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AT A GLANCE

MDE Customers and Stakeholders (2017)

- 861,540 students in prekindergarten through grade 12.
- Over 125,000 children participating in early learning programs.
- 331 school districts and 169 charter schools.
- 61,822 adult learners in fiscal year (FY) 2018.

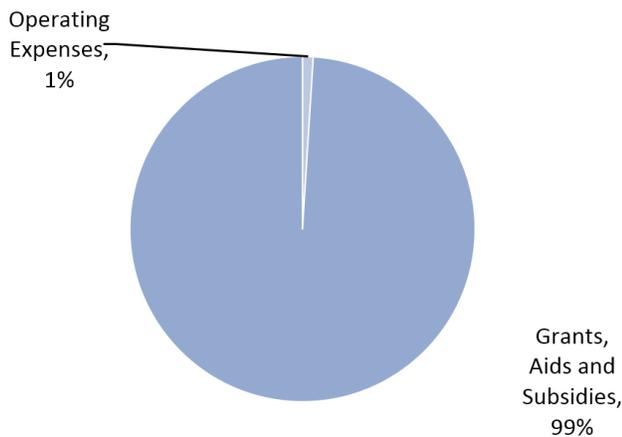
PURPOSE

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: 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, prekindergarten 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.

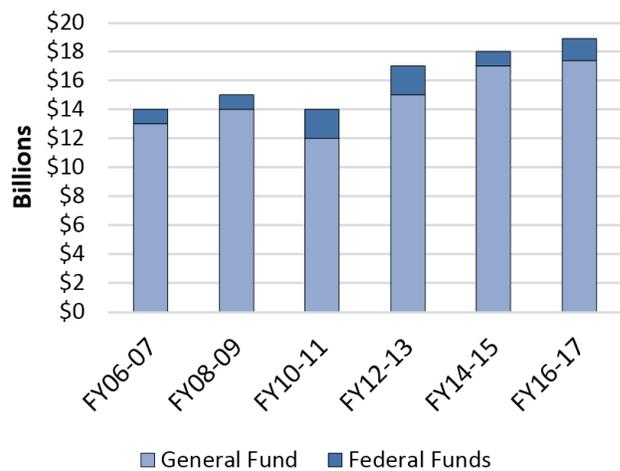
BUDGET

**Spending by Category
FY 17 Actual**



Source: Budget Planning and Analysis System (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 FY 2010-11 spending to decrease. Repayment of the shifts began in FY 2012, causing the FY 2012-13 spending to increase.

In FY 2016-17, 95 percent of education funding was from the state general fund and 5 percent was from federal funds. In FY 2017, actual spending was \$9.7 billion; \$9.6 billion was passed through the agency as grants and aids,

and \$90 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.

Prekindergarten through 12 Systems

MDE programs provide support for systems improvement through a comprehensive, collaborative approach. For example, works to improve teacher and leader quality by supporting and improving implementation of local teacher and principal professional development and evaluation support systems that will benefit all Minnesota students. The state accountability system under the federal Every Student Succeeds Act and WBWF legislation measures student performance from pre-K through postsecondary education and provides a comprehensive model of continuous 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 federally 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

Education

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<i>Expenditures by Fund</i>								
1000 - General	8,486,034	8,858,737	9,209,053	9,579,731	9,671,910	9,834,979	9,853,096	10,217,239
2000 - Restrict Misc Special Revenue	10,853	10,535	10,710	11,656	9,011	7,056	8,779	6,824
2001 - Other Misc Special Revenue	700	737	829	344			70,932	70,932
2301 - Arts & Cultural Heritage	2,106	2,134	2,469	2,597				
2403 - Gift	62	71	101	187	127	125	127	125
3000 - Federal	748,887	774,850	771,633	831,982	842,821	832,155	842,821	832,155
3801 - Endowment School	27,763	29,958	33,023	35,458	35,753	36,048	35,753	36,048
6000 - Miscellaneous Agency	3		1	6	5	5	5	5
Total	9,276,408	9,677,023	10,027,818	10,461,961	10,559,627	10,710,368	10,811,513	11,163,328
Biennial Change				1,536,347		780,216		1,485,062
Biennial % Change				8		4		7
Governor's Change from Base								704,846
Governor's % Change from Base								3

Expenditures by Program

Education Leadership & Support	88,547	89,727	111,968	139,159	136,915	122,649	146,895	129,247
General Education	6,695,101	6,860,087	7,103,062	7,266,521	7,280,165	7,315,352	7,480,094	7,671,616
Other General Education	47,550	46,026	47,898	50,882	50,358	50,795	51,020	51,995
Choice Programs	151,096	155,858	166,312	177,629	190,778	199,850	191,337	200,504
Indian Education	9,621	10,384	12,486	12,977	11,868	11,980	13,364	14,020
Innovation & Accountability	94,682	116,743	104,182	103,049	101,799	101,444	103,814	103,441
Special Student & Teacher	259,895	279,604	269,956	285,126	280,532	281,923	283,161	284,552
Special Education	1,347,489	1,461,944	1,509,769	1,687,793	1,771,618	1,891,178	1,798,530	1,958,108
Facilities & Technology	47,771	84,262	114,498	135,317	135,219	137,604	141,159	149,327
Nutrition	320,576	329,161	334,329	342,962	341,160	339,852	341,488	340,180
Libraries	19,904	19,993	20,416	20,792	18,196	18,197	18,196	18,197
Early Childhood & Family Support	139,258	167,718	177,537	184,159	183,944	180,856	185,380	183,453
Community Education	1,532	1,290	1,253	1,191	1,111	1,038	1,111	1,038
Self Sufficient & Lifelong Learning	53,386	54,226	54,153	54,404	55,964	57,650	55,964	57,650
Total	9,276,408	9,677,023	10,027,818	10,461,961	10,559,627	10,710,368	10,811,513	11,163,328

Expenditures by Category

Education

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Compensation	37,143	38,468	39,344	41,346	43,090	43,327	44,994	45,497
Operating Expenses	42,926	51,451	44,601	62,717	52,300	47,434	59,516	49,988
Grants, Aids and Subsidies	9,195,566	9,586,254	9,941,344	10,352,975	10,459,253	10,614,758	10,702,019	11,062,828
Capital Outlay-Real Property			2					
Other Financial Transaction	773	851	2,528	4,923	4,984	4,849	4,984	5,015
Total	9,276,408	9,677,023	10,027,818	10,461,961	10,559,627	10,710,368	10,811,513	11,163,328

Total Agency Expenditures	9,276,408	9,677,023	10,027,818	10,461,961	10,559,627	10,710,368	10,811,513	11,163,328
Internal Billing Expenditures	5,181	5,624	5,434	7,029	7,103	6,309	7,103	6,309
Expenditures Less Internal Billing	9,271,227	9,671,400	10,022,384	10,454,932	10,552,524	10,704,059	10,804,410	11,157,019

<u>Full-Time Equivalents</u>	373.87	373.50	375.27	382.07	414.44	400.24	429.14	416.94
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Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	8,338,783	8,683,254	9,034,762	9,349,896	9,469,619	9,635,842	9,732,932	10,096,745
District Revenue	8,338,783	8,683,254	9,034,762	9,349,896	9,469,619	9,635,842	9,732,932	10,096,745
Direct Appropriation	8,505,398	8,899,048	9,216,274	9,560,064	9,670,481	9,833,550	9,924,416	10,288,559
Open Appropriation			3,253	3,257	3,291	3,291	3,291	3,291
Balance Forward In		6,481	19,472	18,272				
Net Transfers							72,749	72,749
Transfers In	3,993	52,766	9,113	293	333	342	333	342
Transfers Out	3,522	61,201	12,225	2,155	2,195	2,204	2,195	2,204
Cancellations	14,763	24,225	1,740					
Balance Forward Out	5,073	14,131	18,273					
Expenditures	8,486,034	8,858,737	9,209,053	9,579,731	9,671,910	9,834,979	9,853,096	10,217,239
Biennial Change in Expenditures				1,444,013		718,105		1,281,551
Biennial % Change in Expenditures				8		4		7
Governor's Change from Base								563,446
Governor's % Change from Base								3
Full-Time Equivalents	142.29	143.15	140.11	142.06	139.36	132.36	148.75	143.75

2000 - Restrict Misc Special Revenue

Balance Forward In	2,914	3,398	4,215	3,426	1,040	854	1,040	854
Receipts	11,246	11,080	10,571	9,285	8,726	6,744	8,726	6,744
Internal Billing Receipts	5,375	5,587	5,400	5,343	5,974	5,974	5,974	5,974
Transfers In			10		232	232	0	0
Transfers Out		3	661	15	133	15	133	15
Balance Forward Out	3,306	3,941	3,426	1,040	854	759	854	759
Expenditures	10,853	10,535	10,710	11,656	9,011	7,056	8,779	6,824
Biennial Change in Expenditures				979		(6,299)		(6,763)
Biennial % Change in Expenditures				5		(28)		(30)
Governor's Change from Base								(464)
Governor's % Change from Base								(3)
Full-Time Equivalents	28.70	24.37	26.66	25.96	32.65	32.65	30.65	30.65

