student's progress.

The Minnesota Reading Corps provides master literacy coaches to all sites. They:

- Train internal literacy coaches on early literacy curriculum and coaching techniques.
- Administer the early learning classroom observation tool in pre-K settings.
- Provide feedback/coaching to AmeriCorps members.

The Minnesota Department of Education awards and makes payments for the program grant, approves work plans and invoices, and reviews annual reports

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of pre-kindergarten children receiving individualized instruction.	8,412	9,055	9,082
Quality	Percentage of pre-kindergarten children who meet their growth goals.	85%	80%	86%
Quantity	Number of K-3 children receiving individualized instruction.	20,326	19,857	21,802
Quality	Percentage of K-3 children who meet their growth goals.	78%	85%	69%

M.S. 119A.50; M.S.124D.42

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
Total	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
Biennial Change				4,000		(2,000)		(2,000)
Biennial % Change				43		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
Total	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
Expenditures	4,125	5,125	6,125	7,125	5,625	5,625	5,625	5,625
<i>Biennial Change in Expenditures</i>				4,000		(2,000)		(2,000)
<i>Biennial % Change in Expenditures</i>				43		(15)		(15)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher
Activity: Elementary and Secondary Education Act (ESEA)

education.state.mn.us/mde/index.html

AT A GLANCE

- ESEA provides supplementary educational funds for disadvantaged learner programs, professional development of teachers and principals, and English language acquisition.
- ESEA was reauthorized December 2015 and is now more commonly referred to as the Every Student Succeeds Act (ESSA).

PURPOSE & CONTEXT

The Elementary and Secondary Education Act (ESEA) is federal legislation that promotes student achievement through school and district reform.

The law requires each state to develop and implement a system for holding all districts and schools accountable for the education of students.

Annual federal education grants are allocated to eligible districts using census and student enrollment information.

SERVICES PROVIDED

Funds are authorized for instructional programs and materials, professional development, and for promoting family engagement under:

- Title I Part A of ESEA, which provides technical and financial assistance to local education agencies (LEAs) and schools with high numbers or percentages of children from low-income families, in order to help schools make sure that all children meet challenging state academic standards.
- Migrant Education, Title I Part C, which ensures that migratory children receive appropriate educational services that address their special needs.
- Supporting Effective Instruction, Title II Part A, which improves the preparation of prospective teachers and enhances professional development activities for teachers and other school leaders.
- The Title III Program, which helps LEAs ensure that English learners, migrant students, and immigrant students attain English proficiency and meet the same standards required of all other students.
- The Rural and Low-Income Schools Grant, Title VI Part B, which helps small rural districts with high concentrations of poverty meet challenging state academic standards.

MDE administers federal education programs for learners under ESEA and provides school districts:

- Leadership to ensure that Title programs funded under ESEA achieve academic excellence are implemented according to legislation and demonstrate reasonable promise of success.
- Support for the design, development, implementation, administration and evaluation of ESEA Title programs.
- Programmatic accountability with ESEA Title programs.

RESULTS

With the reauthorization of ESEA, all states are required to submit a state plan to the federal government in 2017 to meet the new requirements in ESSA.

No Child Left Behind (NCLB) Act of 2001, Pub. L. No. 107-110, § 115, Stat. 1425 (2002) Reauthorized Every Student Succeeds Act (ESSA) December 2015.

CFDA 84.010; CFDA 84.011; CFDA 84.358B; CFDA 84.365A; CFDA 84.367.

Budget Activity: Elementary & Secondary Education
Act (ESEA) Programs

Budget Activity Expenditure Overview

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
3000 - Federal	211,007	213,997	209,930	227,910	225,823	225,451	225,823	225,451
Total	211,007	213,997	209,930	227,910	225,823	225,451	225,823	225,451
<i>Biennial Change</i>				12,836		13,435		13,435
<i>Biennial % Change</i>				3		3		3
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	9	9	3	14	14	14	14	14
Operating Expenses	169	2	1	3	3	3	3	3
Grants, Aids and Subsidies	210,828	213,985	209,925	227,893	225,806	225,434	225,806	225,434
Total	211,007	213,997	209,930	227,910	225,823	225,451	225,823	225,451
Total Agency Expenditures	211,007	213,997	209,930	227,910	225,823	225,451	225,823	225,451
Internal Billing Expenditures	27	2	1	3	3	3	3	3
Expenditures Less Internal Billing	210,980	213,995	209,929	227,907	225,821	225,449	225,821	225,449
<u>Full-Time Equivalents</u>	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	211,007	213,997	209,929	227,910	225,823	225,451	225,823	225,451
Expenditures	211,007	213,997	209,930	227,910	225,823	225,451	225,823	225,451
<i>Biennial Change in Expenditures</i>				12,836		13,435		13,435
<i>Biennial % Change in Expenditures</i>				3		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Program: Special Student and Teacher
Activity: Race 2 Reduce

AT A GLANCE

- The Legislature first funded this program in 2015 with \$81,000 for FY16 and \$69,000 for FY17.
- In 2016, the Legislature provided \$150,000 more in FY17 and created a base funding for the program of \$307,000 per year in FY18 and later.

PURPOSE & CONTEXT

The Race 2 Reduce Water Conservation Grant funds a collaboration of H2O for Life, the White Bear Lake School District and the Mahtomedi School District.

The program provides classroom and after-school activities focused on local water resources.

This program supports the World's Best Workforce goals of closing the racial and economic achievement gaps between students, and all students being career and college ready.

SERVICES PROVIDED

Provides funding for a project coordinator to lead the Race 2 Reduce expansion effort in collaboration with White Bear Lake Area Schools (starting in FY16) and Mahtomedi Public Schools (starting in FY17).

- Design and develop curriculum at the targeted grade levels identified in collaboration with the two school districts.
 - Curriculum for grades 3-5 and Environmental Science was developed during FY 2016.
 - The focus for FY 2017 will likely be grades Kindergarten-2, middle school, and high school.
- Establish service learning clubs at schools that will implement school-wide projects related to water in their community.
- Develop a Water Awareness or Fix-a-Leak Week and a statewide poster contest.
- Create and maintain a website that will host all Race 2 Reduce curriculum developed.

The Minnesota Department of Education administers all aspects of the grant program. Services include:

- Providing technical assistance to applicants/recipients.
- Creating grant contract including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Number of schools and teachers utilizing the Race 2 Reduce curriculum	N/A	2	FY15

Laws of Minnesota 2015, 1st Spec. Sess. Chapter 3, article 2, section 70, subdivision 24; Laws of Minnesota 2016, chapter 189, article 25, section 51.

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	81	219	307	307	307	307
Total	0	0	81	219	307	307	307	307
<i>Biennial Change</i>				300		314		314
<i>Biennial % Change</i>						105		105
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	0	81	219	307	307	307	307
Total	0	0	81	219	307	307	307	307
Total Agency Expenditures	0	0	81	219	307	307	307	307
Expenditures Less Internal Billing	0	0	81	219	307	307	307	307
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	81	219	307	307	307	307
Expenditures	0	0	81	219	307	307	307	307
<i>Biennial Change in Expenditures</i>				300		314		314
<i>Biennial % Change in Expenditures</i>						105		105
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher
Activity: Grow Your Own (Paraprofessional Pathway)

AT A GLANCE

- A competitive grant for a first class city school district or any other school district with more than 40 percent minority students to prepare paraprofessionals with B.A. degrees to become educators.

PURPOSE & CONTEXT

This program addresses the need to recruit and train teachers prepared to meet the educational needs and diversity within the Minnesota teacher workforce.

As of FY 2014, statewide 1.4% of teachers were Hispanic, 1.6% were Black, 2.5% were Asian or Pacific Islander, and 0.4% were American Indian or Alaskan Native.

Many studies demonstrate that students with a teacher of the same race experience improved outcomes.

SERVICES PROVIDED

This program provides tuition and stipends to enable education or teaching assistants or other non-licensed employees to enroll in an approved residency licensure program. MDE services provided to the Grow Your Own Grant Process.

- Create an application process for the grant.
- Create an evaluation system for the grant.
- Advertise and provide direction to potential grant applicants.
- Review applications and determine grant awards.
- Distribute funds.

RESULTS

This is a new program, so no results are currently available. Future results may include the number of individuals participating in the residency licensure program and the completion rate for these participants.

MN Laws 2016, ch.189, art.25, sect.62,subd.5.

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	0	1,500	1,000	1,000	1,000	1,000
Total	0	0	0	1,500	1,000	1,000	1,000	1,000
<i>Biennial Change</i>				1,500		500		500
<i>Biennial % Change</i>						33		33
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	0	0	1,500	1,000	1,000	1,000	1,000
Total	0	0	0	1,500	1,000	1,000	1,000	1,000
Total Agency Expenditures	0	0	0	1,500	1,000	1,000	1,000	1,000
Expenditures Less Internal Billing	0	0	0	1,500	1,000	1,000	1,000	1,000
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	0	1,500	1,000	1,000	1,000	1,000
Expenditures	0	0	0	1,500	1,000	1,000	1,000	1,000
<i>Biennial Change in Expenditures</i>				1,500		500		500
<i>Biennial % Change in Expenditures</i>						33		33
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher
Activity: Other Special Student and Teacher

starbasemn.org/
minnesotamathcorps.org/

AT A GLANCE

- The Museum and Education Centers program provides grants to four museums and education centers.
- The Civic Education Grants program was first implemented in FY 2014. The Civic Education Coalition consists of Kids Voting St. Paul, Learning Law and Democracy Foundation, and YMCA Youth in Government.
- 10 AmeriCorps Innovation programs served rural and urban communities in FY 2015.
- More than 613 AmeriCorps Innovation members served approximately 42,000 Minnesotans in FY 2015.
- The Starbase Minnesota program was implemented in FY 2014 and serves 3,400 students and more than 200 educators each year.
- The Minnesota Math Corps program placed more than 200 tutors in more than 170 schools, and 4,726 students received services in FY 2015.

PURPOSE & CONTEXT

Museums and Education Centers:

- 2016 legislation adds the Headwaters Science Center (HSC) to the list of museums and education centers that receive funding. HSC must use the funding for “hands-on science, technology, engineering, and math (STEM) education.”
- Other grantees include the Minnesota Children’s Museum, the Duluth Children’s Museum, and the Minnesota Academy of Science. There is no specific purpose identified for these three grantees.
- Programs provided by the museums and education centers may help students achieve the World’s Best Workforce goals related to all children ready for school, and all students ready for career and college.

The Civics Education Grants program is awarded to the Minnesota Civic Education Coalition for a civics education program serving youth age 18 and under. This program instructs students in:

- The constitutional principles and democratic foundation of our national, state, and local institutions.
- The political processes and structures of government, grounded in the understanding of constitutional government.
- This program supports the World’s Best Workforce Goal of being career and college ready.

ServeMinnesota is the statutorily designated recipient of funding for the AmeriCorps program.

- AmeriCorps Innovation funding provides the required local match for federal AmeriCorps dollars.
- This program serves students in schools and nonprofit organizations throughout Minnesota.
- This program indirectly supports all five of the World’s Best Workforce goals.

Starbase Minnesota is a grant program focusing on science, technology, engineering, and math. The grant is awarded to Starbase Minnesota for a program serving students in grades 4 to 6.

- This program supports the World’s Best Workforce goal of being career and college ready.

Minnesota Math Corps provides ServeMinnesota AmeriCorps members with a model of mathematics instruction they can use to help elementary and middle school students and their teachers meet state academic standards in mathematics.

- Students in select elementary, middle and junior high schools in Minnesota are served by this program.
- This program supports the World’s Best Workforce goals of closing the racial and economic achievement gaps between students, and all students graduating from high school.

SERVICES PROVIDED

These are legislative flow-through grant programs. The Minnesota Department of Education (MDE) processes the payments as follows:

Museum and Education Centers

- \$351,000 for 2016
- \$401,000 for 2017
 - \$260,000 each year is for Minnesota Children's Museum
 - \$50,000 each year is for the Duluth Children's Museum
 - \$41,000 each year is for the Minnesota Academy of Science
 - \$50,000 in FY17 and later is for the Headwaters Science Center

Civics Education Grants

- \$125,000 for 2016
- \$125,000 for 2017

Youthworks (ServeMinnesota)

- \$900,000 for 2016
- \$900,000 for 2017

Starbase Minnesota

- \$924,000 for 2016

Minnesota Math Corps Program

- \$250,000 for 2016
- \$250,000 for 2017

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of programs in museum and education centers	3	4	FY 2016 FY 2017
Quantity	Number of Civics Education Grant programs	n/a	3	FY 2014
Quantity	AmeriCorps service hours	n/a	742,481	FY 2015
Quality	Percentage of students wanting to learn more about science, technology, engineering and math after the program.	n/a	94%	FY 2015
Quantity	Number of children in grades 4-8 receiving individualized Minnesota Math Corps instruction.	3,047	4,150	FY 2014 FY 2015
Quantity	Number of children in grades 4-8 completing the Minnesota Math Corps program.	2,632	2,669	FY 2014 FY 2015
Result	Ratio of children who completed the Minnesota Math Corps program and met their academic goals.	52%	55%	FY 2014 FY 2015

M.S. 124D.36 – M.S. 124D.45; Federal Citation: National and Community Service Trust Act 1993

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	2,126	1,786	2,550	1,677	2,176	2,176	2,176	2,176
3000 - Federal	0	0	81	261	163	19	163	19
Total	2,126	1,786	2,631	1,938	2,339	2,195	2,339	2,195
<i>Biennial Change</i>				657		(34)		(34)
<i>Biennial % Change</i>				17		(1)		(1)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	0	0	81	261	163	19	163	19
Grants, Aids and Subsidies	2,126	1,786	2,550	1,677	2,176	2,176	2,176	2,176
Total	2,126	1,786	2,631	1,938	2,339	2,195	2,339	2,195
Total Agency Expenditures	2,126	1,786	2,631	1,938	2,339	2,195	2,339	2,195
Internal Billing Expenditures	0	0	13	42	26	3	26	3
Expenditures Less Internal Billing	2,126	1,786	2,618	1,896	2,313	2,192	2,313	2,192
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

Budget Activity: Other Special Student and Teacher Programs

Budget Activity Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	2,126	2,251	2,550	1,676	2,176	2,176	2,176	2,176
Balance Forward In	0	439	0	1	0	0	0	0
Cancellations	0	904	0	0	0	0	0	0
Expenditures	2,126	1,786	2,550	1,677	2,176	2,176	2,176	2,176
Balance Forward Out	0	0	1	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				314		126		126
<i>Biennial % Change in Expenditures</i>				8		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	0	0	81	261	163	19	163	19
Expenditures	0	0	81	261	163	19	163	19
<i>Biennial Change in Expenditures</i>				342		(160)		(160)
<i>Biennial % Change in Expenditures</i>						(47)		(47)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Student and Teacher
Activity: Nonrecurring Grant Programs

AT A GLANCE

- The Northwest Online College-in-the-High-School Program grant was appropriated for FY 2015, FY 2016, and FY 2017.
- The Education Innovation Partners and Southwest Minnesota State University Special Education Teacher program are one-time grants appropriated for FY 2017.
- The Northwest Regional Partnership, Student Teachers in Shortage Areas, Sanneh Foundation, Certificate Incentive, Western Minnesota Mobile Manufacturing Lab, Student Success, Minnesota Council on Economic Education, Agricultural Educator, and Girls in Action are one-time grants appropriated for FY 2017, available until June 30, 2019.
- The Support our Students grant is a one-time grant appropriated for FY 2017, available until June 30, 2022.
- The Information Technology Certification Partnership is a one-time appropriation for FY 2016.
- The Site Decision-Making Grant program and the Teacher Development and Evaluation programs are discontinued.
- The Charter School Startup program was repealed in the 2011 1st Special Session.

PURPOSE & CONTEXT

The Northwest Online College-in-the-High-School Program grant provides online opportunities for high school students to get secondary and post-secondary credit.

- This program supports the World's Best Workforce goals that all students graduate from high school and are career and college ready.

The Support our Student Grant program is designed to address shortages of student support services personnel within Minnesota schools.

- This program supports all five of the World's Best Workforce goals.

The Student Teachers in Shortage Areas grants will provide student teaching stipends to low-income students interested in teaching in a high-needs subject area or region after receiving their teaching license.

- This program aligns with the World's Best Workforce goals to close the racial and economic achievement gaps between students.

The Northwest Regional Partnership Grant is designed to develop a continuing education program that allows eligible teachers to attain the graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit.

- This program aligns with the World's Best Workforce goal that all students are ready for career and college as it will provide more opportunities for students to earn dual credit in concurrent enrollment courses.

The Information Technology Certifications contract is to be used to implement Information technology (IT) certification training within Minnesota public schools. The purpose of the funding is to increase the opportunities for students to access training in the IT area while in the secondary system.

- This program aligns with the World's Best Workforce goal that all students are ready for career and college.

The Sanneh Foundation will expand the Dreamline Academic Support and Student Success Program to combat disparities of academic achievement among low-income youth and students of color while also promoting pathways for teachers of color.

- This program aligns with the World's Best Workforce goals that all students will graduate from high school, and are career and college ready.

The Certificate Incentive program will enable the Minnesota Department of Education to establish a list of qualifying career and technical education certificates that will be posted on the agency website.

- This program supports the World's Best Workforce goal that all students are career and college ready.

The Western Minnesota Mobile Manufacturing Lab funding is available to establish a mobile manufacturing labs program.

- This program supports the World's Best Workforce goal that all students are career and college ready.

The Education Innovation Partners Cooperative Center grant is for professional development of school staff.

Student Success Grant is available to District 272, Eden Prairie, for the purpose of career and college readiness.

- This program supports the World's Best Workforce goal that all students are career and college ready.

The Southwest Minnesota State University Special Education Teacher program supports Minnesota resident special education paraprofessionals working toward licensure in an online program coordinated by Southwest Minnesota State University.

The Minnesota Council on Economic Education (MCEE) seeks to address the gap in teacher knowledge regarding economic education. Through teacher staff development, MCEE will provide opportunities for educators to improve their understanding of economics content and instructional strategies to help all students achieve the state economics standards.

- This work contributes to the World's Best Workforce goal of ensuring that all students are career and college ready.

The Agricultural Educator Grants program pays for licensed agricultural education teachers who are working in the summer with high school students on extended projects.

- This work contributes to the World's Best Workforce goal of ensuring that all students are career and college ready.

Girls in Action is available to support low-income girls of color in graduating from high school on time, completing a postsecondary preparation program, becoming community leaders, and participating in service-learning opportunities in the community.

- This program supports the World's Best Workforce goals of all students graduating from high school, and being career and college ready.

The Site Decision-Making Grant program was for two-year grants to education sites with written achievement contracts to help them achieve their student or contract goals or performance measures in their contracts.

The Teacher Development and Evaluation program was for teacher development and evaluation activities for school districts, intermediate school districts or charter schools that did not have alternative professional pay system agreements.

- This was a one-time FY 2015 appropriation.

The Charter School Startup program entitled charter schools in their first two years of operation to additional pay for start-up and additional operating costs.

SERVICES PROVIDED

These are nonrecurring grant programs. The Minnesota Department of Education processes the payments as follows:

Northwest Online College in the High School

- \$50,000 for 2016
- \$50,000 for 2017

Support our Student (Support Staff)

- \$12,133,000 for 2017
- The grant will be used to fund new positions for student support services personnel licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in districts, charter schools, intermediate districts, or cooperative units.
- Funds are available until June 30, 2022.

Northwest Regional Partnership

- \$3,000,000 for 2017

Information Technology Certification

- \$500,000 for 2016

Student Teachers in Shortage Areas

- \$2,800,000 for 2017
- This is a transfer to the Office of Higher Education.
- Funds are available until June 30, 2019.

Sanneh Foundation

- \$1,500,000 for 2017
- The Dreamline Program will serve an estimated 975 students in St. Paul Public Schools, Bloomington Public Schools, Minneapolis Public Schools, Osseo Public Schools and St. Cloud Area Public Schools, and services will be delivered by approximately 40 Dreamline coaches, the majority of whom are from ethnically and racially diverse backgrounds.

Certificate Incentive

- \$1,000,000 for 2017
- MDE will work in consultation with the Governors Workforce Council and P20 to develop the certificates.
- School boards may adopt a policy authorizing school district students in grades nine through 12 the opportunity to complete a qualifying certificate.

Western Minnesota Mobile Manufacturing Lab

- \$900,000 for 2017
- This is a transfer to Pine to Prairie Cooperative Center.
- Funding is available to Pine to Prairie Cooperative Center in collaboration with Northland Community and Technical College, Lakes Country Service Cooperative, and Minnesota State Community and Technical College for the purpose of establishing a western Minnesota mobile labs program, including manufacturing and welding labs, to create interest in these careers for secondary students.