2001 - Other Misc Special Revenue

Balance Forward In	224	184	155	4				
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Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Receipts	693	708	683	340				
Transfers In							70,932	70,932
Transfers Out			5					
Balance Forward Out	217	154	4					
Expenditures	700	737	829	344			70,932	70,932
Biennial Change in Expenditures				(265)		(1,173)		140,691
Biennial % Change in Expenditures				(18)		(100)		11,998
Governor's Change from Base								141,864
Governor's % Change from Base								
Full-Time Equivalents	4.70	4.64	5.02	3.02			7.31	7.31

2301 - Arts & Cultural Heritage

Balance Forward In			66	97				
Direct Appropriation	2,200	2,200	2,500	2,500	0	0	0	0
Balance Forward Out	94	66	97					
Expenditures	2,106	2,134	2,469	2,597				
Biennial Change in Expenditures				826		(5,066)		(5,066)
Biennial % Change in Expenditures				19		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	174	185	174	175	88	67	88	67
Receipts	72	61	101	100	106	107	106	107
Balance Forward Out	184	174	174	88	67	49	67	49
Expenditures	62	71	101	187	127	125	127	125
Biennial Change in Expenditures				154		(36)		(36)
Biennial % Change in Expenditures				116		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.02	0.04	0.05	0.05	0.05	0.05	0.05

2820 - Maximum Effort School Loan

Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Balance Forward In	431	1,852	48	288	287	987	287	987
Receipts	1,852	280	288	287	987	44	987	44
Transfers Out	431	62,477	48	288	287	987	287	987
Net Loan Activity		60,392						
Balance Forward Out	1,852	48	288	287	987	44	987	44

3000 - Federal

Balance Forward In	517	34						
Receipts	748,403	774,816	771,633	831,982	842,821	832,155	842,821	832,155
Transfers In	337							
Transfers Out	337							
Balance Forward Out	34							
Expenditures	748,887	774,850	771,633	831,982	842,821	832,155	842,821	832,155
Biennial Change in Expenditures				79,878		71,361		71,361
Biennial % Change in Expenditures				5		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	198.18	201.32	203.44	210.98	242.38	235.18	242.38	235.18

3801 - Endowment School

Balance Forward In		0						
Transfers In	27,763	29,958	33,023	35,458	35,753	36,048	35,753	36,048
Expenditures	27,763	29,958	33,023	35,458	35,753	36,048	35,753	36,048
Biennial Change in Expenditures				10,760		3,320		3,320
Biennial % Change in Expenditures				19		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

6000 - Miscellaneous Agency

Balance Forward In	44	51	61	1				
Receipts	11	10	3	5	5	5	5	5
Transfers Out			61					
Balance Forward Out	52	61	2					

Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Expenditures	3		1	6	5	5	5	5
Biennial Change in Expenditures				4		3		3
Biennial % Change in Expenditures						38		38
Governor's Change from Base								0
Governor's % Change from Base								0

Education

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	9,524,152	9,524,152	9,524,152	19,048,304
Base Adjustments				
All Other One-Time Appropriations		(100)	(100)	(200)
Current Law Base Change	33,025	154,641	278,905	433,546
Pension Allocation		59	79	138
Forecast Open Appropriation Adjustment	(13,983)	20,029	62,809	82,838
November Forecast Adjustment	22,284	(4,750)	(8,007)	(12,757)
February Forecast Adjustment	(3,414)	(23,550)	(24,288)	(47,838)
Forecast Base	9,562,064	9,670,481	9,833,550	19,504,031
Change Items				
General Education Formula Increase of 3 Percent for FY2020 and 2 Percent for FY2021		185,441	335,095	520,536
Voluntary Prekindergarten: Maintain Existing Slots		19,210	27,885	47,095
Special Education Funding Increase & Reform: Hold Cross Subsidy Steady		25,440	65,251	90,691
Full Service Community Schools Grant Program		2,000	2,000	4,000
National Board Certified Teachers		140	140	280
Recruit and Retain Quality Teachers		4,000	4,000	8,000
Operating Adjustment		1,665	2,149	3,814
Second Chance Agency Director		171	174	345
American Indian Tribal Contract Aid		1,496	2,040	3,536
Levy Equalization for Achievement and Integration Revenue		165	180	345
Tribal Nations Education Committee		150	150	300
Grants to Support Students Experiencing Homelessness		500	500	1,000
Maltreatment Investigations Program		406	288	694
School Safety Revenue		5,769	11,531	17,300
IT Program and Data Integration		822	822	1,644
Turnaround Arts Schools		140	140	280
Data Analytics		222	226	448
Regional Centers Expansion		1,000	2,000	3,000
Legal Costs	(2,000)	4,700		4,700
Board of School Administrators Maintain Funding Structure in FY 2020		232	232	464
Board of School Administrators Operating and Revenue Increase		170	115	285
Kindergarten Student Accounting Simplification		96	106	202
Eliminate Off-Grade Testing Questions			(15)	(15)
Total Governor's Recommendations	9,560,064	9,924,416	10,288,559	20,212,975
Fund: 2301 - Arts & Cultural Heritage				
FY2019 Appropriations	2,500	2,500	2,500	5,000
Base Adjustments				

Education

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
One-Time Legacy Fund Appropriations		(2,500)	(2,500)	(5,000)
Forecast Base	2,500	0	0	0
Total Governor's Recommendations	2,500	0	0	0
Open				
Fund: 1000 - General				
FY2019 Appropriations	3,257	3,257	3,257	6,514
Base Adjustments				
November Forecast Adjustment		52	52	104
February Forecast Adjustment		(18)	(18)	(36)
Forecast Base	3,257	3,291	3,291	6,582
Total Governor's Recommendations	3,257	3,291	3,291	6,582
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	11,656	9,011	7,056	16,067
Forecast Base	11,656	9,011	7,056	16,067
Change Items				
Board of School Administrators Maintain Funding Structure in FY 2020		(232)	(232)	(464)
Total Governor's Recommendations	11,656	8,779	6,824	15,603
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	344			
Forecast Base	344			
Change Items				
Recruit and Retain Quality Teachers		109	109	218
Grants to Support Students Experiencing Homelessness		50	50	100
Grant Administration Account		64	64	128
Early Learning Scholarship Special Revenue Fund		70,709	70,709	141,418
Total Governor's Recommendations	344	70,932	70,932	141,864
Fund: 2403 - Gift				
Planned Spending	187	127	125	252
Forecast Base	187	127	125	252
Total Governor's Recommendations	187	127	125	252
Fund: 3000 - Federal				
Planned Spending	831,982	842,821	832,155	1,674,976
Forecast Base	831,982	842,821	832,155	1,674,976
Total Governor's Recommendations	831,982	842,821	832,155	1,674,976

Education

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Fund: 6000 - Miscellaneous Agency				
Planned Spending	6	5	5	10
Forecast Base	6	5	5	10
Total Governor's Recommendations	6	5	5	10
 Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	9,285	8,726	6,744	15,470
Total Governor's Recommendations	9,285	8,726	6,744	15,470
 Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	340			
Total Governor's Recommendations	340			
 Fund: 2403 - Gift				
Forecast Revenues	100	106	107	213
Total Governor's Recommendations	100	106	107	213
 Fund: 2820 - Maximum Effort School Loan				
Forecast Revenues	287	987	44	1,031
Total Governor's Recommendations	287	987	44	1,031
 Fund: 3000 - Federal				
Forecast Revenues	831,982	842,821	832,155	1,674,976
Total Governor's Recommendations	831,982	842,821	832,155	1,674,976
 Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	5	5	5	10
Total Governor's Recommendations	5	5	5	10
 Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	252			
Change Items				
Board of School Administrators Maintain Funding Structure in FY 2020		260	260	520
Board of School Administrators Operating and Revenue Increase		115	115	230
Total Governor's Recommendations	252	375	375	750

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: General Education Formula Increase of 3 Percent for FY2020 and 2 Percent for FY2021

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	185,441	335,095	350,622	351,343
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	185,441	335,095	350,622	351,343
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the general education basic formula by 3 percent in fiscal year (FY) 2020 and an additional 2 percent in FY 2021. The per-pupil formula would increase by \$189, from \$6,312 to \$6,501 in FY 2020, and by an additional \$130 to \$6,631 in FY 2021.