Education Innovation Partners Cooperative Center

- \$500,000 for 2017
- A matching award to the Education Innovation Partners Cooperative Center to provide professional development and leadership coaching to teachers and other school staff members in northeastern Minnesota.

Student Success Grant

- \$500,000 for 2017
- This grant provides funding for coordination, counseling, academic support for middle and high school students, and summer activities and before- and after-school tutoring programs.

The Southwest Minnesota State University Special Education Teacher Program

- \$385,000 for 2017

Minnesota Council on Economic Education

- \$250,000 for 2017
- In consultation with MCEE, MDE must develop:
 - Expectations for staff development outcomes.
 - Eligibility criteria for participants.
 - An evaluation procedure.
 - Guidelines for direct and in-kind contributions by MCEE.

Agricultural Educator Grants

- \$250,000 for 2017

Girls in Action

- \$1,500,000 for 2017

Site Decision Making Grant

- \$0 for 2017

Teacher Development and Evaluation

- \$0 for 2017

Charter School Startup

- \$0 for 2017

RESULTS

With the exception of Charter School Startup, which has been repealed, these are one-time programs. There is no data available for them.

M.S.123B.04, subd.2(f); M.S.124D.11, subd.8 (repealed 1st Sp Session 2011, ch.11, art.2, sect.51);

MN Laws 2013, ch.116, art.3, sect.37, subd.19; MN Laws 2014, ch.312, art.16, sect.16, subd.7;

MN Laws 1st Sp Session 2015, ch.3, art.2, sect.70, subd.25; MN Laws 1st Sp Session 2015, ch.3, art.6, sect.13, subd.8;

MN Laws 2016, ch.189, art.25, sect.62, subd.3-18;

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	883	9,180	1,172	12,597	9,626	0	13,926	500
Total	883	9,180	1,172	12,597	9,626	0	13,926	500
<i>Biennial Change</i>				3,706		(4,143)		657
<i>Biennial % Change</i>				37		(30)		5
<i>Governor's Change from Base</i>								4,800
<i>Governor's % Change from Base</i>								50

Expenditures by Category

Operating Expenses	0	0	125	350	0	0	0	0
Grants, Aids and Subsidies	883	9,180	1,047	12,247	9,626	0	13,926	500
Total	883	9,180	1,172	12,597	9,626	0	13,926	500
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

Budget Activity: Nonrecurring Programs

Budget Activity Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	10,023	0	0	0	0	0	0
District Revenue		10,023	0	0	0	0	0	0
Direct Appropriation	883	9,480	1,527	24,668	0	0	4,300	500
Current Year	0	9,020	0	0	0	0	0	0
Prior Year	0	0	1,002	0	0	0	0	0
Balance Forward In	0	0	0	355	9,626	0	9,626	0
Net Transfers	0	0	0	(2,800)	0	0	0	0
Cancellations	0	300	0	0	0	0	0	0
Expenditures	883	9,180	1,172	12,597	9,626	0	13,926	500
Balance Forward Out	0	0	355	9,626	0	0	0	0
<i>Biennial Change in Expenditures</i>				3,706		(4,143)		657
<i>Biennial % Change in Expenditures</i>				37		(30)		5
<i>Gov's Exp Change from Base</i>								4,800
<i>Gov's Exp % Change from Base</i>								50

Program: Special Education
Activity: Special Education

education.state.mn.us/MDE/dse/sped/

AT A GLANCE

- In FY 2016, 133,678 children and youth, ages birth-21, received special education services.
- In FY 2016, 116,819 K-12 students (13.7 percent of total K-12 students) received special education services.
- In FY 2015, 21,911 full-time equivalent special education teachers and paraprofessional staff were employed.

PURPOSE & CONTEXT

This state aid program funds specially designed instruction and related services for children and youth with disabilities ages birth-21.

Districts also receive federal funds through the Individuals with Disabilities Education Act (IDEA) for special education services.

IDEA ensures that all children with disabilities receive a Free Appropriate Public Education (FAPE). FAPE emphasizes that special education and related services must meet

students' unique needs and prepare them for postsecondary education, employment and independent living.

Most of the program costs are for staff, services, and support.

This program supports all five of the World's Best Workforce goals.

SERVICES PROVIDED

Goals of special education:

- Provide FAPE in the least restrictive environment.
- Improve performance on statewide assessments.
- Increase special education student graduation rates.
- Coordinate services for students receiving support from more than one agency.

Students receiving special education services must have an Individualized Education Program (IEP). The IEP helps students with disabilities with schoolwork and helps them make progress toward graduation according to their individualized goals. Students are eligible for IDEA Part B services if they meet specific state eligibility requirements under one or more of 13 disability categories as defined in Minnesota Rules.

To be eligible for special education IDEA Part B services, students ages 3-21 must be:

- Found to have a disability.
- In need of specialized instruction and related services.

To be eligible for special education IDEA Part C infant and toddler intervention services, infants and toddlers aged birth-2 must meet at least one of the three components:

- They meet the criteria for any one of Minnesota's recognized special education disability categories.
- They have a demonstrated developmental delay.
- They are diagnosed with a physical or mental condition that has a high probability of resulting in developmental delay.

The combination of these laws and rules require the provision of FAPE for all eligible children and youth with disabilities. FAPE is defined as instruction and services that are:

- Based on eligibility and need.
- Written into an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP).

- Provided in the least restrictive environment possible and at no cost to parents.

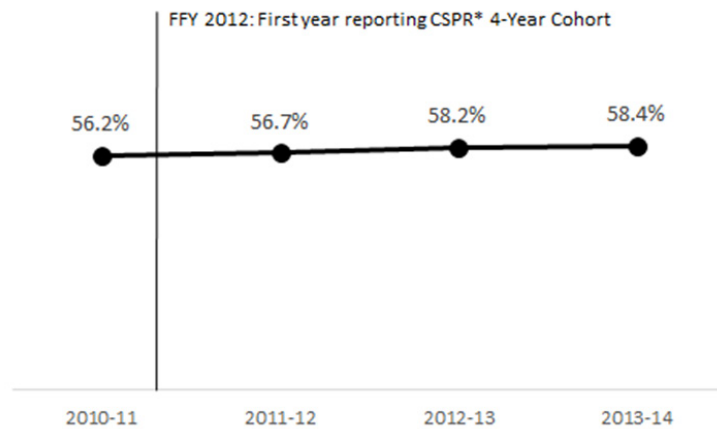
The Minnesota Department of Education calculates and processes aid payments and provides technical support for this program.

RESULTS

Goal: To increase the graduation rate of students with disabilities.

Measure: Graduation rate of students with disabilities.

Minnesota Graduation Rates for Youth with IEPs 4-Year Cohort

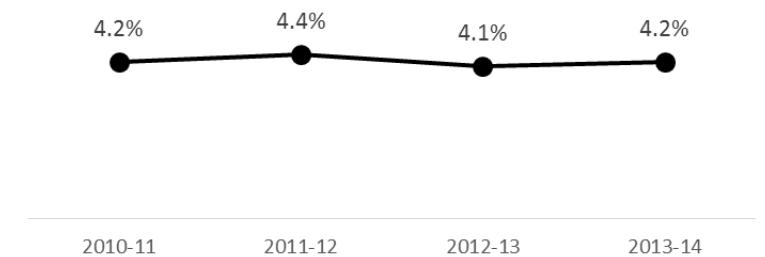


*CSPR: Consolidated State Performance Report

Goal: To decrease the dropout rate of students with disabilities.

Measure: Dropout rate of students with disabilities.

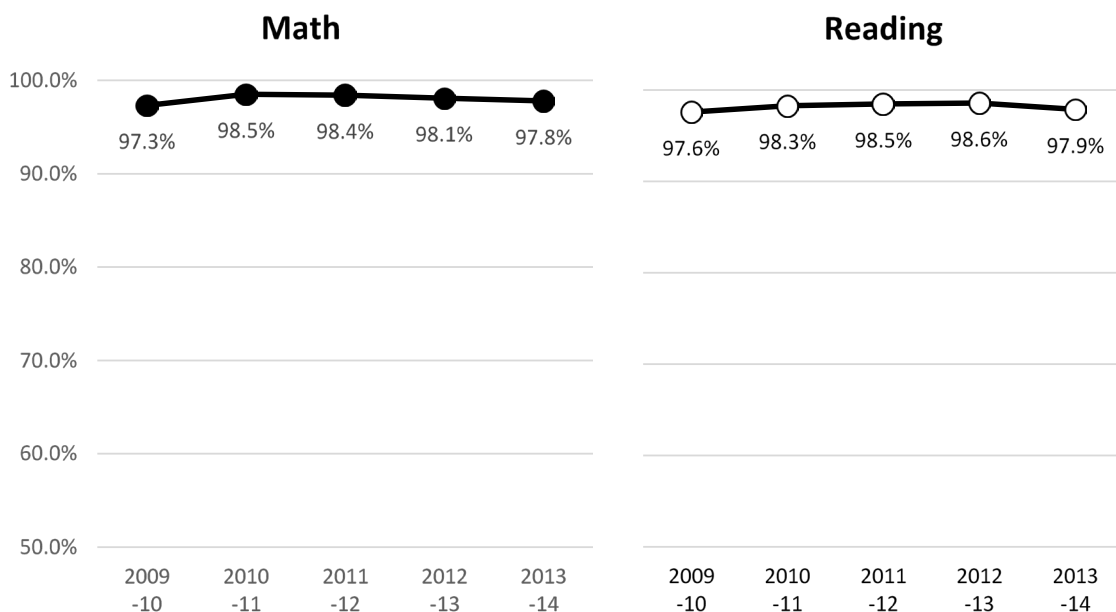
Minnesota Dropout Rates for Youth with IEPs 4-Year Cohort



Goal: To support the inclusion of students with disabilities in the statewide assessment system.

Participation in Statewide Assessments by Minnesota Students with IEPs

Goal is 95% participation in both Math and Reading tests.



Measure: Participation and performance rates on statewide assessments (MCA and MTAS).

Proficiency Rates for Students with IEPs on the Minnesota Statewide

Math and Reading Assessments.

Only students with valid scores are included in the table below.

	Math		Reading	
	2012-13	2013-14	2012-13	2013-14
Grade 3	48.0%	46.6%	34.1%	34.8%
Grade 4	44.2%	44.3%	31.3%	32.6%
Grade 5	33.7%	31.4%	40.8%	36.7%
Grade 6	28.0%	28.7%	33.9%	31.9%
Grade 7	24.6%	21.4%	32.5%	24.0%
Grade 8	25.3%	23.2%	31.2%	23.9%
High School*	16.1%	15.6%	30.5%	23.8%

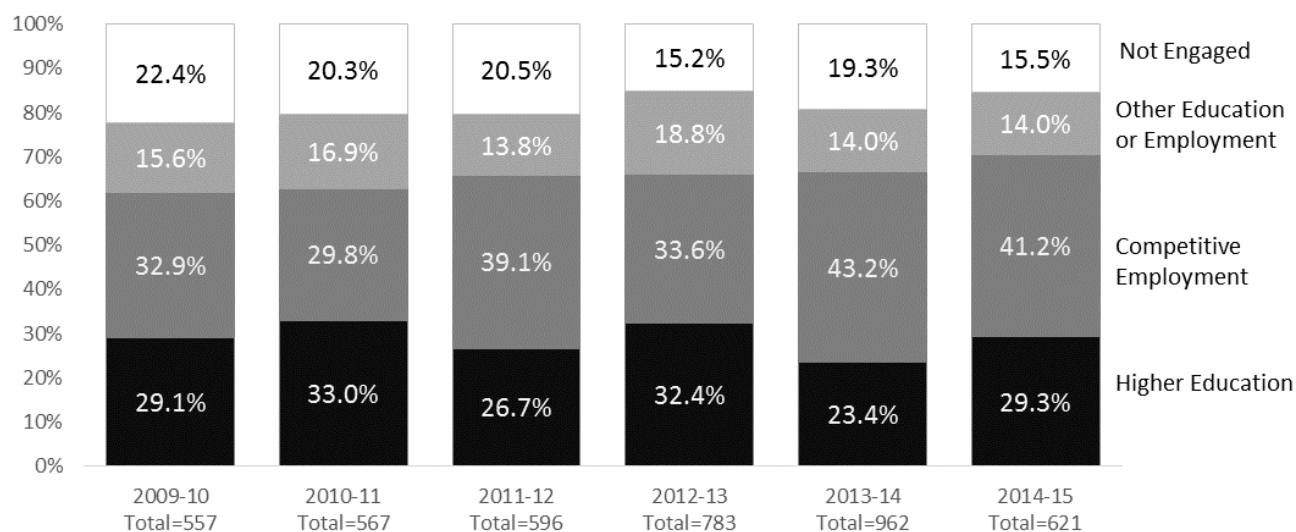
*Math is assessed in Grade 11; Reading is assessed in Grade 10

Goal: To increase postsecondary education and employment outcomes for students with disabilities.

Measure: Participation rate one year after exiting high school.

Post School Outcome Survey Trends among Minnesota Students with IEPs

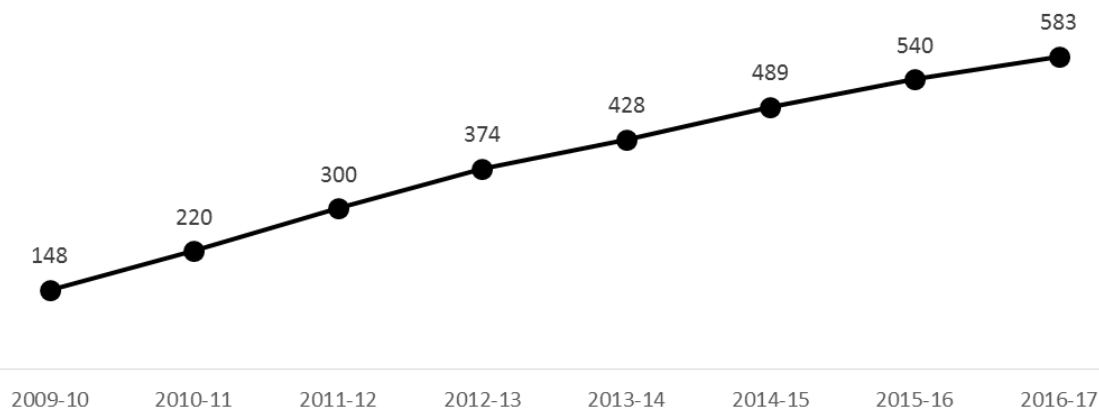
Students surveyed one year after exiting.



Goal: To increase Positive Behavioral Interventions and Supports (PBIS), which is a comprehensive, data-driven and educational set of practices ensuring all students, staff and families are working from the same playbook when it comes to supporting positive behavior and academic achievement, in Minnesota schools.

Measure: Number of schools implementing PBIS.

Number of Minnesota Schools Implementing Positive Behavioral Interventions and Supports (PBIS)



M.S.125A.02; M.S.125A.03; M.S.125A.75; MN Rules 3525;

Special Education disability categories MN Rules 3525.1325 to 3525.1348;

Eligibility criteria for infant and toddler intervention services MN Rules 3525.1350

Federal Law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	1,078,834	1,110,471	1,184,229	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
Total	1,078,834	1,110,471	1,184,229	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
<i>Biennial Change</i>				252,787		326,634		376,759
<i>Biennial % Change</i>				12		13		15
<i>Governor's Change from Base</i>								50,125
<i>Governor's % Change from Base</i>								2

Expenditures by Category

Grants, Aids and Subsidies	1,078,834	1,110,471	1,184,229	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
Total	1,078,834	1,110,471	1,184,229	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	1,047,950	1,119,288	1,189,752	1,267,451	1,351,019	1,439,222	1,374,874	1,465,492
District Revenue	1,047,950	1,119,288	1,189,752	1,267,451	1,351,019	1,439,222	1,374,874	1,465,492
Direct Appropriation	1,078,832	1,109,144	1,183,619	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
Current Year	918,732	981,154	1,042,937	1,111,048	1,184,303	1,261,305	1,208,158	1,284,217
Prior Year	0	129,317	137,932	146,815	156,403	166,715	156,403	170,073
Net Transfers	0	1,667	610	0	0	0	0	0
Cancellations	0	340	0	0	0	0	0	0
Expenditures	1,078,834	1,110,471	1,184,229	1,257,863	1,340,706	1,428,020	1,364,561	1,454,290
<i>Biennial Change in Expenditures</i>				252,787		326,634		376,759
<i>Biennial % Change in Expenditures</i>				12		13		15
<i>Gov's Exp Change from Base</i>								50,125
<i>Gov's Exp % Change from Base</i>								2

Program: Special Education

Activity: Other Federal Special Education Programs

education.state.mn.us/MDE/dse/schfin/sped/

<http://helpmegrowmn.org/HMG/index.htm>

AT A GLANCE

- Deaf-blindness is the categorical area of special education with the lowest percentage of students (.007%).
- In 2013, census data from the DB Project indicated that 282 special education students had both vision and hearing loss reported as disabilities.
- In 2015, the US Department of Education's Office of Special Education and Rehabilitative Services awarded MDE a Five-Year State Personnel Development Grant (SPDG) to support SSIP implementation. Current SSIP partner districts include Duluth, Minneapolis, Osseo and St. Paul.
- 15,843 children ages three to five with disabilities were counted as being served through Individualized Education Programs on December 1, 2015, and more than half of these children participate in regular early childhood programs and receive special education services in those settings.

PURPOSE & CONTEXT

This budget activity currently consists of three programs: The Minnesota Deaf Blind Technical Assistance Project (DB Project), The State Systemic Improvement Plan (SSIP), and The Preschool Special Education Part B program.

The DB Project is a federally funded formula grant received by the Minnesota Department of Education (MDE) to support services for students with both vision and hearing loss and their families.

The SSIP is a comprehensive, multi-year plan that focuses on improving results for children and youth with disabilities.

The Preschool Special Education Part B program provides individualized education services to preschool children with disabilities.

- Funding for services is a combination of federal funds, state special education aid and general education revenue.

SERVICES PROVIDED

The Minnesota Deaf Blind Technical Assistance Project:

- Provides support to teams, including educators and parents, to enhance their ability to address the unique education and service needs of children with deaf blindness;
- Supports appropriate evaluation of students suspected of having dual sensory loss.
- Provides training to new cohorts of interveners, educational aides who help the student who is deafblind, each year.

State Systemic Improvement Plan goals and partnerships:

- Increase six-year graduation rates for American Indian and Black students with disabilities.
- Develop capacity of districts to select and implement effective and sustainable evidence-based practices that support improving graduation outcomes for students with disabilities.
- MDE was awarded a \$5.5 million, five-year State Personnel Development Grant to support SSIP implementation, among other grant initiatives. Initial SSIP partner districts include Duluth, Minneapolis, Osseo, and Saint Paul.

The Preschool Special Education Part B program is federally mandated.

- Federal funds support statewide efforts to:
 - seek out and identify potentially eligible children; and
 - provide professional development opportunities promoting evidence-based practices through the Regional Centers of Excellence.
- Services are provided to each eligible child through an Individualized Education Program plan.
- The goal is to increase each child's ability to actively and independently participate in current and future environments such as home, preschool and kindergarten.

- Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.
- The Minnesota Department of Education:
 - Processes payments/reimbursements.
 - Provides professional development.
 - Collects and reports data.
 - Interprets regulations, statutes and rules.
 - Connects children and families to appropriate local programs and monitors local implementation.

RESULTS: DB PROJECT

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Unduplicated Child Count where Deaf/Blind is listed as the primary disability	70	83	FY 2013 FY 2016
Quantity	Number of Deaf/Blind interveners completing training cohort.	n/a	28	FY 2016
Quality	Percentage of the participants of intervener training for deaf-blind, who report enhancement of their understanding of deafblindness, best practices, and affect their current practice.	n/a	90%	FY 2016

RESULTS: STATE SYSTEMIC IMPROVEMENT PLAN

MDE's State Identified Measureable Result (SIMR) is to increase six-year graduation rates for American Indian and Black students with disabilities by at least one percent per year over the next five years.

6-Year Cohort Statewide Cohort Totals and Graduation Rates 2014 SIMR—Baseline Calculation				
Ethnic Group	Total Special Education Students in 6-year Cohort	Total Special Education Students Graduating	Percent of Special Education Graduates	Total Special Education Students Not Graduating in 2014
American Indian	390	181	46.41%	209
Black	1,303	721	55.33%	582
American Indian and Black	1,693	902	53.28% (baseline)	791
All Ethnic Groups Combined	9,057	6,259	69.11%	2,798

6-Year Cohort Statewide Cohort Totals and Graduation Rates 2015 SIMR				
Ethnic Group	Total Special Education Students in 6-year Cohort	Total Special Education Students Graduating	Percent of Special Education Graduates	Total Special Education Students Not Graduating in 2015
American Indian	393	200	50.89%	193
Black	1,282	721	56.24%	561

6-Year Cohort Statewide Cohort Totals and Graduation Rates 2015 SIMR				
American Indian and Black	1,675	921	54.99%	754
All Ethnic Groups Combined	8,909	6,259	70.25%	2,650

RESULTS: PRESCHOOL EDUCATION PART B PROGRAM

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years 2012-2014.

Child Outcomes	FFY 2012	FFY 2013	FFY 2014
Children will demonstrate positive relationships			
(A) Greater than expected progress	71.9%	71.4%	69.6%
(B) Exited Part C within age expectations	54.7%	56.9%	55.3%
Children will acquire and use knowledge and skills			
(A) Greater than expected progress	72.9%	71.7%	72.5%
(C) Exited Part C within age expectations	53.8%	54.8%	53.0%
Children will take action to meet needs			
(A) Greater than expected progress	73.1%	72.6%	70.1%
(B) Exited Part C within age expectations	65.1%	66.5%	64.3%

M.S. 125A.01, Subd. 1-3;

Federal law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300); IDEA (P.L. 108-466); Preschool Incentive Program (P.L. 108-466, Sec. 619); Infants and Toddlers Program (P.L. 108-466, Part C); (P.L. 108-446 IDEA; Part B/Section 619 of the Individuals with Disabilities Education Act

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
3000 - Federal	170,389	170,957	164,427	191,032	190,926	190,926	190,926	190,926
Total	170,389	170,957	164,427	191,032	190,926	190,926	190,926	190,926
<i>Biennial Change</i>				14,114		26,394		26,394
<i>Biennial % Change</i>				4		7		7
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	28	30	5	0	0	0	0	0
Other Financial Transactions	15	0	0	0	0	0	0	0
Grants, Aids and Subsidies	170,346	170,926	164,422	191,032	190,926	190,926	190,926	190,926
Total	170,389	170,957	164,427	191,032	190,926	190,926	190,926	190,926
Total Agency Expenditures	170,389	170,957	164,427	191,032	190,926	190,926	190,926	190,926
Internal Billing Expenditures	0	5	5	0	0	0	0	0
Expenditures Less Internal Billing	170,388	170,951	164,422	191,032	190,926	190,926	190,926	190,926
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

(Dollars in Thousands)

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	170,389	170,956	164,427	191,032	190,926	190,926	190,926	190,926
Expenditures	170,389	170,957	164,427	191,032	190,926	190,926	190,926	190,926
<i>Biennial Change in Expenditures</i>				14,114		26,394		26,394
<i>Biennial % Change in Expenditures</i>				4		7		7
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Special Education

Activity: Other Special Education Programs

education.state.mn.us/MDE/dse/schfin/sped/

AT A GLANCE

- 179 students with disabilities were placed in care and treatment facilities in FY 2015.
- 54 students without disabilities were placed in care and treatment programs in FY 2015.
- In FY 2015, the average length of stay in a foster facility for care and treatment for students both with and without disabilities was 35 school days, at an average cost of \$13,405 per stay.
- 14,111 ECSE (birth-4) children served in the Homebased Services program in FY 2015.
- In FY 2015, Minnesota courts placed two non-Minnesota students with Individual Education Programs into care and treatment facilities.
- In FY 2015, court action placed 165 Minnesota students out of state.
- The staff development grants for co-ops is a one-time grant appropriated for FY 2017, available until June 30, 2019.

PURPOSE & CONTEXT

There are currently five programs related to state aid funded special education in the Other Special Education Programs narrative. They are: Children with Disabilities, Homebased Services, Court-Placed Revenue, Out-of-State Tuition, and Staff Development Grants for Cooperative Units.

The Children with Disabilities program provides funding for individuals with and without disabilities, who are placed for care and treatment in a licensed residential facility or foster facility, and for whom no district of residence can be determined.

- Districts that serve these students receive full payment for the cost of their education from varying state sources including children with disabilities aid.
- This program contributes to the World's Best Workforce goal of all students graduating from high school.

The Homebased Services aid program reimburses school districts for travel costs associated with early childhood special education (ECSE) services.

- This program contributes to the World's Best Workforce goal of all students ready for school.

Court-Placed Revenue pays for special education for non-Minnesota students with Individual Education Programs (IEP) when the school district is unable to collect tuition from the responsible state, school district or other non-Minnesota agency.

- Without this aid, a school district would have to pay for it out of their general fund.
- This program contributes to the World's Best Workforce goal of all students graduating from high school.

The Out-of-State Tuition program provides education funding for Minnesota resident students placed by court action in out-of-state care and treatment facilities, in a state that does not have a reciprocity agreement.

- Students are placed in specialized care and treatment services when those services are not available in Minnesota, either because the facilities are full, or Minnesota does not have the specialized treatment center available.
- This program contributes to the World's Best Workforce goal of all students graduating from high school.

The Staff Development Grants for Cooperative Units is for payment of staff development grants to intermediate school districts and other cooperative units providing instruction to student in federal instruction setting of level 4 or higher. The grants must be used for activities related to enhancing services to students who may have challenging behaviors, mental health issues, or be suffering from trauma. Staff development activities include, but are not limited to, proactive behavior management, personal safety training, de-escalation techniques, and adaptation of curriculum and pedagogy for students with complex needs.

- This program contributes to all five of the World's Best Workforce goals.

SERVICES PROVIDED

The Children with Disabilities program ensures a free and appropriate education for eligible children.

- \$1,307,000 for FY 2016
- \$1,516,000 for FY 2017
- Children with disabilities are eligible if no district of residence can be determined because:
 - Parental rights have been terminated by court order.
 - The parent or guardian is not living in the state.
 - No other district of residence can be established.
 - The parent or guardian with legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections.
- Children without disabilities are eligible if no district of residence can be determined because:
 - Parental rights have been terminated by court order.
- Districts are reimbursed for 100 percent of the additional costs of educating these children; they are reimbursed the year after they provide the services.
- The Minnesota Department of Education processes reimbursement requests and provides technical support for this program.

With the Homebased Services program, the state reimburses districts half of the amount spent, based on mileage, by workers traveling to provide home- or community-based services to children under age five who have disabilities.

- \$423,000 for FY 2016
- \$436,000 for FY 2017
- For very young children, services may also include parent consultation and training.
- Federal funding may be used for this purpose.
- MDE calculates and processes aid payments and provides technical support for this program.

With the Court-Placed Revenue program, Minnesota school districts that provide special education and related services to court-placed non-Minnesota students with IEPs are reimbursed for those services if the out-of-state placing agencies do not pay tuition.

- \$47,000 for FY 2016
- \$48,000 for FY 2017
- Districts must document that they tried to collect tuition from the students' resident districts or states, and submit proof to MDE.
- Districts are reimbursed the fiscal year after they provide the services.
- MDE processes reimbursement requests and provides technical support for this program.

Out-of-State Tuition is provided when a Minnesota student is placed in an out-of-state care and treatment facility:

- The out-of-state care and treatment facilities submit tuition bills to the Minnesota resident district based on the actual cost of providing education.
- The Minnesota resident district submits the tuition bills to MDE.
- MDE calculates state aid and processes aid payments to the district.
- The aid is paid as a reimbursement in the year after the services are provided.
- \$250,000 for FY 2016
- \$250,000 for FY 2017
- MDE also provides technical support for this program.

The Staff Development Grants for Cooperative Units is a nonrecurring grant program.

- \$4,500,000 for FY 2017
- \$1000 per full-time equivalent number of licensed instructional staff and nonlicensed classroom aides.
- Funding available in FY 2017, FY 2018, and FY 2019.

RESULTS

The number of children under age five identified as having disabilities and receiving special education services increased from 13,743 in FY 2011 to 14,111 in FY 2015. Most of these services are provided in the child's home or in a center-based site in the community.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) with disabilities in placement.	73.19	63.98	56.57	35.83	n/a
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) without disabilities in placement.	6.07	6.86	10.23	12.23	n/a
Quantity	Homebased Services - Number of children under age five receiving special education services.	13,842	13,727	13,725	14,111	n/a
Quantity	Partial year students aggregated to determine average daily membership (ADM) placed out-of-state for care and treatment.	n/a	69.54	65.9	63.91	n/a

Over the past five years, the number of students eligible for court-placed revenue has declined and remains low. Many school districts are making sure that the resident state or district pays for the cost of special education services.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2011 Placement/ FY 2012 Aid</i>	<i>FY 2012 Placement/ FY 2013 Aid</i>	<i>FY 2013 Placement/ FY 2014 Aid</i>	<i>FY 2014 Placement/ FY 2015 Aid</i>	<i>FY 2015 Placement/ FY 2016 Aid</i>
Quantity	Number of Eligible Students in Court Placement	9	2	0	2	2
Quantity	Partial-year students aggregated to determine the Number of Eligible Full-Year Students (ADM) in Court Placement	2.9	.65	0	.29	1.06

M.S. 125A.75, Subd. 3; M.S. 125A.75, Subd. 1; M.S. 125A.79, Subd. 4; M.S. 125A.79, Subd. 8

IDEA (P.L. 108-466); Preschool Incentive Program (P.L. 108-466, Sec. 619); Infants and Toddlers Program (P.L. 108-466, Part C)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	1,806	2,144	2,213	6,669	2,401	2,659	4,579	4,599
Total	1,806	2,144	2,213	6,669	2,401	2,659	4,579	4,599
<i>Biennial Change</i>				4,932		(3,822)		296
<i>Biennial % Change</i>				125		(43)		3
<i>Governor's Change from Base</i>								4,118
<i>Governor's % Change from Base</i>								81

Expenditures by Category

Compensation	0	0	0	0	0	0	150	150
Operating Expenses	0	0	0	0	0	0	1,993	1,755
Grants, Aids and Subsidies	1,806	2,144	2,213	6,669	2,401	2,659	2,436	2,694
Total	1,806	2,144	2,213	6,669	2,401	2,659	4,579	4,599
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	1.3	1.3

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	364	411	448	488	511	534	511	534
District Revenue	364	411	448	488	511	534	511	534
Direct Appropriation	1,806	2,023	2,029	6,669	2,401	2,659	4,761	4,781
Current Year	331	376	404	440	460	481	460	481
Prior Year	45	33	35	44	48	51	48	51
Net Transfers	0	316	193	0	0	0	(182)	(182)
Cancellations	0	195	9	0	0	0	0	0
Expenditures	1,806	2,144	2,213	6,669	2,401	2,659	4,579	4,599
<i>Biennial Change in Expenditures</i>				4,932		(3,822)		296
<i>Biennial % Change in Expenditures</i>				125		(43)		3
<i>Gov's Exp Change from Base</i>								4,118
<i>Gov's Exp % Change from Base</i>								81
Full-Time Equivalents	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.3

Program: Facilities and Technology
Activity: Debt Service Equalization

AT A GLANCE

- In FY 2017, 247 districts have eligible debt service equalization revenue.
- In FY 2017, 44 districts will receive regular debt service equalization aid.
- In FY 2017, 3.0 percent of eligible regular debt service revenue is state aid.
- In FY 2017, 2 districts will receive disaster debt service equalization aid.

PURPOSE & CONTEXT

Debt Service Equalization is a state aid and local property tax levy program that helps to ensure that all school districts can provide adequate educational facilities for their students.

Natural Disaster Debt Service Equalization revenue is available to districts that suffered a natural disaster beginning in fiscal year 2017.

School districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to construct, acquire or improve school facilities.

This program serves all public school students and communities in Minnesota. School districts with a relatively high debt service tax rate and low-to-moderate tax base per pupil unit may receive aid to reduce property owner's tax burden.

SERVICES PROVIDED

The regular Debt Service Equalization program under M.S. 123B.53 includes several components:

- Required Debt Service Levy
 - A school district must levy for the principal and interest payments on its general obligation bonds, plus an additional five percent to cover potential tax delinquencies, for the following fiscal year.
 - The required debt service levy for all years is established and approved by the local school board at the time that bonds are sold.
 - Beginning in FY 2017, bonds related to the Long-Term Facilities Maintenance program are equalized through that program and are no longer eligible for debt service equalization.
- Debt Service Equalization Revenue
 - School districts qualify for state debt service equalization aid if the eligible debt service levy exceeds 15.74 percent of the district's tax base (as measured by Adjusted Net Tax Capacity (ANTC)) and the district's tax base per student is below the guaranteed tax base per student set in law.
 - There is no state aid on the portion of the levy falling below 15.74 percent of the district's ANTC.
 - The state provides aid to pay a portion of the levy exceeding 15.74 percent of the district's ANTC using a two-tiered sliding scale that varies with district tax base per student. As the district tax base per student declines, the state share of equalized revenue increases.
- Debt Service Equalization Aid equals the difference between the revenue and the levy.

To be eligible for Natural Disaster Debt Service Equalization under M.S. 123B.535, a district must:

- Have been impacted by a natural disaster occurring after January 1, 2005, in an area eligible for Federal Emergency Management Agency (FEMA) payments.
- Have damage of \$500,000 or more to school district buildings that is not covered by insurance or FEMA payments.
- Notify the commissioner of education of its intended natural disaster debt service revenue every year by July 1.
- A district receives aid under this program if its total debt service levy exceeds 10 percent of its tax base and the district's tax base per student is below a guaranteed tax base per student set in state law.
- The aid a district receives varies depending on the amount of the district's eligible debt service levy, the number of students it has, and its property tax capacity.

- The state guaranteed tax base for this program is significantly higher than under the regular state debt service equalization program.

MDE reviews and comments on proposed school construction projects and calculates state aid and property tax levies for this program.

RESULTS

MDE does not collect data regarding unmet facility needs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of districts ineligible for Tier 1 debt service equalization because tax base exceeds statutory Tier 1 equalizing factor	91%	87%	FY 2014 FY 2017
Quantity	Districts receiving regular debt service equalization aid	48	44	FY 2014 FY 2017

M.S.123B.53; M.S.123B.54; M.S.123B.55; M.S.123B.59; M.S.123B.61; M.S.123B.62; M.S.126C.40;

M.S.126C.63; M.S.126C.68; M.S.475.61; MN Laws 2014, Chapter 312, Article 18, section 5; M.S. 123B.535

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	19,761	22,591	20,349	22,926	24,908	22,360	30,774	36,057
Total	19,761	22,591	20,349	22,926	24,908	22,360	30,774	36,057
Biennial Change				923		3,993		23,556
Biennial % Change				2		9		54
Governor's Change from Base								19,563
Governor's % Change from Base								41

Expenditures by Category

Grants, Aids and Subsidies	19,761	22,591	20,349	22,926	24,908	22,360	30,774	36,057
Total	19,761	22,591	20,349	22,926	24,908	22,360	30,774	36,057
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	19,312	22,955	20,059	23,245	25,093	22,056	25,093	22,056
Levies	624,226	619,365	598,561	661,630	665,876	665,188	665,876	665,188
District Revenue	643,538	642,320	618,620	684,875	690,969	687,244	690,969	687,244
Direct Appropriation	19,778	22,591	20,349	22,926	24,908	22,360	30,774	36,057
Current Year	17,381	20,660	18,054	20,921	22,584	19,851	22,584	19,851
Prior Year	2,380	1,931	2,295	2,005	2,324	2,509	2,324	2,509
Cancellations	17	0	0	0	0	0	0	0
Expenditures	19,761	22,591	20,349	22,926	24,908	22,360	30,774	36,057
<i>Biennial Change in Expenditures</i>				923		3,993		23,556
<i>Biennial % Change in Expenditures</i>				2		9		54
<i>Gov's Exp Change from Base</i>								19,563
<i>Gov's Exp % Change from Base</i>								41

Program: Facilities and Technology
Activity: Telecommunications Access Aid

AT A GLANCE

- In FY 2016, school districts combined into 16 telecommunications clusters plus three individual school districts received telecommunications access aid.
- Demand from districts in FY 2016 totaled more than \$9 million. Aid is capped at \$3.75 million per year. As a result, the aid for FY 2016 was prorated at approximately 41 percent.

PURPOSE & CONTEXT

This program provides telecommunication and internet access funding for all public and nonpublic schools in Minnesota.

All public school districts, charter schools, intermediate school districts, and nonpublic schools in Minnesota are eligible to participate in this program. Home schools are not eligible.

SERVICES PROVIDED

Schools and districts can be reimbursed for the following costs:

- Specific ongoing or recurring telecommunications/internet access costs.
- Recurring costs of specified maintenance on the school district's wide area network.
- Recurring costs of cooperative arrangements for delivery of telecommunications/internet access between certain entities.
- Specific service provider installation fees.

Eligible costs for schools and school districts that are not members of a telecommunications cluster must exceed \$16 per student to qualify for aid. Telecommunications access clusters are school associations which do not need to meet the \$16 per student threshold.

The Minnesota Department of Education calculates and processes aid payments for this program.

RESULTS

The Minnesota Department of Education does not collect information regarding connectivity of individual schools.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2016</i>
Quantity	Number of independent public school districts receiving aid	298	307
Quantity	Number of charter schools receiving aid	2	8
Quantity	Number of nonpublic schools receiving aid	0	3

M.S.125B.26

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Total	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
<i>Biennial Change</i>				0		0		0
<i>Biennial % Change</i>				0		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Total	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Balance Forward In	0	0	0	0	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Facilities and Technology

Activity: Long-Term Facilities Maintenance Revenue

education.state.mn.us/MDE/dse/schfin/fac/ltfm/

AT A GLANCE

- This program began in FY 2017.
- This program replaces the Alternative Facilities, Deferred Maintenance, and Health & Safety aid programs that were funded through FY 2016.
- In 2015, there were 333 10-year facility plans approved for FY 2017 revenue.

PURPOSE & CONTEXT

Students need a healthy, safe, accessible, and well-maintained place to learn, and likewise for employees to work. The long-term facilities maintenance program is a state aid and levy program to address facility and grounds issues that impact safety, health, deferred maintenance, and accessibility concerns. One of the primary purposes of the program was reduce the disparity in funding between the largest 25 districts that were eligible for Alternative Facilities Revenue and all other districts.

School districts, intermediate school districts and other cooperatives (through member districts), and charter schools are eligible to participate in the program.