Rationale/Background:

- Increases in the general education basic formula are needed to maintain our investment in educational programs for all prekindergarten through 12th grade 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 2019.
- 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 five years (2 percent for FY 2015, 2 percent in FY 2016, 2 percent in FY 2017, 2 percent in FY 2018 and 2 percent in FY 2019) have exceeded inflation during that five year period as measured by the Consumer Price Index (CPI), resulting in a net increase of 1.8 percent (\$125) in the basic formula over the five-year period after adjusting for inflation.
- However, the increase over the past four years has not been sufficient to offset the 10.7 percent (\$741) decrease in the basic formula, adjusted for inflation and pupil unit weighting changes, which occurred between FY 2003 and FY 2014.
- As a result, the general education formula for FY 2019 is \$617 per pupil (8.9 percent) less than it was in FY 2003 in inflation-adjusted (FY 2019) dollars.
- The inflation rate, as measured by the CPI, is projected to be 2.36 percent for FY 2020 and 2.36 percent for FY 2021.

Proposal:

This proposal will:

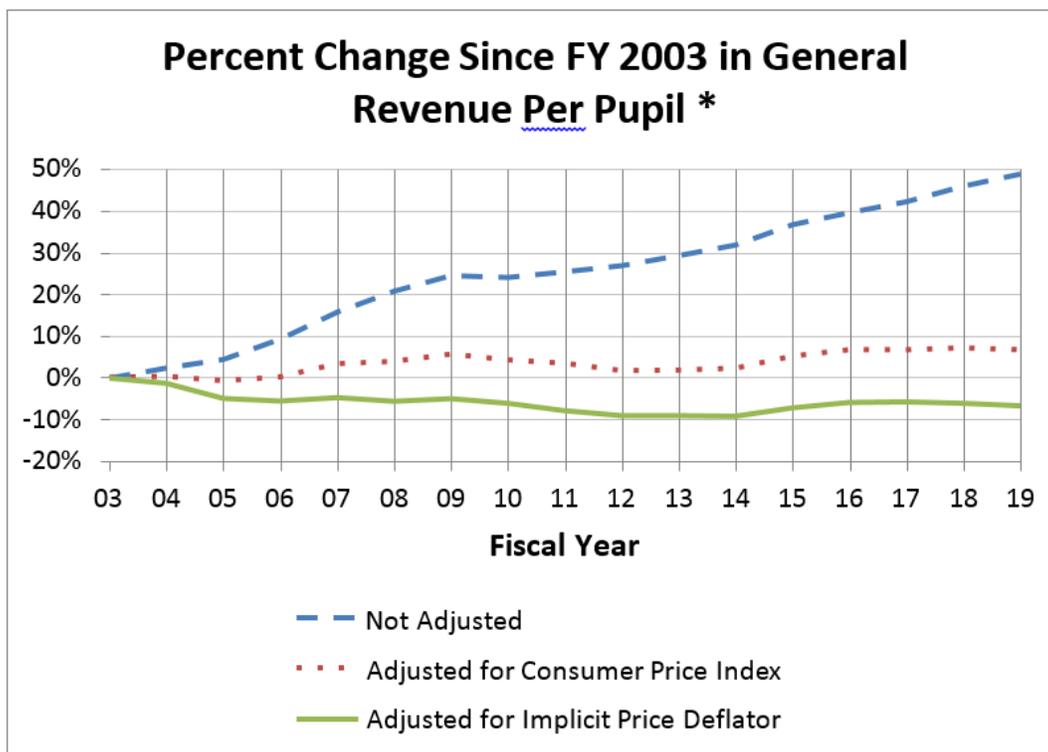
- Increase the general education formula allowance by 3 percent (\$189) for FY 2020, from \$6,312 to \$6,501, and an additional 2 percent (\$130) for FY 2021 and later, to \$6,631.
- Increase other school aid and levy programs that are linked to the general education formula, including:
 - Increase the Early Childhood Family Education Allowance, set at 0.23 percent of the general education formula allowance, from \$145.18 to \$148.07 for FY 2020 and to \$151.04 for FY 2021 and later.
 - 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 2020 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.

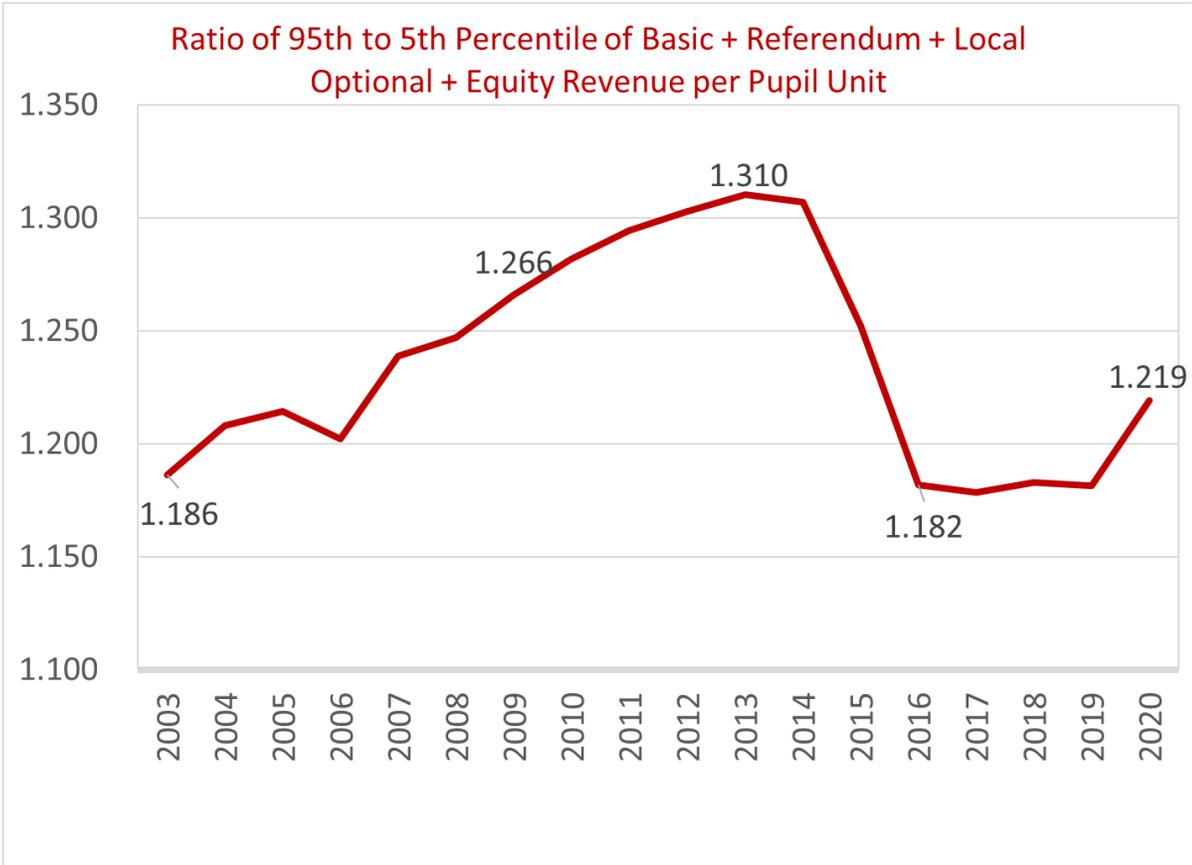
Results:

Quality Result: This chart shows the percentage change in general education revenue per student between FY 2003 and FY 2019, 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 almost 49 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 2020. The funding gap between high-revenue and low-revenue districts increased from 19 percent in FY 2003 to 31 percent in FY 2013, then declined to 18 percent by FY 2016. Between FY 2017 and FY 2019 the gap has remained constant at 18 percent, but increased to 22 percent in FY 2020. The gap between high-revenue and low-revenue districts is primarily driven by property tax disparities.



Statutory Change(s):
M.S. 126C.10, subdivision 2

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Voluntary Prekindergarten: Maintain Existing Slots

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	19,210	27,885	28,656	28,694
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	19,210	27,885	28,656	28,694
FTEs	1	1	1	1

Recommendation:

The Governor recommends restoring the level of voluntary prekindergarten (VPK) / school readiness plus (SRP) participants from 3,160 to the fiscal year (FY) 2019 level of 7,160 for FY 2020 and later.

The Governor also recommends changes that will encourage mixed delivery partnerships, enhance data collection and analysis and provide better technical assistance to school districts, charter schools and mixed delivery partners.

Rationale/Background:

For FY 2019, the statewide cap on participation in the voluntary prekindergarten and school readiness plus programs was 7,160, which enabled 12.5 percent of eligible 4-year olds to participate. The cap was reduced to 3,160 participants, about 5.9 percent of eligible 4-year-olds, for FY 2020 and later. With the reduction in the cap, funding will be reduced or eliminated for 141 sites located in 81 school districts and charter schools. 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 prekindergarten programs can close much of the early achievement gap for children of low-income families. 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 prekindergarten programs.