This program supports the World's Best Workforce goals by providing funding for healthy, safe, and accessible facilities

SERVICES PROVIDED

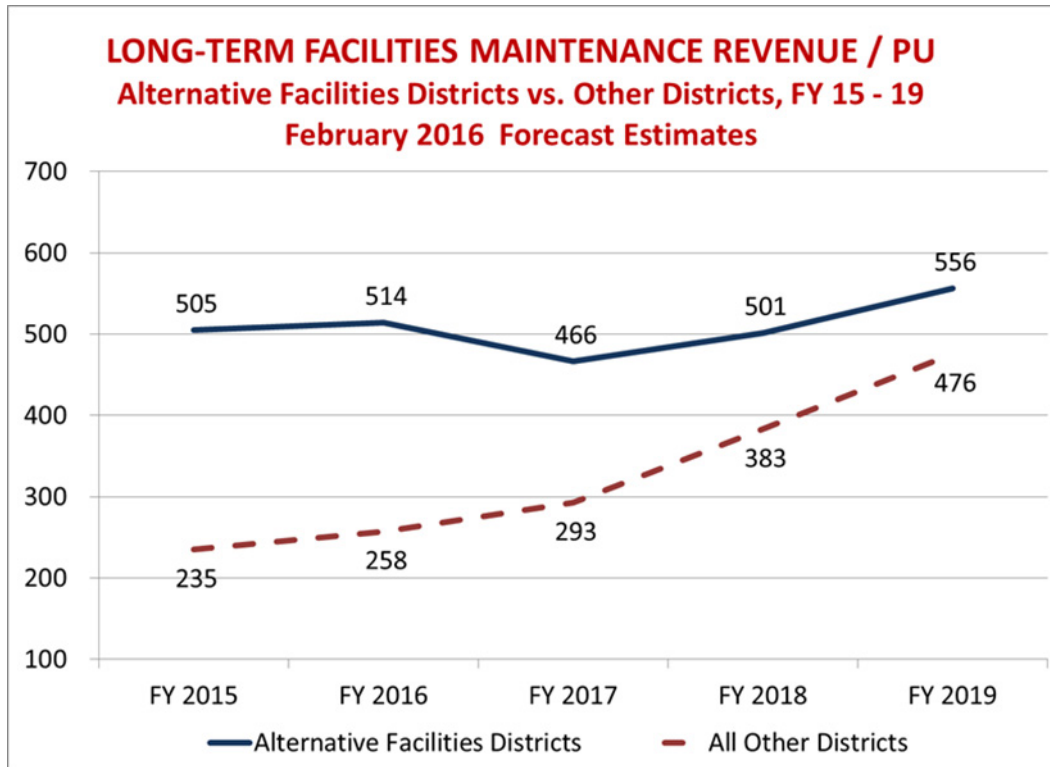
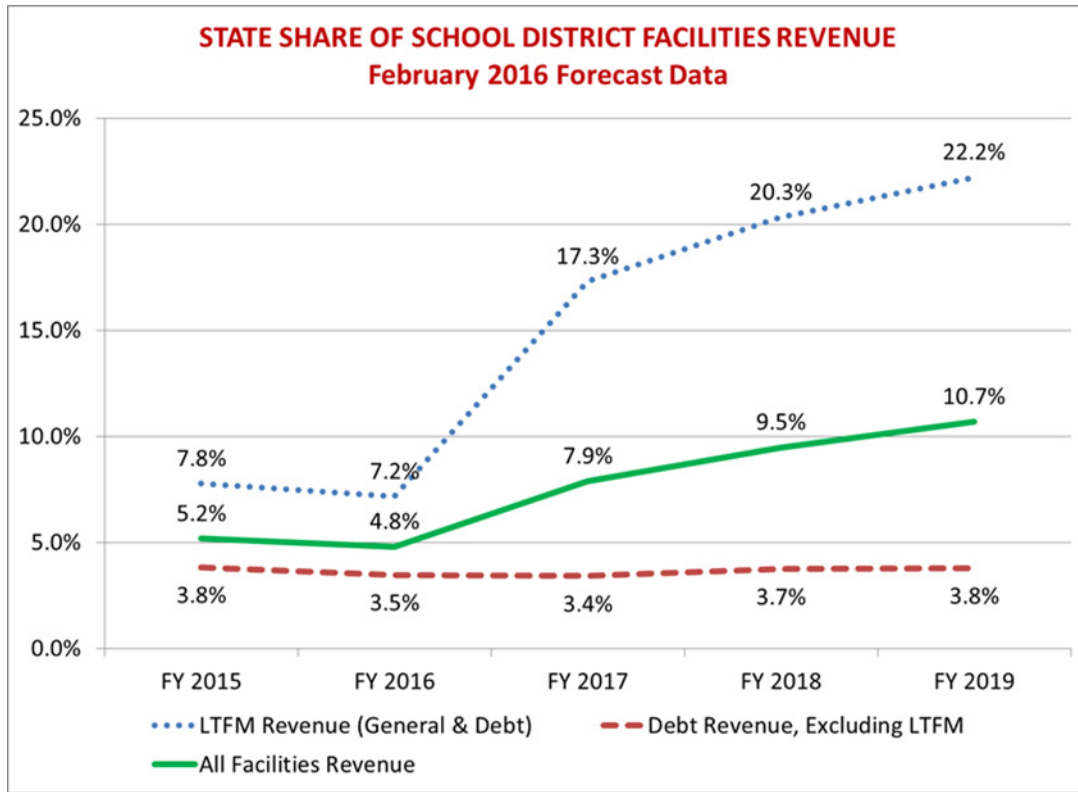
Program revenue may be used for qualifying facility issues in any existing public school building or site. However, the district must own or have contractually agreed to purchase (lease-purchase) any building or facility where program-funded work is done. New construction and portable classrooms are not eligible for funding. The program has its own equalization formula. Projects may be funded on a pay-as-you-go basis or by issuing debt. Intermediate districts and cooperatives do not receive state aid. Charter school revenue is 100 percent state aid.

The program addresses a wide array of areas impacting facilities and school environments, including the following:

- Asbestos removal or encapsulation.
- Hazardous substance, including provisions for fuel storage repairs, cleanup, or storage tank removal, and lead removal.
- Fire safety, including compliance with state fire marshal orders.
- Indoor air quality.
- Environmental health and safety management.
- Physical hazard control, including indoor air quality.
- Accessibility to accommodate persons with a disability.
- Deferred capital and maintenance projects.
- School districts with an approved voluntary pre-kindergarten program under Minnesota Statutes, section 124D.151, may include costs approved by the commissioner for remodeling existing instructional space to accommodate pre-kindergarten instruction.

The Minnesota Department of Education reviews and approves 10-year facility plans that have been approved by the school board and submitted to MDE for commissioner approval. MDE calculates state aids and property tax levies for this program.

RESULTS



<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2017 Charter</i>	<i>FY 2017 District</i>	<i>FY 2017 Total</i>
Quantity	Districts, Intermediates, Cooperatives and charter schools receiving revenue for approved 10-year plans	187	333	520
Quality	Districts and Charter Schools receiving state aid	187	225	412
Results	State aid as a percentage of revenue	100%	17.4%	17.9%

M.S.123B.595

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	24,337	24,088	23,641	54,686	80,178	103,460	82,153	105,898
Total	24,337	24,088	23,641	54,686	80,178	103,460	82,153	105,898
<i>Biennial Change</i>				29,902		105,311		109,724
<i>Biennial % Change</i>				62		134		140
<i>Governor's Change from Base</i>								4,413
<i>Governor's % Change from Base</i>								2

Expenditures by Category

Grants, Aids and Subsidies	24,337	24,088	23,641	54,686	80,178	103,460	82,153	105,898
Total	24,337	24,088	23,641	54,686	80,178	103,460	82,153	105,898
Full-Time Equivalents	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	4,282	4,852	4,163	58,157	82,626	105,776	84,601	108,214
Levies	254,652	278,068	292,511	286,233	349,063	386,851	350,911	389,175
District Revenue	258,934	282,920	296,674	344,390	431,689	492,627	435,512	497,389
Direct Appropriation	24,337	24,003	23,398	54,686	80,178	103,460	82,153	105,898
Current Year	3,856	4,377	3,748	52,343	74,364	95,198	76,339	97,417
Prior Year	499	427	475	415	5,814	8,262	5,814	8,481
Net Transfers	0	87	243	0	0	0	0	0
Cancellations	1	2	0	0	0	0	0	0
Expenditures	24,337	24,088	23,641	54,686	80,178	103,460	82,153	105,898
<i>Biennial Change in Expenditures</i>				29,902		105,311		109,724
<i>Biennial % Change in Expenditures</i>				62		134		140
<i>Gov's Exp Change from Base</i>								4,413
<i>Gov's Exp % Change from Base</i>								2

Program: Facilities and Technology
Activity: Nonrecurring Grant Programs

AT A GLANCE

- The Innovative Technology Cooperative grant was appropriated for FY 2016 and FY 2017.
- The Broadband Expansion Grant is a one-time grant appropriated for FY 2017.
- The annual Early Repayment Incentive Aid payments for FY 2017 through FY 2021, if the districts fully refund their state capital loans, are as follows:
 - \$180,000 ISD 95, Cromwell
 - \$495,000 ISD 299, Caledonia
 - \$220,000 ISD 306, Laporte
 - \$150,000 ISD 682, Roseau
 - \$505,000 ISD 2580 East Central

PURPOSE & CONTEXT

The Innovative Technology Cooperative Grant is a grant to the Innovative Technology Cooperative for professional development related to technology.

The Broadband Expansion Grant is designed to support wireless off-campus learning for students.

The Early Repayment Incentive Aid is an incentive to encourage the refunding of existing capital loans.

SERVICES PROVIDED

The Broadband Expansion Grants will provide funding for school districts to:

- Purchase student devices that will allow them to remotely access school-based learning programs.
- Purchase “hotspots” for their school buses so that students who have long bus routes can continue their learning during their bus rides home.

The Innovative Technology Cooperative Grant will allow districts to:

- Provide technology coaches in the schools.
- Provide regional professional development in the schools in the cooperative in the Grand Rapids region.

The Early Repayment Incentive Aid will increase the general fund revenue for the six designated districts if they retire their capital loan.

- Revenue for each district is equal to the 3 year average of their one-day bond proceeds that they had for November 2013, November 2014, and November 2015.

MDE administers all aspects of the grant program. Services include, but are not limited to:

- Providing guidance and administrative oversight required by Minnesota statutes and state policies.
- Developing application processes, reporting forms and evaluation systems (if required) for applicants/recipients of all competitive grants.
- Providing technical assistance to grant applicants and recipients.
- Creating grant contract including work plans and budget information.
- Calculating, auditing, and processing payments.

RESULTS

The Innovative Technology Cooperative Grant, the Broadband Expansion Grant, and Early Repayment Incentive Aid are new programs. There is no data for them at this time.

M.S.123A.215

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	0	150	2,850	2,200	2,200	2,200	2,200
Total	0	0	150	2,850	2,200	2,200	2,200	2,200
<i>Biennial Change</i>				3,000		1,400		1,400
<i>Biennial % Change</i>						47		47
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	0	0	150	2,850	2,200	2,200	2,200	2,200
Total	0	0	150	2,850	2,200	2,200	2,200	2,200
Total Agency Expenditures	0	0	150	2,850	2,200	2,200	2,200	2,200
Expenditures Less Internal Billing	0	0	150	2,850	2,200	2,200	2,200	2,200
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	150	2,850	2,200	2,200	2,200	2,200
Expenditures	0	0	150	2,850	2,200	2,200	2,200	2,200
<i>Biennial Change in Expenditures</i>				3,000		1,400		1,400
<i>Biennial % Change in Expenditures</i>						47		47
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Facilities and Technology
Activity: Miscellaneous Facilities Levies (information only)

AT A GLANCE

- For pay 2016, building/land lease levies were \$71.69 million.
- In FY 2016, capital projects levies were \$67.4 million.
- For pay 2016, there were no cooperative building repair levies.
- In FY 2016, there were no disabled access levies.
- In FY 2016, specific legislation levies were \$25 thousand.

PURPOSE & CONTEXT

Minnesota school districts generate additional revenue through local property tax levies for various capital expenditure obligations. This budget activity summarizes five facilities/levy programs.

Eligible districts with levy authority may participate in these programs. All students in participating districts are served by these programs.

SERVICES PROVIDED

Building and Land Lease

- Districts may levy for expenditures to rent or lease a building and/or land for instructional purposes, school storage, administrative purposes, or furniture repair if the district determines that the total operating capital revenue authorized is insufficient for this purpose.
- The levy may not exceed \$212 per pupil unit. Districts that are members of an intermediate district may levy an additional amount not to exceed \$65 per student for intermediate district leases.

Capital Project Referendum

- A school district may hold a referendum election to ask voters to increase property taxes for a capital project.
- All proceeds from the levy must be transferred to the capital project referendum account in the building construction fund or general fund.
- This program has been used primarily for deferred maintenance and technology improvements.

Cooperative Building Repair

- A school district that has a cooperative agreement may levy for the repair costs of a building located in another district that is a party to the agreement.
- There currently are no active cooperative building repair levies.

Disabled Access Levy

- The 1990 federal Americans with Disabilities Act (ADA) facilitates the removal of architectural barriers for persons with disabilities in public schools and helps school districts modify school buildings.
- A school district may levy up to \$300,000 over a time period not to exceed eight years to provide disabled accessibility for all facilities.
- Some newly consolidated districts have maximum levy authority of \$450,000 or \$600,000.
- The commissioner must approve the levy amount.
- For most districts, the eight-year time period has expired or the dollar maximum levy authority has been reached.
- There currently are no active disabled access levies.

Special Legislation

- Special legislation provides selected districts with additional capital levy for specific purposes.
- Currently provides additional capital levy for Independent School District 319, Nashwauk-Keewatin.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of districts levying for building leases	214	220	Pay 2014 Pay 2016
Quantity	Number of districts levying for capital projects	33	41	Pay 2014 Pay 2016
Quantity	Number of districts levying for disabled access	1	0	Pay 2014 Pay 2016

M.S.126C.40,subd.1; M.S.123B.63; M.S.126C.40,subd.3; M.S.123B.58;

MN Laws 2001 First Special Session, Chapter 5, Article 3, Section 87

Program: Nutrition Programs

Activity: School Lunch

education.state.mn.us/MDE/dse/FNS/SNP/index.htm

AT A GLANCE

- More than 96 million lunches served in Federal FY 2015.
- Commodities equaling \$27,816,991 received by schools in Federal FY 2015.

PURPOSE & CONTEXT

This program provides nutritious lunches during the school day to help meet children's nutritional needs and foster lifelong healthy eating habits.

The United States Department of Agriculture (USDA) provides funding for the National School Lunch Program (NSLP). The afterschool snack component of the NSLP

provides reimbursement for snacks served to children in afterschool educational and enrichment programs. The state of Minnesota provides additional funding to schools to keep lunch prices affordable.

These programs support the World's Best Workforce goal of helping to close the racial and economic achievement gaps between students.

SERVICES PROVIDED

Student health and learning are improved through daily access to a nutritious school lunch. Students in after school care programs receive access to a nutritious snack.

- School lunch menus are planned and reviewed according to federal meal-pattern guidelines.
- Students from families with incomes under 185 percent of federal poverty guidelines receive free or reduced-price meals.
- Commodities such as meat, cheese, poultry, fruits, and vegetables are donated by the USDA to contribute to the school lunch menu.
- Schools complete commodity preference surveys for more than 1,000 raw processed products, as well as for commercial products that have commodities in them (e.g., Minnesota Rebate Program).

School lunch programs are supported financially and administratively through:

- Federal and state reimbursements for lunches and afterschool snacks.
- Surveys of school preferences for USDA commodities.
- Notification to schools of students electronically certified for meal benefits.
- "CLiCS" (Cyber-Linked Interactive Child Nutrition System), an interactive website which allows schools to meet their application, commodity, and claim requirements online.

Reimbursement Rates: FY 2016:

	State:	Federal:
free lunch	\$0.125	\$2.78
reduced price	\$0.525	\$2.38
fully paid	\$0.125	\$0.29 or \$0.31*

*additional 2 cents for sites that serve more than 60 percent free/reduced-price lunches

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of school lunch and afterschool snack programs.
- Provides technical assistance and resource materials to schools and residential child care settings.
- Processes reimbursement claims for meals served.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Percent of lunches sold that are free or reduced price	47.2%	47.7%
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	223	275

M.S. 124D.111; National School Lunch Act (7 CFR 210).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	11,897	15,781	16,078	16,234	16,721	17,223	16,888	17,402
3000 - Federal	154,423	161,735	166,507	181,723	181,946	187,390	181,946	187,390
Total	166,320	177,516	182,585	197,957	198,667	204,613	198,834	204,792
<i>Biennial Change</i>				36,705		22,738		23,084
<i>Biennial % Change</i>				11		6		6
<i>Governor's Change from Base</i>								346
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Other Financial Transactions	64	97	97	126	129	132	129	132
Grants, Aids and Subsidies	166,256	177,420	182,488	197,831	198,537	204,480	198,704	204,659
Total	166,320	177,516	182,585	197,957	198,667	204,613	198,834	204,792
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	0	1	0	0	0	167	179
District Revenue			1				167	179
Direct Appropriation	11,896	15,506	16,251	16,234	16,721	17,223	16,888	17,402
Current Year	0	0	0	0	0	0	167	179
Net Transfers	0	276	(174)	0	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	11,897	15,781	16,078	16,234	16,721	17,223	16,888	17,402
<i>Biennial Change in Expenditures</i>				4,633		1,632		1,978
<i>Biennial % Change in Expenditures</i>				17		5		6
<i>Gov's Exp Change from Base</i>								346
<i>Gov's Exp % Change from Base</i>								1

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	154,423	161,735	166,507	181,723	181,946	187,390	181,946	187,390
Expenditures	154,423	161,735	166,507	181,723	181,946	187,390	181,946	187,390
<i>Biennial Change in Expenditures</i>				32,072		21,105		21,105
<i>Biennial % Change in Expenditures</i>				10		6		6
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Nutrition Programs
Activity: School Breakfast

education.state.mn.us/MDE/dse/fns/snp

AT A GLANCE

In Federal FY 2015:

- Almost 34 million breakfasts were served.
- 529 public school districts, charter schools, private schools, and residential child care institutions participated.

PURPOSE & CONTEXT

This program provides nutritious breakfasts to school children to help meet their nutritional needs and foster lifelong healthy eating habits.

The United States Department of Agriculture provides funding for the School Breakfast Program (SBP), which is augmented with state funding.

These programs support the World's Best Workforce goal of helping to close the racial and economic achievement gaps between student groups.

SERVICES PROVIDED

School breakfast menus are planned according to federal meal pattern guidelines. Students from families with incomes under 185 percent of federal poverty guidelines receive free or reduced-price meals. Student health and achievement are improved through daily access to a nutritious school breakfast.

School breakfast programs are supported through:

- Federal and state reimbursements for school breakfasts.
- USDA commodity food items.
- "CLiCS" (Cyber-Linked Interactive Child Nutrition System) — a website that allows schools to meet their application and claims requirements online.

Reimbursement rates: FY 2016

	State:	Federal:
Free breakfast	\$0	\$1.66 or \$1.99**
Reduced price	\$.30	\$1.36 or \$1.69**
Fully paid	\$.55 or \$1.30*	\$0.29

*All Kindergarten students receive free, fully paid breakfasts.

**Severe-need sites receive a higher reimbursement.

MDE:

- Conducts administrative reviews of school breakfast programs.
- Provides technical assistance and resource materials to schools and residential child care settings.
- Processes reimbursement claims for meals served.

RESULTS

Type of Measure	Name of Measure	FY 2014	FY 2015
Quantity	Percent of school breakfasts served that are free or reduced price	73.1%	69.9%
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	223	275

M.S. 124D.1158; M.S. 124D.117
 National School Lunch Act (7 CFR 220)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	5,233	8,421	9,457	9,869	10,601	11,359	11,098	11,888
3000 - Federal	41,604	47,005	50,421	50,513	52,029	53,589	52,029	53,589
Total	46,838	55,426	59,877	60,382	62,630	64,948	63,127	65,477
<i>Biennial Change</i>				17,996		7,319		8,345
<i>Biennial % Change</i>				18		6		7
<i>Governor's Change from Base</i>								1,026
<i>Governor's % Change from Base</i>								1

Expenditures by Category

Other Financial Transactions	31	44	40	60	60	61	60	61
Grants, Aids and Subsidies	46,806	55,382	59,838	60,322	62,570	64,887	63,067	65,416
Total	46,838	55,426	59,877	60,382	62,630	64,948	63,127	65,477
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	0	0	59	74	85	571	614
District Revenue				59	74	85	571	614
Direct Appropriation	5,233	9,168	9,457	9,869	10,601	11,359	11,098	11,888
Current Year	0	0	0	59	74	85	571	614
Net Transfers	0	(283)	0	0	0	0	0	0
Cancellations	0	463	0	0	0	0	0	0
Expenditures	5,233	8,421	9,457	9,869	10,601	11,359	11,098	11,888
<i>Biennial Change in Expenditures</i>				5,671		2,634		3,660
<i>Biennial % Change in Expenditures</i>				42		14		19
<i>Gov's Exp Change from Base</i>								1,026
<i>Gov's Exp % Change from Base</i>								5

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	41,604	47,004	50,421	50,513	52,029	53,589	52,029	53,589
Expenditures	41,604	47,005	50,421	50,513	52,029	53,589	52,029	53,589
<i>Biennial Change in Expenditures</i>				12,325		4,684		4,684
<i>Biennial % Change in Expenditures</i>				14		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Nutrition Programs
Activity: Summer Food Replacement

AT A GLANCE

- Approximately 3 million meals served during the summer of 2015.

PURPOSE & CONTEXT

This Summer Food Service Program (SFSP) helps children who rely on the school breakfast and lunch programs to get the healthy food they need outside the school year.

The United State Department of Agriculture (USDA) funds the program.

State funds are available to supplement meals and snacks.

This program supports the World's Best Workforce goal of helping to close the racial and economic achievement gaps between students.

SERVICES PROVIDED

Menus for healthy meals and snacks are planned according to federal guidelines. Meals and snacks are provided at no charge at a variety of sites to children in low-income areas during the summer. Children's health is improved by nutritional meals and snacks.

Reimbursement rates: Federal FY 2016:

Federal	
breakfast	\$2.1325* or \$2.0925
lunch/supper	\$3.745* or \$3.685
snack	\$1.145* or \$1.085

*reimbursement for rural or self-prep sites

State: reimbursed based on total meals served by approved sponsors on a pro-rata basis.

The Minnesota Department of Education (MDE):

- Reaches out to anti-hunger organizations to increase SFSP participation.
- Reviews summer sites and provides training and technical assistance to sponsors.
- Calculates and processes reimbursement claims from sponsors.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of sponsors	163	177
Quantity	Number of sites	639	698
Quality	Percent of sponsors needing additional monitoring reviews to assure compliance with federal and state requirements.	3%	7%

M.S. 124D.119
 National School Lunch Act (7 CFR 225)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	150	150	150	150	150	150	150	150
3000 - Federal	6,582	7,621	8,781	10,080	10,384	10,696	10,384	10,696
Total	6,732	7,771	8,931	10,230	10,534	10,846	10,534	10,846
<i>Biennial Change</i>				4,658		2,219		2,219
<i>Biennial % Change</i>				32		12		12
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Other Financial Transactions	20	20	18	28	26	27	26	27
Grants, Aids and Subsidies	6,713	7,751	8,913	10,203	10,508	10,819	10,508	10,819
Total	6,732	7,771	8,931	10,230	10,534	10,846	10,534	10,846
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	150	150	150	150	150	150	150	150
Cancellations	0	0	0	0	0	0	0	0
Expenditures	150	150	150	150	150	150	150	150
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	6,582	7,621	8,781	10,080	10,384	10,696	10,384	10,696
Expenditures	6,582	7,621	8,781	10,080	10,384	10,696	10,384	10,696
<i>Biennial Change in Expenditures</i>				4,658		2,219		2,219
<i>Biennial % Change in Expenditures</i>				33		12		12
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Nutrition Programs
Activity: Commodities

AT A GLANCE

- Minnesota schools receive an estimated 23 million pounds of commodity foods each year.
- 414,798 students in Minnesota are eligible to receive a free or reduced-price lunch and may benefit from the commodity program (FY15 estimate).

PURPOSE & CONTEXT

The commodity program began in the early 1930s as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the Great Depression. When the National School Lunch Act was passed in 1946, its stated purpose was to both to improve the health of children and to provide a market for agricultural production.

The United States Department of Agriculture (USDA) provides the entire funding for the program.

SERVICES PROVIDED

Schools participating in the National School Lunch Program (NSLP):

- Receive commodity foods, called "entitlement" foods, at a value of 23.75 cents (July 2015) for each lunch served.
- May also get "bonus" commodities such as meat, cheese, poultry, grains, rice, fruits and vegetables, as they are available through USDA. These foods are offered periodically, but only as they become available through agricultural surpluses.

A state revolving fund was established in 2001 for the cash received for commodity donated foods that have been lost, damaged, recalled or diverted for processing.

- Minnesota uses the fund to issue payments for the value of the lost, damaged, recalled or diverted commodity donated foods and related costs.

MDE assists schools with their entitlements through technical assistance, food ordering, deliveries, inventories, monitoring and other issues concerning the USDA Foods program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total dollar amount of commodities received by schools	\$27,816,991	\$30,988,840	FY 2015 FY 2016

M.S. 124D.1195

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
2000 - Restrict Misc Special Revenue	6,258	4,966	4,450	5,005	5,005	5,005	5,005	5,005
3000 - Federal	1,098	1,246	1,369	1,377	1,418	1,460	1,418	1,460
Total	7,356	6,212	5,819	6,382	6,423	6,465	6,423	6,465
<i>Biennial Change</i>				(1,366)		687		687
<i>Biennial % Change</i>				(10)		6		6
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	0	0	0	0	0	0	0	0
Other Financial Transactions	5	6	6	8	8	8	8	8
Grants, Aids and Subsidies	7,351	6,206	5,813	6,374	6,415	6,457	6,415	6,457
Total	7,356	6,212	5,819	6,382	6,423	6,465	6,423	6,465
Total Agency Expenditures	7,356	6,212	5,819	6,382	6,423	6,465	6,423	6,465
Internal Billing Expenditures	0	0	0	0	0	0	0	0
Expenditures Less Internal Billing	7,356	6,212	5,819	6,382	6,423	6,465	6,423	6,465
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	3,437	1,774	1,778	2,189	2,189	2,189	2,189	2,189
Receipts	4,594	4,970	4,860	5,005	5,005	5,005	5,005	5,005
Expenditures	6,258	4,966	4,450	5,005	5,005	5,005	5,005	5,005
Balance Forward Out	1,774	1,778	2,189	2,189	2,189	2,189	2,189	2,189
<i>Biennial Change in Expenditures</i>				(1,769)		555		555
<i>Biennial % Change in Expenditures</i>				(16)		6		6
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	1,098	1,246	1,369	1,377	1,418	1,460	1,418	1,460
Expenditures	1,098	1,246	1,369	1,377	1,418	1,460	1,418	1,460
<i>Biennial Change in Expenditures</i>				402		132		132
<i>Biennial % Change in Expenditures</i>				17		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Nutrition Programs
Activity: Child and Adult Care Food Program

AT A GLANCE

In Federal FY 2015:

- 8,729 family child care homes, 768 child care centers, 20 adult care centers, and 13 emergency shelters participated in the CACFP.
- 48 million meals and snacks were served.

PURPOSE & CONTEXT

The Child and Adult Care Food Program (CACFP) helps ensure that young children and older adults receiving organized care services have access to nutritious meals and snacks.

Child care centers, family child care homes, school-age care sites, after-school programs, emergency shelters, and adult day care centers may participate in the CACFP.

The federal government provides all funding for the program. United States Department of Agriculture (USDA) administers CACFP through the Minnesota Department of Education.

SERVICES PROVIDED

Health is improved through access to nutritional meals and snacks.

- Menus for healthy meals and snacks are planned according to federal guidelines.
- Most CACFP locations provide meals and snacks at no charge to all enrolled children.

CACFP is supported through:

- Federal reimbursement for meals and snacks.
- Federal administrative reimbursements to CACFP sponsors of family child care homes.

Reimbursement rates: Federal FY 2016

	Free	Reduced-Price	Paid
Breakfast	\$1.66	\$1.36	\$0.29
Lunch/supper	\$3.07	\$2.67	\$0.29
Snack	\$0.84	\$0.42	\$0.07

MDE:

Assists in meeting program requirements.

- Conducts administrative reviews.
- Provides technical assistance, workshops on regulations, and resource materials.
- Processes meal reimbursement claims.

RESULTS

Type of Measure	Name of Measure	FY 2014	FY 2015
Quantity	Total value of meals served, all settings (in dollars)	\$55,240,819	\$56,185,258
Quantity	Number of participating child care centers	307	311

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of participating family day care homes	9,155	8,729
Quantity	Number of participating adult day care centers	18	20
Quantity	Number of participating emergency shelters	13	13

Child Nutrition Act and National School Lunch Act (7 CFR 226)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
3000 - Federal	61,661	61,872	62,946	66,805	68,806	70,871	68,806	70,871
6000 - Miscellaneous Agency	1	2	2	4	4	4	4	4
Total	61,662	61,874	62,948	66,809	68,810	70,875	68,810	70,875
<i>Biennial Change</i>				6,220		9,929		9,929
<i>Biennial % Change</i>				5		8		8
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	-1	2	2	0	0	0	0	0
Other Financial Transactions	116	126	136	150	155	159	155	159
Grants, Aids and Subsidies	61,547	61,746	62,810	66,659	68,655	70,716	68,655	70,716
Total	61,662	61,874	62,948	66,809	68,810	70,875	68,810	70,875
Total Agency Expenditures	61,662	61,874	62,948	66,809	68,810	70,875	68,810	70,875
Internal Billing Expenditures	-3	0	0	0	0	0	0	0
Expenditures Less Internal Billing	61,665	61,874	62,948	66,809	68,810	70,875	68,810	70,875
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	61,661	61,872	62,946	66,805	68,806	70,871	68,806	70,871
Expenditures	61,661	61,872	62,946	66,805	68,806	70,871	68,806	70,871
<i>Biennial Change in Expenditures</i>				6,217		9,927		9,927
<i>Biennial % Change in Expenditures</i>				5		8		8
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

6000 - Miscellaneous Agency

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	0	0	0	0	0	0	0
Receipts	1	2	2	4	4	4	4	4
Expenditures	1	2	2	4	4	4	4	4
Balance Forward Out	0	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				3		2		2
<i>Biennial % Change in Expenditures</i>				110		35		35
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Nutrition Programs
Activity: Kindergarten Milk

AT A GLANCE

- 3,579,103 half pints of milk were subsidized in FY 2016 by the Special Milk Program.
- 3,786,335 half pints were subsidized in FY 2016 through the Minnesota Kindergarten Milk Program.

PURPOSE & CONTEXT

Providing milk during the school day helps meet children's nutritional needs and fosters lifelong healthy eating habits. The health and achievement of preschoolers and kindergarteners are improved through daily access to milk.

The Minnesota Kindergarten Milk Program (MKMP) is funded by state aid at 20 cents per half pint.

The Special Milk Program (SMP) is funded by the U.S. Department of Agriculture at 20 cents per half pint.

Schools that participate in the SMP may also participate in the MKMP, allowing participating districts to be reimbursed up to 40 cents per half pint of milk served to children.

SERVICES PROVIDED

Special milk and kindergarten milk programs are supported financially and administratively through:

- Federal and state reimbursements for half pints of milk served.
- "CLICS" (Cyber-Linked Interactive Child Nutrition System)—a website that allows participants to meet their application and claims requirements online.

Minnesota Department of Education (MDE):

- Conducts administrative reviews of milk programs.
- Provides technical assistance and resource materials.
- Processes reimbursement claims for cartons of milk served.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	223	275

M.S. 124D.118

National School Lunch Act (7 CFR 215)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	942	788	788	758	758	758	758	758
3000 - Federal	786	835	721	986	1,016	1,046	1,016	1,046
Total	1,728	1,623	1,509	1,744	1,774	1,804	1,774	1,804
<i>Biennial Change</i>				(97)		325		325
<i>Biennial % Change</i>				(3)		10		10
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	1,728	1,623	1,509	1,744	1,774	1,804	1,774	1,804
Total	1,728	1,623	1,509	1,744	1,774	1,804	1,774	1,804
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	942	942	788	758	758	758	758	758
Cancellations	0	154	0	0	0	0	0	0
Expenditures	942	788	788	758	758	758	758	758
<i>Biennial Change in Expenditures</i>				(184)		(30)		(30)
<i>Biennial % Change in Expenditures</i>				(11)		(2)		(2)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	786	835	721	986	1,016	1,046	1,016	1,046
Expenditures	786	835	721	986	1,016	1,046	1,016	1,046
<i>Biennial Change in Expenditures</i>				86		355		355
<i>Biennial % Change in Expenditures</i>				5		21		21
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Libraries
Activity: Basic Support Libraries

education.state.mn.us/MDE/dse/Lib/sls/Reg/

AT A GLANCE

- Public library services are available in all 87 counties.
- Twelve regional public library systems support 351 public libraries.
- In 2015, public libraries circulated approximately 52.5 million books, DVDs, or magazines in all formats, 1.1 million were interlibrary loans.
- In 2015, over 3.8 million Minnesotans had a library card, and public libraries were visited 24.3 million times.
- Ebook circulation grew 39.84 percent between 2013 and 2015, and now reflects 6.99 percent of total circulation.

PURPOSE & CONTEXT

Minnesota's public libraries are designed to ensure all residents have access to information regardless of educational or economic status or location in the state. This program helps Minnesota's public libraries offer free and equitable access to a variety of educational, cultural and informational resources, programs and activities.

Libraries support all five of the goals of the World's Best Workforce through free, high-quality early learning opportunities and homework support, including extensive book and magazine collections available through interlibrary loan to students. Ninety-nine percent offer summer learning programs for children and teens.

SERVICES PROVIDED

Public libraries collect and make information available in a number of different formats—print book, magazine, DVD, CD, and download-only formats. Trained staff help Minnesotans of all ages and abilities to access this information.

Regional library basic system support:

- Provides incentives such as access to regionally administered programs (i.e., interlibrary loans) for counties and cities to work together in regional public library systems, extending service across jurisdictions at the most reasonable cost.
- Distributes funding between cooperating jurisdictions and encourages sharing of library materials through library-to-library lending and borrowing.
- Maintains and improves library programs, materials, and outreach to diverse residents.

The Minnesota Department of Education administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing aid payments.
- Providing guidance as it relates to Minnesota Statutes.
- Managing the statutory library annual report program.
- Giving technical assistance and training to all public libraries and regional library systems.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of Minnesotans attending library programs including story times, summer reading programs, digital literacy and job search	1,373,650	1,475,550	FY 2014 FY 2015

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Circulation of downloadable books, movies and music	4,017,994	4,806,123	FY 2014 FY 2015
Quantity	Number of weekly open hours	14,877	14,865	FY 2014 FY 2015

M.S. 134.31; M.S. 134.32; M.S. 134.34; M.S. 134.355

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	14,058	13,570	13,570	13,570	13,570	13,570	13,570	13,570
2301 - Arts & Cultural Heritage Fund	3,000	3,000	2,106	2,228	66	0	66	0
3000 - Federal	631	822	28	0	0	0	0	0
Total	17,689	17,392	15,704	15,798	13,636	13,570	13,636	13,570
<i>Biennial Change</i>				(3,579)		(4,296)		(4,296)
<i>Biennial % Change</i>				(10)		(14)		(14)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	0	0	22	0	0	0	0	0
Operating Expenses	0	0	6	0	0	0	0	0
Grants, Aids and Subsidies	17,689	17,392	15,676	15,798	13,636	13,570	13,636	13,570
Total	17,689	17,392	15,704	15,798	13,636	13,570	13,636	13,570
Total Agency Expenditures	17,689	17,392	15,704	15,798	13,636	13,570	13,636	13,570
Internal Billing Expenditures	0	0	5	0	0	0	0	0
Expenditures Less Internal Billing	17,689	17,392	15,700	15,798	13,636	13,570	13,636	13,570
<u>Full-Time Equivalents</u>	0	0	0.2	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	14,058	13,570	13,570	13,570	13,570	13,570	13,570	13,570
Expenditures	14,058	13,570	13,570	13,570	13,570	13,570	13,570	13,570
<i>Biennial Change in Expenditures</i>				(488)		0		0
<i>Biennial % Change in Expenditures</i>				(2)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2301 - Arts & Cultural Heritage Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	3,000	3,000	2,200	2,200	0	0	0	0
Balance Forward In	0	0	0	94	66	0	66	0
Net Transfers	0	0	0	0	0	0	0	0
Expenditures	3,000	3,000	2,106	2,228	66	0	66	0
Balance Forward Out	0	0	94	66	0	0	0	0
<i>Biennial Change in Expenditures</i>				(1,666)		(4,268)		(4,268)
<i>Biennial % Change in Expenditures</i>				(28)		(98)		(98)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	631	822	28	0	0	0	0	0
Expenditures	631	822	28	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(1,425)		(28)		(28)
<i>Biennial % Change in Expenditures</i>				(98)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0

Program: Libraries**Activity: Multi-county Multi-type**education.state.mn.us/MDE/dse/Lib/sls/Mult/**AT A GLANCE**

- Seven multi-county, multi-type library systems serve approximately 1,900 libraries.
- Multicounty multi-type libraries serve all 87 Minnesota counties.

PURPOSE & CONTEXT

Minnesota's multi-county, multi-type library systems promote excellence in library services and connections between public libraries and libraries in schools, colleges and universities so that library staff can better serve residents.

Multi-county, multi-type library systems support the World's Best Workforce through professional development activities

aimed at school library media specialists. They also work across libraries of all types to provide collections, events and other resources that support students and teachers.

State aid provides operating funds based on a formula that includes population and land square miles served. Multi-county, multi-type library systems may increase revenue through grants and/or cost-recovery fees for workshops and other continuing-education activities.

SERVICES PROVIDED

Multi-county, multi-type library systems activities include:

- Organizing and promoting professional development and continuing education activities for library staff.
- Identifying and responding to regional needs across types of libraries.
- Encouraging communication and increasing knowledge of best practices among libraries.
- Supporting resource sharing and collaborative projects among participating libraries.

The Minnesota Department of Education (MDE) administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing guidance as it relates to Minnesota Statutes.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of multicounty multi-type member libraries.	1,900	1,829	FY 2014 FY 2015
Quantity	Number of scholarships awarded to library staff for participation in professional development and continuing education.	123	143	FY 2014 FY 2015
Quantity	Attendance at multi-county, multi-type sponsored professional-development activities.	1,437	1,594	FY 2014 FY 2015

MS 134.351; MS 134.353; MS 134.354

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Biennial Change				(46)		0		0
Biennial % Change				(2)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Expenditures	1,346	1,300	1,300	1,300	1,300	1,300	1,300	1,300
<i>Biennial Change in Expenditures</i>				(46)		0		0
<i>Biennial % Change in Expenditures</i>				(2)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Libraries
Activity: Electronic Library for Minnesota

elm4you.org/

AT A GLANCE

- ELM provides access to millions of articles, books, images, test preparation and other information at no cost.
- ELM resources are accessible to Minnesotans through computers, smart phones and tablets from homes, schools, school library media centers, academic libraries, public libraries, and government agencies.

PURPOSE & CONTEXT

The Electronic Library for Minnesota (ELM) provides all Minnesotans with access to online high-quality and vetted information resources from all Minnesota IP addresses, including home computers, libraries, and government agencies.

ELM supports all five World's Best Workforce goals.

SERVICES PROVIDED

This program:

- Offers free and equitable online access to millions of magazine, journal, newspaper, and encyclopedia articles, eBooks and other information resources to Minnesota residents.
- Provides tools for career exploration, resume and cover letter writing, test preparation, adult learning and college readiness through LearningExpress Library.
- Reduces costs by negotiating statewide database licenses.

ELM's selected resources:

- Support K-12 and postsecondary students and teachers.
- Provide information and research on a wide range of topics.
- Are available from all Minnesota Internet Protocol (IP) addresses 24 hours a day, seven days a week.
- Support digital literacy and workforce development efforts.

MDE, through State Library Services, recommends and/or approves school and public library representatives on ELM's selection task force and makes final approval of the resources recommended. MDE sets up and processes payments and compiles report information annually.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of ELM searches conducted by Minnesotans	50.8 million	51.0 million	2014 2016
Quantity	Number of LearningExpress Library user sessions	17,951	21,481	2014 2016

MN Laws 2015 1st special session, ch 3, art.8, sec.4, subd.4

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900
<i>Biennial Change</i>				0		0		0
<i>Biennial % Change</i>				0		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	900	900	900	900	900	900	900	900
Expenditures	900	900	900	900	900	900	900	900
<i>Biennial Change in Expenditures</i>				0		0		0
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Libraries
Activity: Regional Library Telecom Aid

AT A GLANCE

- Statutory changes in 2015 fully align the state program with the federal e-rate program to maximize public investment in libraries' telecommunications infrastructure.
- 340 public library sites benefit from the aid program.
- Statewide, average available bandwidth purchased with program funds grew from 56.6mb in 2013 to 76.7mb in 2015.
- Ninety-seven percent of public libraries provide wireless access.

PURPOSE & CONTEXT

The Regional Library Telecommunications Aid program (RLTA) helps regional public library systems and their branch or member public libraries provide broadband access to residents statewide.

RLTA funds the telecommunications infrastructure necessary for library-based programs and services that support all five World's Best Workforce goals. Through public libraries, students have greater access to online learning resources such the state-provided Electronic Library for Minnesota and locally provided ebooks and online homework help services.

SERVICES PROVIDED

This program:

- Allows libraries to leverage federal funds and state and local investments that improve technology infrastructure.
- Facilitates optimal and equitable access to online resources and information, such as the Electronic Library for Minnesota, and to the statewide web-based infrastructure for interlibrary loan.

Activities that rely on internet access and benefit from this program include:

- Equitable community access to high-speed internet, including weekends and evenings.
- Access to online resources, including the Electronic Library for Minnesota and Ebooks Minnesota.
- Connections to school districts, postsecondary education and other governmental agencies.
- Government-related activities and information, such as unemployment insurance filing.
- Automation systems that improve efficiency and cost-effectiveness in resource sharing.

The Minnesota Department of Education administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing technical assistance on the federal e-rate program as it relates to regional library telecommunications aid.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Internet and wireless sessions in public libraries	6,512,237	8,467,775	FY 2014 FY 2015
Quantity	Percentage of public libraries with fiber optic cable	62%	68%	FY 2014 FY 2015
Quantity	Number of internet devices in public libraries	6,288	6,559	FY 2014 FY 2015

M.S. 134.355

(Dollars in Thousands)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Total	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Biennial Change				(82)		0		0
Biennial % Change				(2)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Total	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Expenditures	2,382	2,300	2,300	2,300	2,300	2,300	2,300	2,300
<i>Biennial Change in Expenditures</i>				(82)		0		0
<i>Biennial % Change in Expenditures</i>				(2)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Early Childhood and Family Support
Activity: Early Childhood Family Education

education.state.mn.us/MDE/fam/elsprog/ECFE/

AT A GLANCE

In FY 2015:

- 102,334 children and 105,341 parents participated in ECFE including classes and activities.
- 20,406 referrals were made to ECFE from other community programs.
- 14,135 home visits were conducted.