While expanding high-quality prekindergarten throughout the state is the ultimate goal, this proposal protects existing programs that will sunset at the end of the current biennium and protects the state from taking a step backward in its work to give early learners the start they need. It also gives 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 prekindergarten 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 English learner legislation.

In order to provide school districts, charter schools and their mixed delivery partners more time to plan and develop partnerships, a change in the application timeline is needed.

Proposal:

- Beginning in FY 2020, restore the participant cap for the voluntary prekindergarten and school readiness plus programs to 7,160.
- Allow districts to apply for funding and be notified if they received the requested seats the school year before in order to allow to proper planning, facilities upgrades and development of partnerships.
- Encourage mixed delivery partnerships by allowing child care centers, family child care programs licensed under Minnesota Statutes § 245.03, or a community based organization to charge for 4-year-olds participating in a voluntary prekindergarten program as long as they did not receive funding for the child.
- Increase the Minnesota Department of Education’s (MDE) capacity to provide technical assistance and support program and fiscal oversight.
- Funding to further develop the Early Childhood Data Warehouse System to collect and analyze VPK and SRP Impact Measure data.
- Separate Minneapolis and St. Paul school districts information.

Equity and Inclusion:

Restoring the participant cap for the voluntary prekindergarten and school readiness plus programs to 7,160 will enable the programs added in FY 2018 and FY 2019 to continue to operate. These programs were selected for funding based on program quality and having high concentration of poverty, and meet the needs of some of Minnesota’s most disadvantaged 4-year-old children.

IT Related Proposals:

This proposal includes additional funds to further develop the Early Childhood Data Warehouse System. This system is currently being developed in order to receive the required VPK Impact Measure data program submitted each spring. Through this Data Warehouse, MDE staff are able to collect VPK data from programs and generate a comprehensive analysis of each site’s impact measure data and provide each site with a report to support their continuous improvement efforts and include in their World’s Best Workforce Report showing how they are working toward meeting Goal #1 regarding school readiness.

<i>Category</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Payroll	180	180	180	180	180	180
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services	20	20	20	20	20	20
Staff costs (MNIT or agency)						
Total	200	200	200	200	200	200
MNIT FTEs	1.45	1.45	1.45	1.45	1.45	1.45
Agency FTEs						

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of voluntary prekindergarten slots	7160	3160	FY19 and FY20

Statutory Change(s):

M.S. 124D.151; M.S. 126C.05, subdivision 1

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Special Education Funding Increase & Reform: Hold Cross Subsidy Steady

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	25,440	65,251	69,956	72,235
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	25,440	65,251	69,956	72,235
FTEs	0	0	0	0

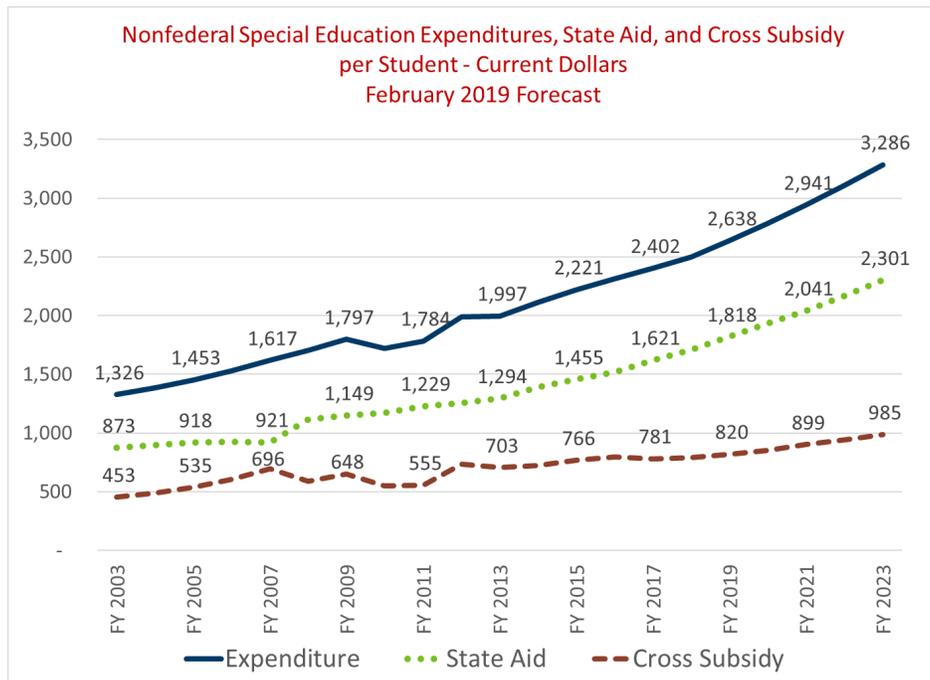
Recommendation:

The Governor recommends that special education aid be increased by an amount sufficient to hold the state total cross subsidy per student in average daily membership (ADM) steady at the fiscal year (FY) 2019 level of \$820 per ADM, and that the increase be allocated through an improved special education aid formula.

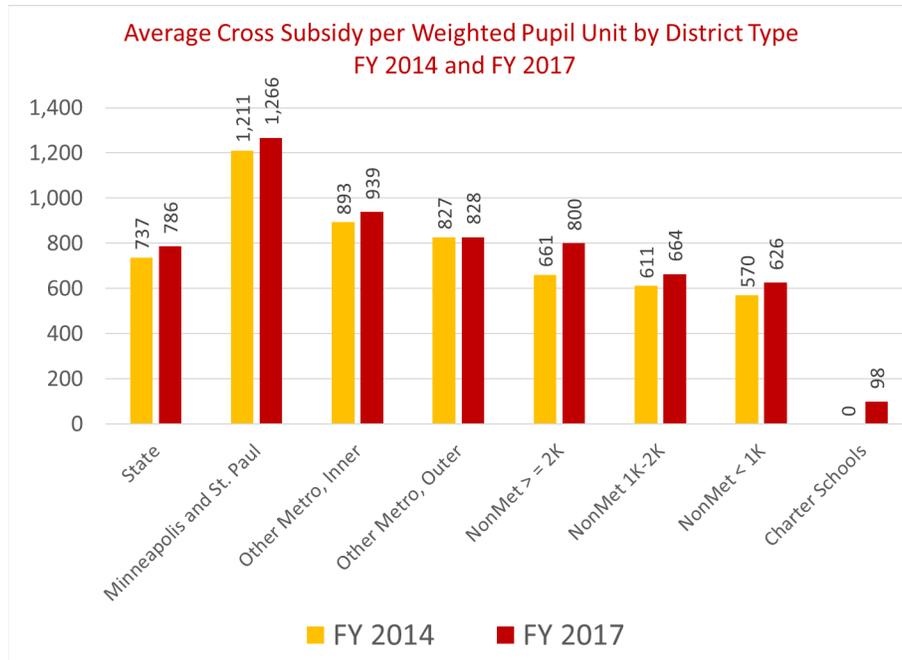
The Governor also recommends that the tuition payments made to the serving district for open enrolled students be reduced from 90 percent to 85 percent of unfunded costs for FY 2020 and to 80 percent for FY 2021 and later, with the state covering the reduction in tuition revenue for charter schools so they are held harmless.

Rationale/Background:

Despite steady increases in state special education aid over the past decade, the special education cross subsidy continues to grow. Between FY 2009 and FY 2019, state special education aid per student increased from \$1,149 to \$1,818, and the cross subsidy per student increased from \$648 to \$820, as shown in the chart below:



The cross subsidy is the unfunded cost of special education programs for students with a disability, which school districts and charter schools need to cover using unrestricted general fund resources. As the cross subsidy grows, school districts and charter schools have fewer resources available in their general fund to maintain quality education programs and improve achievement for all students. While the cross subsidy affects all school districts and most charter schools, the size of the cross subsidy varies widely among districts and charter schools, creating inequities in the resources available to support general education programs. The chart below shows the average special education cross subsidy per weighted pupil unit by district type for FY 2014 and FY 2017.



Between FY 2014 and FY 2017, the average cross subsidy per pupil unit increased for all district types. The Minneapolis and St Paul school districts have the largest cross subsidies, while charter schools have the lowest cross subsidies. In general, cross subsidies are larger in suburban metro districts and large non-metro districts than in smaller non-metro districts, but there is also wide variation among districts within each district type.

Major changes in the special education aid formula were enacted in 2013 and took effect in FY 2016. While these changes slowed the growth of the cross subsidy, they also created new problems, including added complexity and equity issues associated with the use of prior year (and older) data, and with the growth cap and hold harmless calculations.