PURPOSE & CONTEXT

The purpose of the program is to educate parents to support children's learning and development and promote school readiness. All families with children prenatal to kindergarten are eligible for services. Programs with PreK-3rd grade initiatives may continue to serve families through third grade.

This program helps meet the World's Best Workforce goals of all children being ready for school and all third-graders reading at grade level

SERVICES PROVIDED

There are four state-funded programs that provide funding and support for early childhood family education:

- Early Childhood and Family Education (ECFE)
- Educate Parents Partnership
- Parent-Child Home Program
- Home Visiting

Early Childhood and Family Education (ECFE) programs typically include the following:

- Parent discussion groups.
- Parent-child activities.
- Play and learning activities that help child development.
- Home visits.
- In-person visits to parents of newborns.
- Special events for the entire family.
- Information on community resources.

If there is not enough money to provide programs for all young children, ECFE providers should emphasize programming for children birth to age three. They should encourage parents to involve four- and five-year-old children in school readiness programs and other public and nonpublic early learning programs.

This program requires districts to do a community needs assessment to identify new and underserved populations, and identifies child and family risk factors. Programming and services must be tailored to the results of the needs assessment, with an emphasis on at-risk children birth to age three.

ECFE revenue is a combination of state aid and local property tax levy. It is 2.3 percent of the general education formula allowance times 150 or the number of children under age five who lived in the district as of October 1 of the previous school year, whichever is greater.

- The Educate Parents Partnership program provides parents of newborns with informational materials on a wide range of subjects before they are discharged from the hospital.
- Help Me Grow, an infant and toddler intervention and preschool special education program, disseminates information to families and professionals who have concerns about their child's development.

- The Parent-Child Home Program is a national model focusing on early literacy, parenting, and school readiness, and families are eligible for up to 60 home visits per year for two years.
- The Home Visiting program is a parent education component of the ECFE programs that is designed to reach isolated or at-risk families. Starting in FY 2018, local Home Visiting levies will be supplemented with state aid.

MDE calculates and processes payments and provides technical support for these programs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Parents participating in regular parent/child weekly sessions.*	84,015	79,007	75,914	71,932
Quantity	Referrals from ECFE to community resources and partner organizations.	17,216	19,488	18,638	17,575
Quantity	Class offerings for parents.	11,516	11,188	10,159	9,899

*Decreased parent participation likely due to smaller class sizes for infants and toddlers, serving families with higher needs, and decreased class offerings for parents.

Use this endnote section to provide the specific legal citations for the statutes that apply to this program or budget activity. For example, [M.S. 16A.14 - 26](https://www.revisor.mn.gov/statutes/?id=16A) (<https://www.revisor.mn.gov/statutes/?id=16A>) provides the legal authority for MMB's Accounting Services.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	23,091	27,021	28,347	31,343	30,412	30,948	31,331	32,947
2403 - Gift	0	0	0	0	0	0	0	0
Total	23,091	27,021	28,347	31,343	30,412	30,948	31,331	32,947
<i>Biennial Change</i>				9,578		1,670		4,588
<i>Biennial % Change</i>				19		3		8
<i>Governor's Change from Base</i>								2,918
<i>Governor's % Change from Base</i>								5

Expenditures by Category

Compensation	44	46	47	45	45	45	45	45
Operating Expenses	5	4	2	4	4	4	4	4
Grants, Aids and Subsidies	23,042	26,972	28,298	31,294	30,363	30,899	31,282	32,898
Total	23,091	27,021	28,347	31,343	30,412	30,948	31,331	32,947
Full-Time Equivalents	0.4	0.5	0.4	0.5	0.4	0.3	0.4	0.3

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	21,987	27,138	28,038	29,045	29,543	30,034	30,462	32,033
Levies	21,917	21,849	22,115	22,108	22,114	22,135	22,114	22,135
District Revenue	43,904	48,987	50,153	51,153	51,657	52,169	52,576	54,168
Direct Appropriation	23,096	27,022	28,347	31,343	30,412	30,948	31,331	32,947
Current Year	19,789	24,425	25,235	26,141	26,589	27,033	27,508	28,930
Prior Year	3,008	2,198	2,713	2,803	2,904	2,954	2,904	3,056
Cancellations	5	1	0	0	0	0	0	0
Expenditures	23,091	27,021	28,347	31,343	30,412	30,948	31,331	32,947
<i>Biennial Change in Expenditures</i>				9,578		1,670		4,588
<i>Biennial % Change in Expenditures</i>				19		3		8
<i>Gov's Exp Change from Base</i>								2,918
<i>Gov's Exp % Change from Base</i>								5
Full-Time Equivalents	0.4	0.5	0.4	0.5	0.4	0.3	0.4	0.3

2403 - Gift

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	0	0	0	0	0	0	0
Expenditures	0	0	0	0	0	0	0	0
Balance Forward Out	0	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				0				
<i>Biennial % Change in Expenditures</i>				(100)				

Program: Early Childhood and Family Support
Activity: School Readiness

education.state.mn.us/MDE/dse/early/read/

AT A GLANCE

In FY 2015:

- The estimated population of 3- and 4-year-olds in Minnesota was 144,610.
- 21,819 children and 23,692 parents participated in the program.

PURPOSE & CONTEXT

The purpose of the school readiness program is to prepare children to enter kindergarten by creating greater access to educational opportunities for children with high needs and to make progress on closing the achievement gap upon school entrance, which are two of the five World's Best Workforce goals.

The state-funded program is established through the school district and serves children age three years to kindergarten entrance with high needs.

SERVICES PROVIDED

Most school-based classroom programs are two-and-a-half hours long and meet one to five days per week.

Other program models include:

- Kindergarten transition classes for children and parents.
- One or two days of child-only activities added to early childhood family education.
- Early childhood special education and school readiness integrated classrooms.
- Coordination of referrals and follow-up to early childhood screening.
- Staff development and consultation for family child care providers.
- Head Start and family literacy/English language learner programs.

Programs include the following requirements:

- Assess each child's cognitive skills at entrance to and exit from the program.
- Provide a program based on early childhood research and professional practice that prepares children to move into kindergarten.

School Readiness aid is calculated in two parts:

- Fifty percent of aid is based on the number of four-year-old children living in the district as of October 1 of the previous school year.
- Fifty percent of aid is based on the number of students enrolled in the school district and eligible for free or reduced-price meals.

The Minnesota Department of Education calculates and processes aid payments and provides technical support to districts for this program.

RESULTS

The Minnesota Department of Education is planning to gather statistics on the number of participants that are kindergarten ready, pending the revision of the School Readiness study and additional assessments.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015*</i>
Quantity	Percentage of preschoolers served: 3-year-olds 4-year-olds	9.3% 25.9%	9.3% 26.9%	9.6% 26.3%	7% 20%

*Note: Starting in 2015, data is now pulled from EE Student, a new student identification process for children registered in Early Childhood Family Education and School Readiness. The decline is likely due to the fact that EE Student is improving the accuracy of reporting through use of MARSS numbers.

M.S. 124D.15; M.S.124D.16

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	10,445	11,962	22,420	32,670	33,683	33,683	33,683	33,683
Total	10,445	11,962	22,420	32,670	33,683	33,683	33,683	33,683
<i>Biennial Change</i>				32,683		12,276		12,276
<i>Biennial % Change</i>				146		22		22
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	10,445	11,962	22,420	32,670	33,683	33,683	33,683	33,683
Total	10,445	11,962	22,420	32,670	33,683	33,683	33,683	33,683
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	10,458	11,962	22,420	32,670	33,683	33,683	33,683	33,683
Cancellations	13	0	0	0	0	0	0	0
Expenditures	10,445	11,962	22,420	32,670	33,683	33,683	33,683	33,683
<i>Biennial Change in Expenditures</i>				32,683		12,276		12,276
<i>Biennial % Change in Expenditures</i>				146		22		22
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Early Childhood and Family Support
Activity: Kindergarten Readiness

education.state.mn.us/MDE/dse/early/read/

AT A GLANCE

- In 2012, 7,700 (11.7%) of the 65,820 kindergartners were assessed at the beginning of the school year.
- MDE expects to have results from the Kindergarten Entry Profile (KEP) Pilot in fall 2016.
- The KEP includes comprehensive assessment tools that districts choose based on the needs of their students and teachers. These tools provide real-time data to help districts in their planning and practice. Each of the tools below are aligned to the Early Childhood Indicators of Progress (ECIP) and the Kindergarten Academic Standards. Each tool publisher also offers assessment versions designed for early learning programs.

PURPOSE & CONTEXT

The Kindergarten Entry Profile (KEP) is designed to help districts in determining the kindergarten readiness of their incoming kindergartners.

- Currently, the KEP is given to a sample of incoming kindergartners.
- It is designed to show kindergarten readiness and track readiness trends over time.

Districts are encouraged to use this tool as a method to report school readiness in the annual World's Best Work Force report

SERVICES PROVIDED

Kindergarten teachers observe children during the first eight weeks of kindergarten. The skills, knowledge and accomplishments measured include: personal and social development, language and literacy, mathematical thinking, physical development and the arts. They record their observations of the children in six areas of child development related to Minnesota's early learning standards. Results are compiled, analyzed and given to participating school sites.

State results are reported to the legislature. Local results are used by schools and districts to make decisions on program planning including teacher professional development planning, using data collected to inform professional learning communities, sharing aggregate results with stakeholders and sharing information on children's progress with families.

MDE:

- Provides information for parents, early childhood and parenting educators, caregivers and community members so that children are fully prepared to begin their formal education.
- Provides strategies and resources to help families and others support students as they enter kindergarten.
- Provides training to teachers and administrators on the assessment tool.
- Provides technical assistance on data collection.
- Compiles, analyzes and distributes the aggregate results of the assessments.
- Calculates and processes payments for this program.

RESULTS

According to a study published in 2011, Minnesota's School Readiness Indicators help predict third grade standardized test scores in reading and math. Children ready for kindergarten were at least twice as likely to exceed standards in both reading and math compared to kindergartners who were not ready.

Children not ready for kindergarten were more than twice as likely to have been in special education or retained by third grade when compared to kindergartners who were ready.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Percentage of schools participating in the state school readiness study.	13.5%	3.1%	9.3%
Quantity	Number of kindergarteners participating in the new KEP pilot.	1,198	767	1,914

M.S. 124D.162.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	211	320	281	281	281	281	281	281
Total	211	320	281	281	281	281	281	281
<i>Biennial Change</i>				31		0		0
<i>Biennial % Change</i>				6		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	110	130	110	86	86	86	86	86
Operating Expenses	101	190	171	195	195	195	195	195
Total	211	320	281	281	281	281	281	281
Full-Time Equivalents	1.3	1.6	1.6	1.8	1.1	0.8	1.1	0.8

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	281	281	281	281	281	281	281	281
Balance Forward In	0	79	0	0	0	0	0	0
Cancellations	0	40	0	0	0	0	0	0
Expenditures	211	320	281	281	281	281	281	281
Balance Forward Out	70	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				31		0		0
<i>Biennial % Change in Expenditures</i>				6		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	1.3	1.6	1.6	1.8	1.1	0.8	1.1	0.8

Program: Early Childhood and Family Support
Activity: Access to Quality Learning

AT A GLANCE

- Approximately 10 percent of the eligible 3- and 4-year-olds in the state are served by the Early Learning Education Scholarship program.
- In FY16, Parent Aware and Scholarships were available statewide.
- 964 children received a RTT-ELC scholarship through the end of FY2015.

PURPOSE & CONTEXT

Parent Aware, Minnesota's quality rating and improvement system (QRIS) and the Early Learning Scholarship program support the building and improvement of the state's early care and education system for young children. They are intended to improve school readiness outcomes for all Minnesota children, especially children with high needs, by increasing access to high-quality early care and education programs.

Minnesota also supports these efforts through the Race to the Top-Early Learning Challenge (RTT-ELC) federal grant.

These two activities assist in the identification and improvement of high-quality early care and education programs and providing financial assistance to families to attend programs identified as high quality

SERVICES PROVIDED

In fiscal year 2014, the state established a state-funded Early Learning Scholarship program with a \$23 million appropriation. That program has grown to \$59.9 million in fiscal year 2017. Beginning in fiscal year 2016, state-funded Early Learning Scholarships were available to eligible children statewide and the scholarship cap was raised from \$5,000 to \$7,500. Children receive scholarships for a 12-month period and may renew their scholarship until they are eligible for kindergarten.

Early Learning Education Scholarship program has two pathways:

- Pathway I scholarships are awarded directly to eligible families.
 - Families are granted a scholarship for up to \$7,500 to help cover the cost of attending a high-quality early learning program.
 - Scholarship funds are paid directly to the early learning program.
- Pathway II scholarships are awarded to families through an eligible Four-Star Parent Aware-rated program.
 - Early learning program quality is based on Parent Aware, Minnesota's tiered quality rating and improvement system.
 - Participating programs receive funding to provide scholarships to a specified number of eligible children to cover the cost of the program.

The RTT-ELC grant supports various activities designed to improve early learning and development programs for young children such as Parent Aware and Early Learning Scholarships.

The RTT-ELC grant supported the expansion of the Parent Aware program statewide over four years and will end December 31, 2016. In order to support the continuation of Parent Aware beyond RTT-ELC, the legislature allocated \$5.5 million dollars to MDE for the 2016-2017 biennium to transfer to the Department of Human Services to support the implementation of Parent Aware.

MDE administers all aspects of the grant program. Services include:

- Developing application process and reporting forms for applicants/recipients
- Providing technical assistance to applicants/recipients.
- Creating grant contract including work plans and budget information

- Calculating, auditing, and processing payments
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Quantity	Number of early care and education programs participating in Parent Aware.	575	1,467	1,892	2,343
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.	84%*	76%*	74%*	71%*
Quantity	Number of high-needs children attending a 3- or 4-Star Parent Aware rated early care or education program.	7,401	21,489	24,818	26,748
Quantity	Number of children receiving a scholarship	509	5,869	8,225	11,219

All Parent Aware data was pulled from the Minnesota Race to the Top – Early Learning Challenge, Annual Performance Report 2015.

Scholarship data was pulled from final data from each fiscal year.

*Overall of number of three- and four-star rated programs are increasing each year but at a slower rate than overall increase in Parent Aware participation.

CFDA 84.412; M.S. 124D.16

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	20,241	28,509	43,184	58,939	58,934	58,934	58,934	58,934
3000 - Federal	4,890	5,150	2,238	1,122	0	0	0	0
Total	25,131	33,659	45,422	60,061	58,934	58,934	58,934	58,934
<i>Biennial Change</i>				46,693		12,385		12,385
<i>Biennial % Change</i>				79		12		12
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	0	-1	0	0	0	0	0	0
Other Financial Transactions	434	394	172	318	283	283	283	283
Grants, Aids and Subsidies	24,697	33,266	45,250	59,744	58,652	58,652	58,652	58,652
Total	25,131	33,659	45,422	60,061	58,934	58,934	58,934	58,934
Total Agency Expenditures	25,131	33,659	45,422	60,061	58,934	58,934	58,934	58,934
Internal Billing Expenditures	0	-1	0	0	0	0	0	0
Expenditures Less Internal Billing	25,131	33,660	45,422	60,061	58,934	58,934	58,934	58,934
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	23,000	27,650	43,184	58,934	58,934	58,934	58,934	58,934
Balance Forward In	0	1,809	0	0	0	0	0	0
Net Transfers	(950)	(950)	0	5	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	20,241	28,509	43,184	58,939	58,934	58,934	58,934	58,934
Balance Forward Out	1,809	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				53,373		15,745		15,745
<i>Biennial % Change in Expenditures</i>				109		15		15
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	4,890	5,150	2,238	1,122	0	0	0	0
Expenditures	4,890	5,150	2,238	1,122	0	0	0	0
<i>Biennial Change in Expenditures</i>				(6,680)		(3,360)		(3,360)
<i>Biennial % Change in Expenditures</i>				(67)		(100)		(100)

Program: Early Childhood and Family Support
Activity: Health and Developmental Screening

education.state.mn.us/MDE/fam/elsprog/screen/

AT A GLANCE

- In FY 2015, a total of 54,991 children were screened. Outcomes included:
 - 6,383 children referred to the school readiness program.
 - 5,028 families referred to early childhood family education.
 - 1,498 children referred to Head Start.
 - 945 parents referred to adult education/literacy.
 - 5,973 referrals to special education.
 - 4,981 children received interpreter services during screening.

PURPOSE & CONTEXT

This purpose of this program is to detect factors that may impede children's learning, growth, and development. Every school board must provide for a mandatory program of early childhood health and developmental screening for children at least once before they start school. Districts receive state aid for every child screened prior to starting kindergarten, or within 30 days after first entering kindergarten.

This program supports the World's Best Workforce goal of helping ensure that all children are ready for school and supports a reduction in achievement gap so that children can get the necessary health and educational interventions needed prior to kindergarten enrollment.

SERVICES PROVIDED

A screening program must include the following components:

- developmental,
- hearing and vision screening or referral,
- immunization review and referral,
- the child's height and weight,
- identification of risk factors that may influence learning,
- an interview with the parent about the child, and
- referral for assessment, diagnosis, and treatment when potential needs are identified.

A district may also offer additional health screening components.

Families may opt out by submitting a signed statement of conscientiously held beliefs.

Children may receive a comparable screening through Head Start, Child and Teen Checkups/EPSTD or their health care provider.

A district must provide the parent or guardian of the child screened with a record indicating the month and year the child received screening and the results of the screening.

MDE calculates and processes screening aid payments and provides technical support to districts for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of three-year-old children receiving health and developmental screening.*	36.5%	36.4%	FY 2014 FY 2015

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of districts providing interpreter assistance for diverse populations to access screening.	37%	38%	FY 2014 FY 2015
Quantity	Referrals for further assistance made for children identified as having possible health and/or development problems or needs.	13,787	14,852	FY 2014 FY 2015

M.S. 121A.16; M.S. 121A.17; M.S.121A.19

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
Total	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
<i>Biennial Change</i>				136		185		185
<i>Biennial % Change</i>				2		3		3
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
Total	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

(Dollars in Thousands)

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	3,469	3,499	3,558	3,583	3,608	3,632	3,608	3,632
District Revenue	3,469	3,499	3,558	3,583	3,608	3,632	3,608	3,632
Direct Appropriation	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
Current Year	3,053	3,051	3,139	3,210	3,248	3,269	3,248	3,269
Prior Year	471	339	338	363	358	360	358	360
Expenditures	3,524	3,390	3,477	3,573	3,606	3,629	3,606	3,629
<i>Biennial Change in Expenditures</i>				136		185		185
<i>Biennial % Change in Expenditures</i>				2		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Early Childhood and Family Support
Activity: Head Start/Early Head Start

eclkc.ohs.acf.hhs.gov/hslc

AT A GLANCE

- 34 Head Start and Early Head Start grantees served 14,367 children and families in FY 2015.
- 14.2 percent of Head Start and 11.9 percent of Early Head Start children had a diagnosed disability in FY 2015.
- 1,325 homeless children received services in FY 2015.

PURPOSE & CONTEXT

Head Start and Early Head Start are state and federally funded programs that promote school readiness of children ages birth to five from low-income families by enhancing their cognitive, social and emotional development. By supplementing the federal Head Start funds with state funds, Minnesota is able to prepare more at-risk children to enter kindergarten by creating greater access to educational opportunities for children with high needs and to make progress on closing the achievement gap upon school entrance, which are two of the five World's Best Workforce goals.

SERVICES PROVIDED

Head Start provides a comprehensive program to children and families including:

- Health and nutrition.
- Education.
- Parent involvement.
- Social services.

Programs operate a center-based, home-based, and/or combination option.

- Head Start center-based programs must operate at least 3.5 hours per day, four days a week, for 128 days a year, and have at least two home visits.
- Early Head Start home-based programs must offer at least 48 home visits of 1.5 hours each, and have at least two socialization activities each month.
- Some programs also offer some full-day, full-year services through Head Start-child care partnerships.

Note: Federal Head Start regulations are being revised with an expected release date of fall 2016. Head Start programs will be given a timeline with support to begin full implementation in FY 2017.

Minnesota Department of Education (MDE):

- Houses the state's Head Start Collaboration director. We work together to coordinate and integrate federal Head Start funding and services with state Head Start funding and services across the state.
- Provides leadership to Head Start agencies across the state in the implementation of Parent Aware, as well as other early learning services.
- Calculates and processes aid payments and provides technical support to grantees for the implementation of this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Percentage of children meeting developmental benchmarks upon exiting Head Start.*	88%	91%	FY2013 FY2014

Quantity	Number of children assessed upon exiting Head Start.*		3,062 2,226	FY2013 FY2014
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*This is a new measurement beginning with results in 2013. Results are based on using three research-based assessment tools: Teaching Strategies Gold; High Scope/Cor; and Work Sampling. The FY2014 count reflects only Teaching Strategies Gold.

M.S.119A.50 - M.S.119A.545; U.S.C.9840 et seq.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	20,100	20,091	25,100	25,100	25,100	25,100	25,100	25,100
Total	20,100	20,091	25,100	25,100	25,100	25,100	25,100	25,100
<i>Biennial Change</i>				10,009		0		0
<i>Biennial % Change</i>				25		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	20,100	20,091	25,100	25,100	25,100	25,100	25,100	25,100
Total	20,100	20,091	25,100	25,100	25,100	25,100	25,100	25,100
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	20,100	20,100	25,100	25,100	25,100	25,100	25,100	25,100
Cancellations	0	9	0	0	0	0	0	0
Expenditures	20,100	20,091	25,100	25,100	25,100	25,100	25,100	25,100
<i>Biennial Change in Expenditures</i>				10,009		0		0
<i>Biennial % Change in Expenditures</i>				25		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Early Childhood and Family Support
Activity: Infants and Toddlers Part C

helpmegrowmn.org/HMG/index.htm

AT A GLANCE

- 5,524 Minnesota infants and toddlers with disabilities were counted as being served through Individual Family Service Plans (IFSP) on December 1, 2015.
- Part C services are funded with federal grant dollars, state special education aid and general education revenue.

PURPOSE & CONTEXT

The federally regulated Infants and Toddlers program provides individualized family-centered services to eligible children and their families in order to aid in the development of very young children showing delays in development.

This program supports the World's Best Workforce goal of all children being ready for school.

SERVICES PROVIDED

Federal funds support 12 Interagency Early Intervention Committees (IEICs) that conduct public awareness and outreach activities to seek out and identify potentially eligible infants and toddlers.

- Specific services are determined for each eligible child and family based on the child's needs and family priorities.
- Services most often include special instruction, speech therapy and occupational or physical therapy.
- Ninety-seven percent of eligible infants and toddlers receive early intervention services in their homes.

The Minnesota Department of Education (MDE) is responsible for:

- Individualized family service plans and service coordination.
- Personnel development to ensure that personnel are appropriately and adequately prepared and trained.
- Carrying out general administration and supervision.
- Policy for contracting or otherwise arranging for services, and procedure for securing timely reimbursement of funds.

RESULTS

Performance Measure 1:

<i>Child Outcomes</i>	<i>FFY 2012</i>	<i>FFY 2013</i>	<i>FFY 2014</i>
Children will demonstrate positive relationships	57.7% 48.5%	54.1% 49.8%	51.2% 50.0%
A. Greater than expected progress			
B. Exited Part C within age expectations			
Children will acquire and use knowledge and skills	61.2% 45.1%	60.2% 44.1%	60.3% 44.5%
A. Greater than expected progress			
B. Exited Part C within age expectations			
Children will take action to meet needs	67.7% 49.7%	61.9% 51.3%	62.0% 51.5%
A. Greater than expected progress			
B. Exited Part C within age expectations			

Performance Measure 2:

<i>Child Outcomes</i>	<i>FFY 2012</i>	<i>FFY 2013</i>	<i>FFY 2014</i>
Percent of participating families who report that the Infants and Toddlers program has helped their child develop and learn	86.8%	89.8%	87.8%

M.S. 125A.26 – 48

Part C of the Individuals with Disabilities Education Act

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
3000 - Federal	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
Total	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
<i>Biennial Change</i>				1,173		1,706		1,706
<i>Biennial % Change</i>				9		12		12
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	75	239	0	104	111	115	111	115
Operating Expenses	354	262	471	750	437	386	437	386
Other Financial Transactions	0	0	-1	0	0	0	0	0
Grants, Aids and Subsidies	6,240	6,084	5,537	7,566	7,519	7,566	7,519	7,566
Total	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
Total Agency Expenditures	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
Internal Billing Expenditures	32	73	38	57	57	57	57	57
Expenditures Less Internal Billing	6,637	6,512	5,969	8,363	8,010	8,010	8,010	8,010
<u>Full-Time Equivalents</u>	0.8	2.2	0.1	0.5	0.5	0.5	0.5	0.5

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
Expenditures	6,670	6,585	6,007	8,420	8,067	8,067	8,067	8,067
<i>Biennial Change in Expenditures</i>				1,173		1,706		1,706
<i>Biennial % Change in Expenditures</i>				9		12		12
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.8	2.2	0.1	0.5	0.5	0.5	0.5	0.5

Program: Early Childhood and Family Support

Activity: Preschool Special Education-IDEA Part B/Section 619

helpmeginn.org/HMG/index.htm

AT A GLANCE

- 15,843 children ages 3-5 with disabilities were counted as being served through Individual Education Program plans on December 1, 2015.
- More than half of these children participate in regular early childhood programs and receive special education services in those settings.

PURPOSE & CONTEXT

The Preschool Special Education program provides individualized education services to preschool children with disabilities.

Funding for services is a combination of federal funds, state special education aid and general education revenue.

This program supports the World's Best Workforce goal of helping ensure that all children are ready for school.

SERVICES PROVIDED

The program is federally mandated. Federal funds support statewide efforts to:

- Seek out and identify potentially eligible children.
- Provide professional development opportunities promoting evidence-based practices through the Regional Centers of Excellence.

Services are provided to each eligible child through an Individualized Education Program. The goal is to increase each child's ability to actively and independently participate in current and future environments such as home, preschool and kindergarten.

Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.

The Minnesota Department of Education:

- Processes payments/reimbursements.
- Provides professional development.
- Collects and reports data.
- Interprets regulations, statutes and rules.
- Connects children and families to appropriate local programs and monitors local implementation.

RESULTS

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years 2012-2014. While data demonstrates mixed performance trends, some evidence shows positive impact of efforts to turn the curve or, at a minimum, to slow downward progress.

<i>Child Outcomes</i>	<i>FFY 2012</i>	<i>FFY 2013</i>	<i>FFY 2014</i>
Children will demonstrate positive relationships	71.9%	71.4%	69.6%
a. Greater than expected progress	54.7%	56.9%	55.3%
b. Exited Part C within age expectations			

<i>Child Outcomes</i>	<i>FFY 2012</i>	<i>FFY 2013</i>	<i>FFY 2014</i>
Children will acquire and use knowledge and skills	72.9%	71.7%	72.5%
a. Greater than expected progress	53.8%	54.8%	53.0%
b. Exited Part C within age expectations			
Children will take action to meet needs	73.1%	72.6%	70.1%
a. Greater than expected progress	65.1%	66.5%	64.3%
b. Exited Part C within age expectations			

M.S. 125A.01 – 03

Part B/Section 619 of the Individuals with Disabilities Education Act

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
3000 - Federal	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
Total	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
<i>Biennial Change</i>				(7,769)		5,298		5,298
<i>Biennial % Change</i>				(46)		58		58
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
Total	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
Full-Time Equivalents	0	0	0	0	0	0	0	0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	0	0	0	0	0	0	0
Receipts	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
Expenditures	10,722	6,249	5,302	3,900	7,250	7,250	7,250	7,250
Balance Forward Out	0	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(7,769)		5,298		5,298
<i>Biennial % Change in Expenditures</i>				(46)		58		58
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Early Childhood and Family Support
Activity: Special Family Opportunities

northsideachievement.org/

wilder.org/community-leadership/saint-paul-promise-neighborhood/Pages/default.aspx

AT A GLANCE

- State funding for the Northside Achievement Zone and St. Paul Promise Neighborhood programs was made available in FY 2015.
- The Northside Achievement Zone and St. Paul Promise Neighborhood are Promise Neighborhoods, a federal designation for eligible neighborhoods that seek to improve educational and developmental outcomes of children and youth in those communities.
- The St. Cloud Preschool Pilot Program is a one-time FY 2017 appropriation, available until June 30, 2019.
- The Education Partnership Pilot Program was implemented in FY 2016.
- The Legislature allocated funding to the Minnesota Department of Education for the 2016-2017 biennium, to flow through to the Department of Human Services to support the implementation of Parent Aware – Quality Rating and Improvement System.

PURPOSE & CONTEXT

Special family opportunities include the Northside Achievement Zone; St. Paul Promise Neighborhood; St. Cloud preschool pilot program; Education Pilot Programs in Northfield, Red Wing, and St. Cloud; and the Quality Rating and Improvement System.

The Northside Achievement Zone and St. Paul Promise Neighborhood programs are annual grants designed to reduce multigenerational poverty, prepare children for kindergarten, support third-grade reading proficiency, and reduce the educational achievement gap, which are three of the five World's Best Workforce goals.

- These programs are available to Minneapolis residents living within the geographic boundaries of the Northside Achievement Zone, and residents of the St. Paul Promise Neighborhood, a 250 square block area in the central neighborhoods of St. Paul.

The purpose of the St. Cloud preschool pilot program is to establish a preschool pilot program serving at least 90 students from families with low income, or from families where English is not the primary language spoken in the child's home environment. This program supports the World's Best Workforce goals of having students be ready for school and closing the racial and economic achievement gaps between students.

Each Education Partnership Pilot Program grantee is to support partnerships in the community focused on:

- Academic achievement and youth development.
- Use of a comprehensive and data-driven approach to increase student success.
- Measuring outcomes, such as kindergarten readiness, reading proficiency at third grade, high school graduation, and college and career readiness—all of which are goals of the World's Best Workforce.

The Quality Rating and Improvement System (QRIS) framework is designed to ensure that Minnesota's children have access to high-quality early learning and care programs in a range of settings so that they are fully ready for kindergarten by 2020.

- The Quality Rating and Improvement System supports the World's Best Workforce goals of having all children ready for school and closing the racial and economic achievement gap.

SERVICES PROVIDED

The Northside Achievement Zone and St. Paul Promise Neighborhood programs provide the Northside Achievement Zone and the St. Paul Promise Neighborhood each with an annual grant of \$1.210 million for programming and services consistent with federal Promise Neighborhood program requirements.

The Minnesota Department of Education (MDE) processes aid payments for these programs.

The \$430,000 FY17 appropriation for the St. Cloud Early Learning Pilot funds may be used to:

- Purchase developmentally appropriate furniture and materials, instructional materials, and curriculum materials.
- Hire and train teachers and staff.
- Offset transportation costs.

Independent School District (ISD) 742, St. Cloud, must submit an annual report by January 15 of 2017, 2018, and 2019, describing the activities undertaken and outcomes achieved with this grant. The 2019 report must contain recommendations for other districts interested in similar pre-kindergarten programs.

The Education Partnership Pilot program grants \$167,000 in FY 2016 and \$177,000 in FY 2017 to:

- Northfield Healthy Community Initiative for a pilot site in Northfield.
- Jones Family Foundation for a pilot site in Red Wing.
- ISD 742, St. Cloud, for a pilot site in St. Cloud.

By February 15 of every even-numbered year, each Education Partnership Pilot grant recipient shall submit to the Minnesota Legislature a report describing:

- Activities funded by the grant.
- Changes in outcome measures attributable to the grant-funded activities.
- Recipient's program plan for the following year.

The Quality Rating System, supported by an appropriation transfer from MDE to the Department of Human Services, creates a standards-based voluntary quality rating and improvement system for early learning and care programs which includes:

- Quality opportunities to improve the educational outcomes of children so that they are ready for school.
- A tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality.
- Tracking progress toward statewide access to high-quality early learning and care programs, low-income children with parents who can access quality programs, and increasing the number of children who are fully prepared to enter kindergarten.

RESULTS

The St. Cloud Early Learning Pilot and the Education Partnership Pilots are new pilot programs. There is no data for them at this time.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2013 year-end</i>	<i>2014 year-end</i>	<i>FY 2015*</i>
Quantity	Number of families enrolled in the Northside Achievement Zone	548	739	873
Quantity	Number of scholars enrolled in the Northside Achievement Zone	1,390	1,735	1,867

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Results	MCA 3 rd -5 th grade reading proficiency for students in Northside Achievement Zone	19%	19%	20%
Results	MCA 3 rd -5 th grade math proficiency for students in Northside Achievement Zone	34%	30%	27%

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Results	Number of students participating in the St. Paul Promise Neighborhood Freedom Schools	224	325	353	431
Results	Percentage of students who were consistent participants in the St. Paul Promise Neighborhood Freedom School	87%	83%	91%	93%
Results	Number of Freedom School Sites	1	2	1	2

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Quantity	Number of early care and education programs participating in Parent Aware.	575	1,467	1,892	2,343
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.**	84%	76%	74%	71%
Quantity	Number of high-needs children attending a 3- or 4-Star Parent Aware rated early care or education program.	7,401	21,489	24,818	26,748
Quantity	Number of children receiving a scholarship***	509	5,869	8,225	11,219

*Report was changed from year-end to fiscal year in FY 2015.

**All Parent Aware data was pulled from the Minnesota Race to the Top – Early Learning Challenge, Annual performance Report 2015.

***Scholarship data was pulled from final data from each fiscal year.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	0	700	2,901	3,381	2,400	2,400	2,900	2,900
Total	0	700	2,901	3,381	2,400	2,400	2,900	2,900
<i>Biennial Change</i>				5,582		(1,482)		(482)
<i>Biennial % Change</i>				797		(24)		(8)
<i>Governor's Change from Base</i>								1,000
<i>Governor's % Change from Base</i>								21

Expenditures by Category

Grants, Aids and Subsidies	0	700	2,901	3,381	2,400	2,400	2,900	2,900
Total	0	700	2,901	3,381	2,400	2,400	2,900	2,900
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	700	4,101	7,681	4,150	4,150	4,650	4,650
Net Transfers	0	0	(1,200)	(4,300)	(1,750)	(1,750)	(1,750)	(1,750)
Expenditures	0	700	2,901	3,381	2,400	2,400	2,900	2,900
<i>Biennial Change in Expenditures</i>				5,582		(1,482)		(482)
<i>Biennial % Change in Expenditures</i>				797		(24)		(8)
<i>Gov's Exp Change from Base</i>								1,000
<i>Gov's Exp % Change from Base</i>								21

Program: Community Support Services
Activity: Community Education

AT A GLANCE

- Every Minnesota school district operates a community education program.
- For FY 2015, school districts received \$29.1 million in general community education revenue, \$5.2 million in youth service program revenue, and \$5.0 million in after-school enrichment revenue.
- For FY 2015, the state share of community education revenue was \$1.1 million, and the local property tax share was \$38.2 million.

PURPOSE & CONTEXT

The community education program is a state aid and local property tax levy program, designed to maximize the community's use of public schools and to promote the use of school facilities beyond the regular school day.

Programs serve participants of all ages from preschool through senior citizens.

This program supports all five of the World's Best Workforce goals.

SERVICES PROVIDED

Community education provides services beyond the regular K-12 program. Programs may include:

- Adults with disabilities.
- Adult basic education (ABE).
- Youth development and youth service.
- Early childhood family education (ECFE) and school readiness programs.
- School-age care.
- Summer programs for elementary and secondary pupils and youth after-school enrichment programs.
- Non-vocational, recreational, and leisure activities.

School boards must establish a community education advisory council and, with some exceptions, must employ a licensed community education director.

An annual report is required from each district that provides a community education program.

Total Community Education revenue includes a district's general community education revenue, youth service program revenue, and youth after-school enrichment revenue. These revenues are calculated based on a school district's population and its property tax capacity.

MDE calculates and processes aid payments for this program.

RESULTS

MDE does not collect data to show impact of the programming other than the number of individuals that received services.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous FY 2013</i>	<i>Current FY 2015</i>
Quantity	Number of districts submitting general annual report	300	292

M.S.124D.18 – M.S.124D.20

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	955	1,059	790	555	483	393	483	393
Total	955	1,059	790	555	483	393	483	393
Biennial Change				(669)		(469)		(469)
Biennial % Change				(33)		(35)		(35)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	955	1,059	790	555	483	393	483	393
Total	955	1,059	790	555	483	393	483	393
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	930	1,074	758	533	477	384	477	384
Levies	37,685	37,574	38,420	39,276	39,583	38,727	39,583	38,727
District Revenue	38,615	38,648	39,178	39,809	40,060	39,111	40,060	39,111
Direct Appropriation	955	1,060	790	555	483	393	483	393
Current Year	837	967	683	480	430	346	430	346
Prior Year	118	93	107	75	53	47	53	47
Net Transfers	0	7	0	0	0	0	0	0
Cancellations	0	8	0	0	0	0	0	0
Expenditures	955	1,059	790	555	483	393	483	393
<i>Biennial Change in Expenditures</i>				(669)		(469)		(469)
<i>Biennial % Change in Expenditures</i>				(33)		(35)		(35)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Community Support Services
Activity: Adults With Disabilities

AT A GLANCE

- This program funds local community education programs for adults with disabilities.
- Approved programs may receive revenue equal to the lesser of \$60,000 or actual expenditures.

PURPOSE & CONTEXT

This aid and property tax levy program has provided revenue to the same set of school districts to support community education programs and services for adults with disabilities. This aid program addresses the World's Best Workforce goal of all students being ready for a career.

SERVICES PROVIDED

- Revenue for most districts is 50 percent state aid and 50 percent local property tax levy.
- Four districts have a pilot program and receive \$10,000 each in aid with no matching property tax levy.

Programs use the following service strategies:

- Help for adults to participate in community activities (including one-on-one assistance, Braille, and interpreter services)
- Classes specifically for adults with disabilities
- Outreach to identify adults needing services
- Activities to increase public awareness of the roles of people with disabilities

MDE calculates and processes aid payments to districts and determines their property tax levy for this program.

RESULTS

Since this funding has been the same since the 1989 program inception, it has been available to the same districts. Program performance data are not collected by MDE and school districts are not required to report on the details of their programs. District reporting of use of funds is limited to the reporting of expenditures in the Uniform Financial Accounting and Reporting System.

- 37 districts participated in this program in FY 2016.
- 13 of the 37 participating school districts are in the seven-county metropolitan area.

M.S. 124D.56

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	734	683	707	710	710	710	710	710
Total	734	683	707	710	710	710	710	710
<i>Biennial Change</i>				0		3		3
<i>Biennial % Change</i>				0		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	734	683	707	710	710	710	710	710
Total	734	683	707	710	710	710	710	710
<i>Full-Time Equivalents</i>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Levies	670	670	670	670	670	670	670	670
District Revenue	670	670	670	670	670	670	670	670
Direct Appropriation	734	710	710	710	710	710	710	710
Cancellations	0	27	3	0	0	0	0	0
Expenditures	734	683	707	710	710	710	710	710
<i>Biennial Change in Expenditures</i>				0		3		3
<i>Biennial % Change in Expenditures</i>				0		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Community Support Services
Activity: Adults Who Are Hearing Impaired

education.state.mn.us/MDE/dse/sped/cat/dhh/index.htm

AT A GLANCE

- In 2015, 13 sites submitted qualified requests for funds under this program.
- Demand exceeded the \$70,000 appropriation in three of the previous four years.

PURPOSE & CONTEXT

The hearing impaired adults program provides educational opportunities for adults who are deaf and hard-of-hearing. This program provides assistance with one-time costs for interpreter and note-taker services for adults participating in school district adult education classes, adult technical college programs, or private community agencies who are deaf and hard-of-hearing.

SERVICES PROVIDED

- This program provides assistance with the one-time costs of interpreter and note-taker services.
- The program is not meant to support all interpreter services for adult learners who are deaf and hard-of-hearing, but to help in unforeseen situations.

MDE calculates and processes aid payments for this program.

RESULTS

The rate at which sites request funds in consecutive years provides a gauge whether providers are anticipating, and budgeting for, support for individuals with hearing impairments. It is difficult to draw assumptions regarding the true statewide demand for services, since most districts or non-profit providers also seek other resources to meet their needs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2015</i>
Quantity	Number of educational programs for which interpreter and note-taker services costs were reimbursed.	113	107

M.S. 124D.57

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	70	70	0	70	70	70	70	70
Total	70	70	0	70	70	70	70	70
<i>Biennial Change</i>				(70)		70		70
<i>Biennial % Change</i>				(50)		100		100
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	70	70	0	70	70	70	70	70
Total	70	70	0	70	70	70	70	70
Total Agency Expenditures	70	70	0	70	70	70	70	70
Expenditures Less Internal Billing	70	70	0	70	70	70	70	70
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	70	70	70	70	70	70	70	70
Cancellations	0	0	70	0	0	0	0	0
Expenditures	70	70	0	70	70	70	70	70
<i>Biennial Change in Expenditures</i>				(70)		70		70
<i>Biennial % Change in Expenditures</i>				(50)		100		100
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Community Support Services
Activity: School Age Care

AT A GLANCE

- School Age Care revenue was funded totally by local property tax levy in FY 2015 (\$0 state aid).
- The total levy for FY 2015 was \$13.6 million.