The hold harmless and growth cap calculations under the new formula are based on FY 2016 data, adjusted for changes in average daily membership (ADM) and for inflation. Given the instability in special education programs and costs from year to year, tying these calculations to a single base year creates inequities going forward between districts where FY 2016 was an unusually low year for costs and funding versus districts where FY 2016 was an unusually high year. In addition, basing adjustments for later years on ADM change does not capture the variations among districts in the growth or decline of special education needs relative to total ADM. Eliminating the growth cap and adjusting the hold harmless using current year data would mitigate these inequities.

Special education cross subsidies for school districts continue to be much higher than for charter schools, and concerns continue to be expressed about the incentive effects and lack of cost containment when the serving district or charter school makes the decisions about programming and service levels while the resident district picks up most of the tab. A modest reduction in the portion of unfunded costs billed to the resident district would help to neutralize this issue.

Finally, there continues to be wide variations in the cross subsidy per student among districts. Targeting a portion of any increase in special education aid based on each district's cross subsidy will ensure that districts with the greatest need receive significant increases from any new investment in special education funding.

Proposal:

The Governor recommends that special education aid be increased by \$25.4 million in FY 2020 and by \$65.3 million in FY 2021 to hold the state total cross subsidy per ADM steady at the FY 2019 level of \$820. The increase would be allocated through an improved special education aid formula, which would be simplified and made more equitable by:

1. Adding a new cross subsidy reduction aid beginning in FY 2020 that would cover a percent of the prior year's cross subsidy for each school district. The percentage would increase from 2.6 percent in FY 2020 to 6.43 percent in FY 2021 and later.
2. Beginning in FY 2021, updating the pupil-driven portion of the initial aid calculation to reflect the results of the FY 2018 cost study.
3. Adjusting the growth cap / maximum aid calculation for FY 2020 by setting the maximum aid at the greater of the current calculation or the sum of 56 percent of current year special education program costs plus 100 percent of current year special transportation costs, plus the current year tuition adjustment, and eliminating the growth cap/maximum aid calculation for FY 2021 and later.
4. Adjusting the hold harmless / minimum aid calculation by: (i) reducing the annual inflation adjustment by 0.2 percent per year, from 4.6 percent in FY 2020 to 4.4 percent in FY 2021 to 4.2 percent in FY 2022 to 4.0 percent in FY 2023, until the inflation adjustment reaches 2.0 percent; and (ii) limiting the minimum aid guarantee to the sum of 90 percent in FY 2020, 85 percent in FY 2021, 80 percent in FY 2022 and 75 percent in FY 2023 and later of current year special education program costs plus 100 percent of current year special transportation costs, plus the current year tuition adjustment.
5. Reducing the tuition billing rate paid by the resident district for open enrolled students from 90 percent to 85 percent of the unfunded costs for FY 2020 and to 80 percent for FY 2021 and later. Charter schools would receive additional special education aid from the state to offset the impact of the tuition billing change.

Equity and Inclusion:

Increasing special education aid will benefit all students by reducing cross subsidies, freeing up resources for improved educational programs for all learners. Addressing inequities in the current formula and targeting the largest increases to districts with the highest cross subsidies will reduce disparities among districts and the students they serve.

IT Related Proposals:

N/A

Results:

Special education cross subsidies will be reduced, and funding will be more stable and more equitable.

Statutory Change(s):

M.S. 124E.21, 125A.76 and M. S. 127A.47

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Renewal of Voter-Approved Referendum Revenues

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 that locally-elected school boards be permitted to renew expiring operating referendum authority by school board action. This proposal would require that voters have an opportunity to revoke the board-renewed authority in a reverse referendum, and that the ballot language for the expiring referendum provided notice that the referendum may be renewed by school board resolution. Any increase to operating referendum would still require approval by voters.

This request has no effect on E-12 education appropriations for the biennium.

Rationale/Background:

School district operating referendum authorities are limited to a maximum of 10 years. School districts currently spend a great deal of time and effort in campaigns to renew their existing referendum authorities. Referendums to renew existing referendum authority are nearly always successful. Allowing school boards to renew expiring referendum authority would free up significant time and energy for school district leaders to better focus on key goals, such as improving student achievement for all learners. Voters opposing the renewal would have an opportunity to revoke the board-renewed referendum through a reverse referendum.

The authority for school board renewal of expiring referendum authority will apply only to referendum authority approved by the voters after July 1, 2019, in which the voters were notified of the board's authority to renew the referendum by board resolution at the time the referendum was approved.

Proposal:

A school board will be authorized to renew an expiring referendum that was approved by the voters after July 1, 2019, by board action if the referendum ballot provided notice of the board's authority to renew the referendum, the per-pupil amount of the referendum is the same as the amount expiring, and the term of the renewed referendum is no longer than the initial term approved by the voters. If the per-pupil amount of the expiring referendum was adjusted annually by the rate of inflation, the per-pupil amount of the renewed referendum could be adjusted annually by the rate of inflation in the same manner. Of the 327 type 1 school districts, 300 currently have a voter approved referendum authority. Of these, 89 districts have a referendum with an inflation-adjusted allowance and 211 do not have an inflation-adjusted allowance.

Before adopting a written resolution authorizing the renewal, the board would be required to hold a meeting and allow public testimony on the proposed renewal. The board would be required to adopt resolution by June 15 of

any calendar year; adopted resolutions would become effective 60 days after its adoption. A school board would be allowed to renew an expiring referendum not more than two fiscal years before the expiration.

Board-renewed authority would be subject to revocation through a reverse referendum. A petition to revoke board-renewed referendum authority would be effective if signed by a number of qualified voters in excess of 25 percent of the registered voters of the district on the day the petition is filed with the board; and filed with the board by June 1 of that year. The approval of 50 percent plus one of those voting on the question would be required to revoke board-renewed referendum authority.

Statutory Change(s):

M.S. 126C.17

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Full Service Community Schools Grant Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	2,000	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	2,000	2,000	2,000
FTEs	.25	.25	.25	.25

Recommendation:

The Governor recommends investing \$2 million per year to reestablish the Full Service Community Schools Grant Program that expired in fiscal year 2018 in order to broaden access to full service community school supports in primarily low-income or rural communities.

The funding will provide grants to districts or schools to provide in-school, wrap-around services that aim to improve student outcomes and strengthen family stability. Up to 5 percent of the appropriation will be used for Minnesota Department of Education (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 Statutes, section 124D.231.

Rationale/Background:

The Full Services Community School grant program was a new program established in 2015 that provided funding to eligible schools to plan, implement and improve full service community schools. Additional funds were appropriated in 2017 for expansion of the program. This grant program meets the state's accountability system's definition of an evidence-based practice as it is a program that had positive impact (increased academic achievement and improved student attendance) based on high-quality evidence.

Previous funding provided grants to 13 schools – four in round one, and nine additional schools in round two. If the grant were reestablished at \$2 million annually, MDE would be able to expand the numbers of schools who are awarded Full Service Community School grants. Previous grantees are interested in opportunities to have sustainable funding to maintain their full service community school coordinators and programming efforts.

Proposal:

This proposal funds grants for schools and districts to plan and implement full service community school models. 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, or other family support services as outlined in Minnesota Statutes, section 124D.231.

In addition to grant funds, this proposal includes funding for MDE to administer 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 Statutes, 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.

Results:

Grantees must conduct a program review and submit a report that meets requirements in Minnesota Statutes. 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. The following include examples from the reports.

Partnership/Initiative/Programming type	Number of partnerships or Initiatives
Mental and Physical Health - including mentoring and other youth development programs (peer mentoring, conflict mediation, social emotional learning, youth leadership, etc.), juvenile crime prevention and rehabilitation programs, home visitation services by teachers and other professionals, developmentally appropriate physical education, nutrition services and food security, primary health and dental care, and mental health screening and counseling	120
Enrichment and Out Of School Time (OOST) - including college and career preparation, academic tutoring, culturally relevant learning, parks and recreation, and science, technology, engineering, arts and mathematics programming	71
Family Engagement - including promoting parental involvement and family literacy, parent leadership development, and parenting education activities, and family/student resource rooms	52
Community Involvement - including adult education (instruction in English as a second language, computer classes, etc.) service and service learning, and homeless prevention, and other social services	24
Positive Discipline Practices - including teacher PD on strategies to increase student engagement and decrease behavior incidents	11
Early Childhood Education	4
Public transportation in support of consistent attendance	3

Each Full Service Community School has different partnerships to address the specific needs of the students and community. Below are some of the results from those schools:

Quality and Impact (selected)

Hamline Elementary - St. Paul Public Schools ISD #625

- **Increased number of parents participating in school activities** from 22 percent to 35 percent. This includes events such as NAAPID, Parent Academy, Street Dance, assemblies, volunteering, utilizing family resource room for needed resources.
- **Increased parents sense of connectedness to the school:** 70 percent of parents who responded to our survey reported feeling connected to school and pleased with the increase in communication and the addition of the family resource room.
- **Increased retention rate** of students from 78 percent to 82 percent.
- **Increased enrollment** by 12 percent.