PURPOSE & CONTEXT

School Age Care is a program that helps to ensure that all students within a district have equal access to after-school care and summer educational programming.

School districts with school age care programs are served by this program.

This program supports the World's Best Workforce goal of reducing the racial and economical achievement gaps between students.

SERVICES PROVIDED

School Age Care revenue reimburses districts for approved additional costs incurred to provide school age care to children with disabilities or children experiencing family or related problems of a temporary nature.

School Age Care property tax levy equals:

- School Age Care revenue, times
- The lesser of:
 - one, or
 - the ratio of (the adjusted net tax capacity of the district the year prior to levy certification, divided by the number of students living in the district for the levy year) to \$2,318.

School Age Care aid equals:

- School Age Care revenue minus School Age Care property tax levy.

Because of the low equalizing factor that offsets property taxes with state aid, all revenue has been in the form of local property tax.

The Minnesota Department of Education calculates aid and property tax levies and makes state aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
Quantity	Number of districts with school age care expenditures	136	135	151

M.S.124D.19; M.S.124D.22

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	1	0	1	1	1	1	1	1
Total	1	0	1	1	1	1	1	1
<i>Biennial Change</i>				1		0		0
<i>Biennial % Change</i>				100		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Grants, Aids and Subsidies	1	0	1	1	1	1	1	1
Total	1	0	1	1	1	1	1	1
Total Agency Expenditures	1	0	1	1	1	1	1	1
Expenditures Less Internal Billing	1	0	1	1	1	1	1	1
Full-Time Equivalents	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	0	0	0	1	1	1	1	1
Levies	13,231	13,636	14,090	14,686	15,215	15,661	15,215	15,661
District Revenue	13,231	13,636	14,090	14,687	15,216	15,662	15,216	15,662
Direct Appropriation	1	1	1	1	1	1	1	1
Current Year	0	0	0	1	1	1	1	1
Cancellations	0	1	0	0	0	0	0	0
Expenditures	1	0	1	1	1	1	1	1
<i>Biennial Change in Expenditures</i>				1		0		0
<i>Biennial % Change in Expenditures</i>				100		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Self Sufficient and Lifelong Learning

Activity: Adult Basic Education

education.state.mn.us/MDE/fam/abe/

AT A GLANCE

- 952 licensed teachers and 1,426 volunteers served over 62,138 students in FY 2015.
- Of all enrollees, 45 percent were English Language Learners, 8 percent had never attended school, 26 percent were unemployed and 17 percent were in correctional facilities.
- The ABE Innovative Program Grants are one-time grants appropriated for FY 2017.
- The ABE Education Grants – College Readiness Academy are one-time grants appropriated for FY 2017, available until June 30, 2019.

PURPOSE & CONTEXT

Adult basic education (ABE) is a state and federally funded program that provides adults educational opportunities to acquire and improve the literacy skills they need to become self-sufficient.

- This program supports the World's Best Workforce goals that all students graduate from high school, and are career and college ready.

The ABE College Readiness Grant is for the purpose of establishing a college readiness academy. The college readiness academy is a partnership between the International Institute Adult Basic Education (ABE) program, and St. Paul College and is designed to prepare ABE students to successfully enter college and complete credit-bearing courses needed for career-related credentials.

- This program supports the World's Best Workforce goal that all students are career and college ready.

The ABE Innovative Programs Grant is for purposes of expanding ABE programming at the International Education Center, American Indian OIC, and Communication Services for the Deaf ABE consortia.

- This program supports the World's Best Workforce goals that all students graduate from high school, and are career and college ready.

SERVICES PROVIDED

There are three state-funded programs in FY 2017 that provide funding and support for adult basic education. They are:

- Adult Basic Education.
- ABE Innovative Program Grants.
- ABE Education Grants – College Readiness Academy.

ABE program options:

- GED (General Education Development diploma)
- Adult Diploma
- English as a Second Language
- Family Literacy
- Basic Skills Education
- Workforce Preparation
- U.S. Citizenship and Civics
- Transition to Postsecondary Education

ABE is provided at over 300 sites located in every Minnesota county. Sites include public schools, workforce centers, community/technical colleges, prisons/jails, libraries, learning centers, tribal centers, and nonprofit organizations. Programs have voluntarily formed ABE consortia (42 administrative units) to maximize efficiency and to share resources.

The Minnesota Department of Education provides technical support, calculates aid entitlements, and pays aid to districts and consortia.

ABE Innovative Program Grants and ABE Education Grants College Readiness Academy are nonrecurring grant programs. MDE processes the payments as follows:

- ABE Education Grants – College Readiness Academy
 - \$400,000 for 2017
 - \$150,000 for College Readiness Academy
 - \$150,000 for Contextualized GED
 - \$100,000 for Navigator grants
- ABE Innovative Program Grants
 - \$400,000 for 2017

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2015</i>
Quantity	Clients who obtained a high school diploma or GED	3,932	825
Quantity	Clients who entered postsecondary education	2,971	7,343
Quality	Clients who were unemployed at program entry who obtained employment	42%	47%
Quality	Clients who were employed at program entry who retained employment	72%	73%

M.S. 124D.52; M.S. 124D.531; MN Laws 2016, ch.189, art.32, sec.5

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	49,269	47,602	48,231	49,557	50,010	51,497	50,010	51,497
3000 - Federal	5,317	4,731	5,050	5,106	5,106	5,106	5,106	5,106
Total	54,587	52,333	53,281	54,663	55,116	56,603	55,116	56,603
<i>Biennial Change</i>				1,024		3,775		3,775
<i>Biennial % Change</i>				1		3		3
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Compensation	260	0	0	0	0	0	0	0
Operating Expenses	269	0	0	0	0	0	0	0
Grants, Aids and Subsidies	54,058	52,333	53,281	54,663	55,116	56,603	55,116	56,603
Total	54,587	52,333	53,281	54,663	55,116	56,603	55,116	56,603
Total Agency Expenditures	54,587	52,333	53,281	54,663	55,116	56,603	55,116	56,603
Internal Billing Expenditures	59	0	0	0	0	0	0	0
Expenditures Less Internal Billing	54,528	52,333	53,281	54,663	55,116	56,603	55,116	56,603
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Entitlement	47,125	47,740	48,225	48,816	50,143	51,647	50,143	51,647
District Revenue	47,125	47,740	48,225	48,816	50,143	51,647	50,143	51,647
Direct Appropriation	49,291	47,750	48,231	49,557	50,010	51,497	50,010	51,497
Current Year	42,447	42,957	43,403	43,935	45,129	46,483	45,129	46,483
Prior Year	6,257	4,645	4,783	4,822	4,881	5,014	4,881	5,014
Cancellations	22	148	0	0	0	0	0	0
Expenditures	49,269	47,602	48,231	49,557	50,010	51,497	50,010	51,497
<i>Biennial Change in Expenditures</i>				917		3,719		3,719
<i>Biennial % Change in Expenditures</i>				1		4		4
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Receipts	5,317	4,731	5,050	5,106	5,106	5,106	5,106	5,106
Expenditures	5,317	4,731	5,050	5,106	5,106	5,106	5,106	5,106
<i>Biennial Change in Expenditures</i>				108		56		56
<i>Biennial % Change in Expenditures</i>				1		1		1
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Self Sufficient and Lifelong Learning
Activity: GED Tests

education.state.mn.us/MDE/dse/abe/ged/

AT A GLANCE

- 63 GED testing centers, including 10 at state correctional facilities.
- In FY 2016, 5,211 examinees took at least one GED test, and 3,180 examinees completed all the modules.
- In 2009, individuals with a GED earned about \$4,100 more per year than individuals who do not have a GED or diploma.
- Individuals earning a GED are eligible to receive federal financial aid, including Pell Grants, if they also meet income requirements.

PURPOSE & CONTEXT

This state aid program provides increased access for eligible individuals to complete the General Education Development (GED) battery of tests by paying a portion (up to \$40 per test battery) of the student's testing fees. Six percent of Minnesotans 25-64 years old lack a high school diploma or GED diploma.

This program supports the World's Best Workforce goals of having all students graduate from high school and all students be career and college ready.

SERVICES PROVIDED

This program provides supplemental funds that are used to pay a portion of the GED testing fee for eligible Minnesotans.

- In FY 2016, the \$125,000 in state funding paid for one-third of the cost of free tests, while Workforce Investment Act Incentive Grant funds were used to pay the remaining two-thirds.
- For FY 2017 only, the GED testing allocation was increased to \$245,000 to cover the full cost of a GED test battery.

The GED examination consists of four tests that measure outcomes associated with a high school education:

- Successful completion of the GED tests results in the awarding of a state of Minnesota GED diploma.
- A high school diploma or GED is required by many employers, is accepted by almost all Minnesota's postsecondary educational institutions, and serves as the evidence of "ability to benefit" required in order to receive a Pell Grant.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2016</i>
Quantity	Test Subsidies Provided	12,500	12,500
Quality	Percentage of GED candidates completing the full battery who passed*	81.1%	84.1%

* There were five GED tests in FY 2012 and four GED tests in FY 2016.

M.S. 124D.55

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	125	125	125	245	125	125	125	125
Total	125	125	125	245	125	125	125	125
<i>Biennial Change</i>				120		(120)		(120)
<i>Biennial % Change</i>				48		(32)		(32)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Category

Operating Expenses	0	125	125	245	125	125	125	125
Other Financial Transactions	1	0	0	0	0	0	0	0
Grants, Aids and Subsidies	124	0	0	0	0	0	0	0
Total	125	125	125	245	125	125	125	125
<u>Full-Time Equivalents</u>	0	0	0	0	0	0	0	0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	125	125	125	245	125	125	125	125
Expenditures	125	125	125	245	125	125	125	125
<i>Biennial Change in Expenditures</i>				120		(120)		(120)
<i>Biennial % Change in Expenditures</i>				48		(32)		(32)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

FY 2018-19 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Agriculture 10.541	Child Nutrition-Technology Innovation Grant To implement innovative technology solutions that will improve program accountability, data accuracy, program performance measurement, and the capacity to identify and target error-prone areas (locations or program functions) within and across the Child Nutrition Programs at the State and Local Educational Agency or Sponsor Organization levels.	yes	0	244	1,108	648		2.0
Agriculture 10.547	Professional Standards for School Nutrition Employees To establish minimum national professional standards for all school nutrition employees who manage and operate the National School Lunch and School Breakfast Programs.		58	106	18	0		0.1
Agriculture 10.553	Food & Nutrition Services-Breakfast School Breakfast Program funds to reimburse participating public and nonprofit private schools, of high school grade and under and residential child care institutions, for breakfasts to eligible children.		50,421	50,513	52,029	53,589	match	
Agriculture 10.555	Food & Nutrition Services-Lunch School lunch program to reimburse participating public and nonprofit private schools, of high school grades or under, including residential child care institutions, for lunches meeting the nutritional requirements to eligible children.		163,132	178,141	178,141	183,485	match	

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Agriculture 10.556	Food & Nutrition Services-Special Milk To encourage the consumption of milk by children in public and private nonprofit schools of high school grade and under, public and private nonprofit nursery schools, and child-care centers. Milk served free to eligible needy children is reimbursed at the average cost of a half pint of milk.		721	986	1,016	1,046	match	
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Commodities To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.		1,369	1,377	1,418	1,460		
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Audit To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.		989	1,251	1,289	1,328		9.8
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Food Service To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.		57,275	59,861	61,654	63,504		

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Sponsor Admin To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.		5,670	6,944	7,152	7,367		
Agriculture 10.559	Food Nutrition Services-Summer Food Service Program State Admin Expenses Nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.		294	411	424	437		1.6
Agriculture 10.559	Food & Nutrition Services-Summer Food Program Sponsor Admin Initiate and maintain nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.		817	925	954	983	match	
Agriculture 10.559	Food & Nutrition Services-Summer Food Program Initiate and maintain nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.		7,964	9,155	9,430	9,713		
Agriculture 10.560	Food & Nutrition Services-State Admin Expense Administrative funds to supervise and give technical assistance to local schools, school districts and institutions with their Child Nutrition Programs.		4,579	5,119	5,123	4,999	match	34.6

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Agriculture 10.561	Food & Nutrition Services-Healthy Hunger Free Kids To provide Federal financial aid to State agencies for costs incurred to operate the Supplemental Nutrition Assistance Program.		141	0	0	0		
Agriculture 10.574	Food & Nutrition Services-Team Nutrition Training Grants To improve children's lifelong eating and physical activity habits by using the principles of the Dietary Guidelines for Americans and the USDA Food Guidance System.		159	168	161	160		1.3
Agriculture 10.579	Child Nutrition Discretionary Grants Limited Availability 1)To provide equipment to improve school food services. 2)Administrative Review and Training (ART) grants- to provide funding for state agencies to be used for oversight and training of administrative personnel on application, certification, verification, meal counting, and meal claiming procedures.		716	808	404	389		
Agriculture 10.582	Food & Nutrition Services-Fresh Fruits & Vegetables Selected low-income public and nonprofit private elementary schools are reimbursed for produce served to school children outside of the lunch or breakfast food service periods.		3,038	3,314	3,497	3,597		0.5
	Agriculture Total		297,343	319,323	323,818	332,705		
Labor 17.266	Work Innovation Act To develop increased workforce system strategies to connect services among system providers.		213	502	0	0		
	Labor Total		213	502	0	0		

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Institute of Museum & Library Services 45.310	Library Services and Technology Act – Grants to States Promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public		2,793	2,855	2,854	2,855	match & MOE	7.7
Institute of Museum & Library Services 45.313	Laura Bush 21st Century Librarian Program Supports professional development, graduate education and continuing education to help libraries and archives develop the human capital capacity they need to meet the changing learning and information needs of the American public.	yes	0	0	96	95		0.1
	Institute of Museum & Library Services Total		2,793	2,855	2,950	2,950		
Education 84.002	Adult Basic Education Programs for adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and integrated English literacy-civics education programs. Participation is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent.		6,160	6,081	6,081	6,081	match & MOE	5.6
Education 84.010	Title 1 Assist local educational agencies and schools to improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.		147,274	168,977	168,977	168,976		14.7

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.011	Migrant Education To ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet.		4,019	2,241	2,242	2,242		1.3
Education 84.013	Title I Neglected & Delinquent To help provide educational continuity for neglected and delinquent children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released.		272	908	808	808		0.1
Education 84.027	Special Education—Children with Disabilities Formula grant to provide special education & related services needed to eligible children as authorized under Individuals with Disabilities Education Act.		179,648	209,237	209,235	209,235	MOE	79.8
Education 84.048	Carl Perkins Act – Vocational Education Develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.		7,085	7,594	7,595	7,594	match & MOE	6.8
Education 84.144	Migrant Education - Coordination Program Participate in consortia that provide high-quality project designs and services to improve the interstate or intrastate coordination of migrant education programs by addressing key needs of migratory children who have their education interrupted.		3	62	8	0		0.5

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.173	Early Childhood – Special Education Preschool Grant Part B Provide special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year- old children with disabilities who will reach age three during the school year.		6,422	5,296	8,765	8,766	MOE	4.9
Education 84.181	Early Childhood – Special Education Infants & Toddlers Grant Part C Implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.		6,756	9,201	8,849	8,849	MOE	5.8
Education 84.196	Homeless Children Ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.		743	1,054	1,054	1,054		1.3
Education 84.206	Javits Gifted and Talented Students Education To promote and initiate a coordinated program of evidence-based research, demonstration projects, innovative strategies, and similar activities designed to build and enhance the ability of elementary and secondary schools nationwide to identify gifted and talented students and meet their special education needs.		82	264	166	20		
Education 84.282	Charter Schools Support the planning, development, and initial implementation of charter schools and the dissemination of information on charter schools.		8,619	8,809	8,757	8,757		1.9

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.287	21st Century Community Learning Create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools to help students meet state and local student standards in core academic subjects and offers literacy and other educational services to the families of participating children.		13,091	14,651	12,285	12,285		2.9
Education 84.323	Special Education – State Personnel Development Reform and improve systems for school personnel preparation and professional development in early intervention, educational and transition services, to improve results for children with disabilities.		1,186	1,381	1,382	1,382		1.2
Education 84.326	Deaf & Blind Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		132	277	171	171		
Education 84.358	Rural & Low Income Schools Provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.		467	464	514	514		
Education 84.365	English Language Acquisition State Grants To help ensure that English learners (ELs), including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards that all children are expected meet.		8,809	9,017	9,914	10,258	MOE	3.4

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.365	Asian American and Pacific Islander Data Disaggregation Initiative To collect student data on all populations reporting 1,000 or more residents in the most recent decennial census, beginning in the 2017-2018 school year. To ensure that schools and districts have access to disaggregated data that can strengthen academic programs and close the achievement gap		0	399	397	397		0.5
Education 84.366	Math & Science Partnerships To improve the academic achievement of students in mathematics and science.		1,631	1,830	1,176	431		0.6
Education 84.367	Title II Improving Teacher Quality/Effective Teachers and Leaders To improve teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement.		29,063	31,564	31,565	31,565		7.2
Education 84.368	Competitive Grants for State Assessments Support efforts to: improve the quality, validity, and reliability of State academic assessments and measure student academic achievement. Develop or improve models; to measure and assess student progress or growth, assessments for English learners and for children with disabilities. Develop and use comprehensive assessment instruments.		416	932	1,024	682		0.1

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.368	Comprehensive Learning Alternate Assessment Support System (CLASS) Project To develop an innovative standards-based, technology-enhanced alternate assessment system in three content areas. To be aligned across curriculum/instruction, benchmark assessments, and the summative assessment. The assessment system will support data-informed decision making.		0	400	1,400	1,000	match	0.1
Education 84.369	State Assessments Support the development of the additional State assessments and standards required by Section 1111(b) of the Elementary and Secondary Education Act, as amended; and (2) if a State has developed the assessments and standards required by Section 1111(b), then to support the administration of those assessments or to carry out other activities related to ensuring that the State's schools and local education agencies are held accountable for results.		5,967	6,801	7,800	7,800		12.4
Education 84.374	Teacher and School Leader Incentive Grants To support several selected high needs schools that participate in Q comp to better implement teacher leadership structures focusing on equity and teacher retention in their schools.	yes	0	0	10,000	10,000	match	4.0
Education 84.377	School Improvement Grants Competitive subgrants to local educational agencies that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools.		4,516	7,151	6,151	5,151		1.8

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Education 84.372	Statewide Longitudinal Data Systems To enable State educational agencies to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data, to facilitate analyses and research to improve student academic achievement and close achievement gaps.		441	2,812	2,271	1,874		4.1
Education 84.412	Race to the Top Early Learning To improve the quality of early childhood programs and to close the achievement gap for high-need children.		15,069	6,000	0	0		1.8
Education 84.419	Preschool Development Grant-Pay for Success Feasibility Pilot To study the feasibility of using a Pay for Success funding structure to enhance the quality of voluntary pre-kindergarten programs in Minnesota through the addition of the Pyramid Model.	yes	0	60	337	0		0.1
Education Total			447,871	503,463	508,924	505,892		
Health & Human Services 93.600	Head Start Promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals.		121	133	133	133	match	0.8

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2016 Actuals	FY2017 Budget	FY2018 Base	FY2019 Base	Required State Match or MOE?	FTEs
Health & Human Services 93.079	Adolescent Health To help school districts and schools develop and implement sustainable program activities to reduce HIV infection and other sexual transmitted disease among adolescents, as well as, reinforce efforts to reduce teen pregnancy rates, experienced by specific adolescent sub-populations.		363	362	420	420		2.1
	Health & Human Services Total		484	495	553	553		
Education	Contract – National Assessment of Education Progress Coordinate state's participation in the federally required assessments of the National Assessments Governing Board.		157	0	0	0		
Education	Contract – Performance Based Data Management Initiative To improve and institutionalize ED Facts reporting processes within the state.		24	0	0	0		
	Education Contracts Total		181	0	0	0		
	MDE Total Federal Funds		748,885	826,638	836,245	842,100		223.4

MDE Federal Fund Summary Narrative:

Federal Funds make up 8% of Minnesota Department of Education's (MDE) budget and are projected to be \$825 and \$831 million for State fiscal years 2018 and 2019 respectively. Title and Special Education funding has remained the same or shown a slight increase that is insignificant when compared to the increased cost of providing services to eligible students. 95% of Federal Funds flow thru to LEAs.

Major programs with Maintenance of Effort (MOE) include Title I, Special Education, English Language Acquisition, and Adult Basic Education (ABE). Title I and ABE require LEAs to spend at least 90% of prior year funding from state and local efforts to avoid a prorated loss of federal funds. For Special Education, states are subject to MOE and are required to spend the same amount of funding as the previous year in order to receive IDEA Parts B and C funds. Food & Nutritional Services, ABE and Carl Perkins also require a state match for the state to receive federal funds.