Riverside Central Elementary - Rochester ISD #535

- Department of Natural Resources Forest School Designation: “Through student survey data, the site saw increased interest in arts and sciences. This will be the first school forest designation in Rochester. No behavioral referrals were written during forest programming.”
- Collaborative Recess Programming: “Student attendance in programming increased each quarter, behavioral referrals remained or decreased each quarter.”

Jefferson Elementary - Faribault ISD #656

- Over 420 hours of extended academic and enrichment programming were offered to mitigate achievement and opportunity gaps. 251 students participated in this programming regularly (ranging from 6-30 times each).
- Approximately 7,000 meals were served, through the Sodexo program, to participants at Family Success Series events where families participated in programs such as, diabetes education in English and Spanish, Zumba, Grand families mentoring (nontraditional parents), and nutrition/cooking classes over the course of the school year.

According to the Results First Clearinghouse Database, “Community schools” (also called full service community schools) are an evidence-based practice.

Statutory Change(s):

M.S. 124D.231

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: National Board Certified Teachers

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	140	140	140	140
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	140	140	140	140
FTEs	1	1	1	1

Recommendation:

The Governor recommends funding a new position at the Minnesota Department of Education to conduct stakeholder engagement and draft a plan to double the number of National Board Certified Teachers (NBCT) in Minnesota by 2023. This new position would conduct outreach to determine which supports would be most meaningful to NBCT candidates in Minnesota and identify opportunities for collaboration for candidates.

Rationale/Background:

National Board Certified Teachers strengthen their teaching practice through the certification process, leading to higher achievement results for students, better retention for teachers and an elevation of the teaching profession. A meta-analysis of available research by Washington State Institute for Public Policy demonstrates that NBCTs have a positive effect on student attendance and performance.

Currently, there is inconsistent support for NBCTs across the state. Approximately 60 school districts support NBCT candidates at the local level.

Minnesota ranks 33 out of the 50 states with 483 NBCTs.

Proposal:

This proposal would fund a dedicated staff member to engage stakeholders across the state about what supports would be best suited to support NBCT candidates in Minnesota.

Minnesota currently has 483 NBC teachers. For comparison, Wisconsin has 1,359 NBCTs and 333 NBCT candidates. Supports offered to NBCT candidates in Wisconsin include:

- After the initial year of certification, NBCTs are eligible to receive annual grants of \$2,500 or \$5,000 for the remaining nine years of a National Board certificate.
- Universities frequently provide graduate credit to teachers pursuing National Board Certification.
- Comprehensive support for educators interested in pursuing National Board Certification, including reimbursement for up to \$2,000 for costs incurred as part of the National Certification process; candidate support through a collaborative partnership with the Wisconsin Education Association Council (WEAC) and the Wisconsin National Board Network (WNBN).
- A Jump Start program, including an online course and resources to connect with fellow candidates.

Stakeholder engagement will include discussions with teacher candidates, educators and their family members, principals and superintendents, as well as teacher preparatory programs.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	National Board Certified Teachers in Minnesota	N/A	483	2018
Quantity	National Board Certified Teacher Candidates in Minnesota	N/A	67	2018

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Recruit and Retain Quality Teachers

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	4,000	4,000	4,000	4,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,000	4,000	4,000	4,000
FTEs	.85	.85	.85	.85

Recommendation:

The Governor recommends increasing funding to programs dedicated to expanding and recruiting quality teachers, particularly teachers of color and American Indian teachers. This proposal funds:

- \$1,817,500 increase in student teacher grants.
- \$182,500 increase in expanded concurrent enrollment grants to provide “Introduction to Teaching” courses.
- \$2 million to create mentoring, induction and retention incentive program grants for teachers of color and American Indian teachers.

Rationale/Background:

Minnesota is facing a teacher shortage. According to the 2019 Teacher Supply and Demand report:

- Slightly more than half (52.5 percent) of teachers holding an active teaching license are not currently working as a teacher in a Minnesota public school.
- The percentage of teachers of color remain stagnant while the percentage of students of color continues to grow in Minnesota.
- Teacher shortages are a problem across Minnesota: 41.9 percent of districts reported that it is a major problem and 51.8 percent reported that it is a minor problem. Only 6.4 percent of districts indicated that it is not a problem for them. More than 1 in 10 school districts (12.7 percent) reported that they had to cancel classes or programs due to a shortage of teachers.
- Most teachers in Minnesota identify as white (95.7 percent), followed by Asian (1.5 percent), black (1.4 percent), Hispanic (1 percent), and American Indian (0.4 percent). Most school districts reported that it is difficult to recruit teachers that reflect their student body. 83.1 percent of schools have less than 10 percent teachers of color or American Indian teachers, while 64.3 percent of students are in schools with more than 10 percent students of color or American Indian students. Percent persons of color

Proposal:

To address the teacher shortage overall—and shortage of teachers of color and American Indian teachers in particular—the Governor recommends the following in order to support student teachers, attract new teacher candidates, and retain teachers.

- \$1,817,500 increase in student teacher grants under Minnesota Statutes 136A.1275.
 - The Office of Higher Education provides grants to student teachers from low-income families who intend to teach in a shortage area after receiving their teaching license or who belong to an underrepresented racial or ethnic group. Currently statute requires that at least 36.5 percent of

these grants go to teacher candidates of color or American Indian teacher candidates. These grants are up to \$7,500. This proposal will fund up 230 student teachers, including up to an additional 84 teacher candidates of color or American Indian teacher candidates.

- The Office of Higher Education may retain up to 3 percent of this funding for administration of the grant.
- \$182,500 increase in expanded concurrent enrollment grants to provide “Introduction to Teaching” courses.
 - Grants under Minnesota Session Laws - 2017, 1st Special Session, Chapter 5, Article 2, Sec. 57, Subd. 9 allow school districts and charter schools to develop innovation programming to encourage high school students to pursue teaching through concurrent enrollment courses in “Introduction to Teaching.” This allows a student to take a number of college courses in education in high school, and launch their career in education. Currently 33.5 percent of Minnesota public schools students identify as people of color or American Indian.
 - Minnesota Department of Education may retain up to 5 percent of this funding for administration of the grant.
- \$2 million to create mentoring, induction and retention incentive program grants for teachers of color.
 - Create grants to provide for teacher mentoring and retention for teachers of color and American Indian teachers. These funds can be used to retain teachers by paying stipends to mentor teachers, spreading best practices by creating professional learning communities focused on supporting diverse teachers, and supporting licensed and non-licensed educator participation in professional development including workshops and graduate courses.
 - Minnesota Department of Education may retain up to 5 percent of this funding for administration of the grant.
- Broaden non-traditional pathways to teacher licensure known as “Grow Your Own” grants to more school districts will requiring that grants focus on teacher candidates of color or American Indian teacher candidates.
 - “Grow Your Own” grants under Minnesota Session Laws - 2017, 1st Special Session, Chapter 5, Article 2, Sec. 57, Subd. 23 allow school districts with more than 30 percent students of color or American Indians students to apply for grants to fund a Professional Educator Licensing and Standards Board-approved nonconventional teacher residency pilot program. Many school districts with a higher concentration of white students have been launching innovative programs in the area of nonconventional teacher residency programs. The Governor recommends removing this limitation, while requiring that a majority of the teacher candidates in the nonconventional program identify as teacher candidates of color or American Indian. This allows more school districts to take part in these programs, while ensuring the goal of launching more people of color or American Indian people in the field of teaching.

Equity and Inclusion:

This proposal is focused on expanding supports to low income student teachers and teachers of color and American Indian teachers. This will benefit the teacher candidates or teachers, as well as the students they will encounter in the classroom. Students that have a teacher from their background are more likely to graduate and feel that the adults in their school care about them.

Having a review of students’ access to effective teachers that reflect the diversity of the student body is required to be built into school districts’ World’s Best Workforce plans.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percent licensed teachers of color/American Indian teachers working in their field	4.23%	4.3%	2015, 2018

Statutory Change(s):

M.S. 124D.09, subdivision 10; M.S. 136A.1275; Minnesota Session Laws - 2017, 1st Special Session, Chapter 5, Article 2, Sec. 57, Subd. 23

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	1,665	2,149	2,149	2,149
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,665	2,149	2,149	2,149
FTEs (Maintain)	3	5	5	5

Recommendation:

The Governor recommends additional funding of \$3.814 million in the fiscal year (FY) 2020-2021 biennium to maintain the current level of service delivery at the Minnesota Department of Education (MDE).

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the MDE, this funding will cover the following operating expenses:

- \$404,000 in FY20 and \$647,000 for each year thereafter for known compensation growth;
- \$223,000 in FY20 and \$256,000 for each year thereafter for cost increases related to leased space and loss of revenue for leased space when current tenant(s) move out; and
- \$300,000 each year for costs to support legal services provided by the Attorney General.

Also included in this recommendation is funding for the following IT-related expenses:

- \$214,000 each year to support workstation management activities. In the FY20-21 Biennium, MDE will transition from a local to an enterprise service delivery model for workstation management (laptop/desktop computer support and refresh) and service/help desk support. Regular replacement of workstations will be included as part of the service rate, in order to ensure the security and supportability of state agency computers. The agency will also transition to the enterprise service/help desk, which provides 24/7 support to agency staff.
- \$122,000 in FY20 and \$250,000 each year thereafter for increased technology support. For the FY20-21 biennium, MDE's portion of MNIT administrative overhead expenses is projected to increase. MNIT overhead expenses include HR, finance, procurement, enterprise project management, and security activities. These expenses are allocated to agencies based on their total IT spend and total number of dedicated MNIT staff as of fiscal year 2017.
- \$400,000 in FY20 and \$480,000 for each year thereafter for to maintenance, licensing, and enhancement activities related to the Mainframe Modernization project. The 2017 legislature appropriated \$3.25

million one-time to design and build a new mainframe system. The modernization project is now underway and anticipated for full system roll-out in February 2020.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public. MDE serves more than 2,000 schools across the state, 57,000 full-time equivalent teachers, 61,000 non-licensed staff and more than 860,000 K-12 students. The MDE provides support, technical assistance, funding, and much more to the thousands of educators and students in the state to provide an excellent and equitable education to all students in Minnesota.

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Second Chance Agency Director

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	171	174	174	174
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	171	174	174	174
FTEs	1	1	1	1

Recommendation:

The Governor recommends funding a Second Chance Agency Director at the Minnesota Department of Education. The director will coordinate services between Minnesota Department of Education, Office of Higher Education and Department of Corrections to design innovative solutions for at-risk students and incarcerated youth, with a focus on preventing incarceration or recidivism and developing pathways to success, including developing dual credit programs in the corrections system. Dual credit programs allow students to earn high school and college credits simultaneously.

Rationale/Background:

Minnesota has a strong educational system, yet struggles to meet the needs of at-risk students, including students in correctional facilities or children of incarcerated parents. In the 2016-2017 school year, many of these students dropped out of the educational system. These students over-represent students of color, American Indian students, migrant students, and students experiencing housing instability.

Students who do not graduate have a lower lifetime earning potential and a higher chance of encountering the criminal justice system. Breaking the “school-to-prison pipeline” and building supports for at-risk students needs to be a priority in order to give all students an equitable access to education and to create the World’s Best Workforce.

Proposal:

This proposal will focus on aligning, coordinating, and creating additional resources for at-risk students, students who are in or have been in the correctional system, and children of an incarcerated parent.

The director would be responsible for:

- Identifying at-risk students and working to provide career and college readiness resources.
- Supporting students who have an incarcerated parent.
- Providing transition services for our students in Adult Basic Education programs and over age 21.
- Working with students who have directly interacted with the criminal justice system.
- Developing literacy and dual credit programming for correctional facilities.

This proposal is intended to positively impact student achievement and well-being for at-risk students. For example, incarcerated students are less than half as likely to think they will go to a four-year institution for college. Building post-secondary supports and services into the programming available for incarcerated students can help break the cycle of recidivism.

This trend has been steady according to the 2013 and 2016 Minnesota Student Survey data.

This is a new initiative that would coordinate existing services available from Minnesota Department of Education, Office of Higher Education, and Department of Corrections, as well as identify areas of improvement to serve at-risk students.

The director's first year will be focused on building a comprehensive system among Minnesota Department Education, Office of Higher Education and Department of Corrections, including building an inventory of resources, developing a guiding framework, creating connections between similar programs at the various agencies. This will be followed by a needs assessment of the target population (students with an incarcerated parent, juveniles who have interacted with the criminal justice system, Adult Basic Education students and students over age 21, incarcerated adults, at risk students) to develop the resources that would best support these students. This will be followed by developing programs and supports for this population. The director would also organize 5-7 listening sessions for the commissioners with parents, students, and educators in prevention programs as well as in the corrections system.

This complements work in Minnesota Department of Education's work with Adult Basic Education and supporting post-secondary programming in the division of Career and College Success.

This complements work in the Minnesota Department of Corrections education programs housed within each of the states ten correctional facilities, providing Adult Basic Education, postsecondary training for a variety of career technical (trades) areas, work readiness, and college courses.

This complements work underway at the Office of Higher Education in the areas of college readiness, access to and completion of postsecondary education and training, identification and closure of attainment gaps for underserved populations, and developing and embedding foundational service practices ensuring students who leave K-12 can enter alternative educational pathways with a strong probability of success.

Minnesota Department of Education, Office of Higher Education and Department of Corrections will coordinate with each other to align programming to the targeted population. Additionally they will work to create community buy-in and stakeholder engagement with partners like the colleges and universities, licensing boards such as the Boards of Barbers and Cosmetology, community and private partners, along with educational, correctional and higher education advocacy groups

The director would be hired in the summer of 2019 and immediately begin work to identify areas of improvement and collaboration between the three agencies, and begin the stakeholder engagement process to better identify holes in services.

Equity and Inclusion:

Incarcerated students are three times as likely to have had an incarcerated parent compared to the overall population. They are less than half as likely to think they will go to a four-year institution for college, and three to six times as likely to receive special education services. Students of color and American Indian students are over-represented in correctional facilities. LGBT women are also over-represented.

By providing better and more coordinated services to incarcerated students and at-risk students, these students will make strides in student achievement and student engagement.

Results:

In the 2017-2018 school year, students in juvenile corrections:

- Earned 43 high school equivalencies.
- Earned 92 high school diplomas.
- 71 students improved up to one full grade level in reading.
- 97 students improved more than one full grade level in reading.
- 50 students Improved up to one full grade level in math.
- 155 students improved more than one full grade level in math.

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: American Indian Tribal Contract Aid

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	1,496	2,040	2,267	2,403
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,496	2,040	2,267	2,403
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the maximum American Indian tribal contract aid per pupil unit continue at the fiscal year (FY) 2019 level of \$3,230, and not decrease to \$1,500 as provided in current law, and that the maximum be adjusted for inflation in FY 2020 and later based on the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2019.

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 and 2017 increased the aid limit to \$3,230 for FY 2016 through FY 2019 only.

Proposal:

The Governor recommends continuing the FY 2019 aid limit of \$3,230; and for FY 2020 and later, adjusting the aid limit for inflation based on the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2019. Based on the 3 percent and 2 percent increases in the general education formula recommended by the governor for FY 2020 and FY 2021, the aid limit will increase to \$3,295 for FY 2020 and to

\$3,361 for FY 2023.

If the aid limit is not maintained at the FY 2019 level, the state total aid entitlement is projected to decrease by 43 percent between FY 2019 and FY 2020, from \$2.992 million to \$1.694 million.

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 43 percent reduction in state funding to support educational opportunities for these students.

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 we cannot require tribal schools to submit assessment data related to this program.
- Tribal Consultation requirements under ESSA will be fulfilled in the Metro Area where schools/districts do not have a Tribal Council within 50 miles.

Statutory Change(s):

M.S. 124D.83, subdivision 2

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Levy Equalization for Achievement and Integration Revenue

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	165	180	184	189
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	165	180	184	189
FTEs	0	0	0	0

Recommendation:

The Governor recommends creating a minimal levy equalization to enable districts with very low tax base to cover the levy portion of their Achievement and Integration revenue.

The aid generated by this levy equalization will be used by districts with a limited ability to levy for the amount needed to cover the levy portion of their annual Achievement and Integration revenue. That revenue is 70 percent aid and 30 percent local levy.

Rationale/Background:

The purpose of the Achievement and Integration program is to increase racial and economic integration and to decrease achievement disparities. Districts use this funding to provide additional resources, support and opportunities beyond those the district is already funding, such as for strategies or initiatives that increase racial and economic integration and reduce achievement disparities for students. Students with the lowest achievement outcomes stand to benefit significantly when their school districts participate in the program.

Achievement and Integration revenue is comprised of 70 percent state aid and 30 percent local levy. Because the aid portion of the revenue requires districts in the program to provide 30 percent of any revenue they expend, districts with a low tax base may not be able to come up with a revenue source to provide the 30 percent match. Most districts in the Achievement and Integration program pass a local levy for their 30 percent match. However, for districts with a low tax base and limited or no ability to levy, this is not a viable option and creates a barrier to participating in the program and to accessing new resources for their students. This proposed levy equalization would make it possible for low levy districts to access the additional funding provided by participating in the Achievement and Integration program.

Historically, socioeconomic status and student achievement are highly correlated. School districts with a low tax base have some of the highest achievement disparities and lowest family income levels. The inability or limited ability to levy for additional funds can have a compounding effect. A low tax base is an outcome of the low economic status of residents. Students from families with a low economic status tend to have greater financial, socioemotional, and achievement needs. The school districts these students enroll into have less to expend on students because of their low tax base and limited ability to levy. The result is that students who need additional academic support may not receive it because of the district's inability to raise taxes to cover additional costs incurred to reduce achievement disparities.

Proposal:

The Achievement and Integration levy would be equalized at 30 percent of state average Adjusted Net Tax Capacity (ANTC)/pupil unit. The Minnesota Department of Education (MDE) would calculate the achievement and integration equalization aid for qualifying districts beginning in FY 2021, and adjust the integration aid and levy accordingly. This will have a low statewide cost and enable districts with very low tax base to participate in the Achievement and Integration program.

Three school districts will be affected by this change beginning in FY 2020:

- ISD 25 Pine Point School District would receive aid for 100 percent of its levy revenue;
- ISD 38 Red Lake Public Schools would receive aid for 99.6 percent of its levy revenue; and
- ISD 707 Nett Lake Public Schools would receive aid for 57.2 percent of its levy revenue.

If these three school districts participate in the program, they will be required to develop a plan consistent with the statutory requirements for this program.

Raising the equalizing factor above this level would add some other districts with relatively low tax base per pupil to the list of those receiving equalization aid. The effective implementation date would be for FY 2020.

Equity and Inclusion:

The three school districts that would be affected have a relatively high enrollment of students of color and American Indian students. Having a high percentage of enrolled students of color and American Indian students is also the basis for these districts’ eligibility for the Achievement and Integration program.

Achievement disparities disproportionately affect students of color and American Indian students. If these districts were in the program, they would be required to use the revenue to address these disparities. They would also be required to implement strategies to increase racial and economic student integration with their adjoining districts. One of the outcomes of creating integrated learning environments is a reduction in achievement disparities for students of color and American Indian students. The potential impact on these students if these three districts were to participate in the Achievement and Integration program is significant and positive.

Results:

All districts in the Achievement and Integration program are evaluated every three years to determine whether they have made progress toward the goals in their plans. Districts report to the commissioner of education and to their communities whether they met their goals. If they do not meet the goals in their Achievement and Integration plans, districts must consult with the commissioner to create an improvement plan and must set aside up to twenty percent of their annual Achievement and Integration revenue to fund those plans.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2015</i>	<i>2017</i>	<i>Number of Districts</i>
Quality	Progress toward goal for reducing reading achievement gap	23.9% on track	10.16% met goal	13
Quality	Progress toward goal for reducing math achievement gap	26.9% on track	4.69% met goal	6
Quality	Progress toward integration goal	66.8% on track	51.56% met goal	66

Racially isolated districts have a districtwide enrollment of protected students that exceeds that of one or more adjoining districts by more than 20 percentage points. Racially isolated districts are required to participate in the Achievement and Integration program. Districts that are isolated based only on the number of their American

Indian students may choose whether or not to participate based on criteria included in Minnesota’s School Desegregation/Integration rules.

Racially identifiable schools have an enrollment of protected students more than 20 percentage points above that of the district average for schools serving the same grade levels. Districts are required to develop Achievement and Integration plans for these schools with the goal of reducing achievement disparities and increasing racial and economic integration of students at those sites.

For the purposes of the Achievement and Integration program, protected students are defined as African/Black Americans, Asian/Pacific Americans, Chicano/Latino Americans, American Indian/Alaskan Native; and multiracial.

<i>Type of Measure</i>	<i>Racially Isolated Districts and Racially Identifiable Schools</i>	<i>2014-2015 2015-2016</i>	<i>2016-2017</i>	<i>2017-2018</i>
Quantity	Number of participating racially isolated districts	40	40	39
Quantity	Number of participating racially identifiable schools	55	55	55
Quantity	Number of participating districts with racially identifiable schools	15	15	15

Statutory Change(s):

M.S. 124D.862 Achievement and Integration Revenue.

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Tribal Nations Education Committee

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	150	150	150	150
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	150	150	150	150
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$150,000 a year for a grant to the Tribal Nations Education Committee (TNEC) to fulfill their requirement of tribal consultation under the Every Student Succeeds Act of 2015.

Rationale/Background:

The Tribal Nations Education Committee (TNEC) is responsible for fulfilling the federal requirement of tribal consultation under the Every Student Succeeds Act of 2015 within their own tribal communities as well as in the metropolitan areas of Minnesota.

The Minnesota Indian Affairs Council (MIAC) has designated the TNEC as the consultative body to fulfill the federal requirements under the Every Student Succeeds Act of 2015 (ESSA) with regard to consulting with schools and districts that do not have a Tribal Nation within 50 miles of their proximity. TNEC provides consultation with 10 metro area school districts as well as guidance and education to their respective Tribal Councils regarding federal title and state funding, the available and proposed uses, and the results of programming for American Indian students in the 36 schools and/or districts that require tribal consultation under ESSA.

Individual members within TNEC are tribally appointed from each of the 11 Tribal Nations in the state, as well as the larger metro areas such as Duluth and the Twin Cities. These individual members travel from each of the Tribal Communities to consult with metro area schools. There is an enormous influx of title funding paperwork which includes plans, budgets, and comprehensive reform programs, and each document needs to be recorded, archived, and thoroughly reviewed.

Proposal:

This proposal recommends \$150,000 a year for a grant to TNEC to enable them to perform tribal consultation requirements under ESSA.

Equity and Inclusion:

The Every Student Succeeds Act reads, “to ensure timely and meaningful consultation on issues affecting American Indian and Alaska Native students, an affected local educational agency shall consult with appropriate officials from Indian Tribes or Tribal Organizations approved by the tribes located in the area served by the local educational agency’s submission of a required plan or application for a covered program under this Act or for a program under Title VI of this Act. Such consultation shall be done in a manner and in such time that provides the opportunity for such appropriate officials from Indian tribes or tribal organizations to meaningfully and substantively contribute to such a plan.”

This committee ensures that programming for American Indian students in MN is reviewed and drafted with the help of Tribes or Tribal Organizations, weather they are in close proximity to a specific tribe or not.

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.
- Tribal consultation requirements under ESSA will be fulfilled in the metro area where schools/districts do not have a Tribal Council within 50 miles.

Statutory Change(s):

124D.83, subd. 2

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Minnesota Indian Teacher Training Program Clarifications

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 clarifications to the Minnesota Indian Teacher Training Program (MITTP) to promote a more culturally responsive and effective program moving forward.

Rationale/Background:

MITTP provides grants to four tribal colleges to launch American Indian teacher candidates into education. Funding for the program increased in 2016. The increased funding has highlighted some clarifications need to be addressed in order to make sure funds are used for American Indian teacher candidates.

Currently, there is a lack of clarity regarding the ability of tribal colleges to partner with other institutions to provide programming, which students are eligible for the program, whether or not grantees can use funds to recruit candidates into their program, how they should prioritize various degrees sought, and what programming is eligible. Providing clearer direction to tribal college grantees may increase their ability to find and recruit American Indian students for their training program. In one instance, clarifying that grantees can partner with tribal, community and technical schools may attract teacher candidates who desire to stay closer to their home. In fact, many of American Indian students are not admitted to a four-year university directly out of high school.

Proposal:

This proposal would amend MITTP to promote a more culturally responsive and effective program moving forward. This change will provide clearer direction to the current tribal college grantees about the institutions they can partner with, what their budget allocation thresholds are, and who is eligible for scholarships. It will also eliminate the inoperative loan portion of the program, focusing all funding scholarships, recruitment, and administration, found in Minnesota statute 122A.63 Grants to prepare Indian Teachers. This proposal includes the following changes:

1. In the interest of recruiting and finding American Indian students for the program, the inclusion for the four grantees to collaborate with tribal, technical, and community colleges is necessary. Tribal, Technical, and Community College Collaboration:
 - Each of the four grantees is eligible to enter into agreements with tribal, technical, and community colleges to identify students interested in the profession of education.
 - Each of the four grantees is eligible to enter into agreements to provide grant monies to students interested in the profession of education as a sub-contracted institution.
 - Each of the four grantees is eligible to provide professional development to tribal, technical, and community colleges along with supplemental services to identify students and then to provide

instructional supplies and materials needed to inform students about the fields of licensure needed in local and state areas.

- Each of the four grantees is eligible to contract services to tribal, technical, and community colleges to engage with, coordinate, and provide mentorship services to students interested in the profession of education.
- Agreements with tribal, technical, and community colleges should be beneficial not only to students interested in education as a profession, but also to the tribal nations, the four grantees, and the school districts most in need of American Indian educators.

2. Eligible Students

- In order for this program to be successful and effective, and in order to follow state definitions for pre-K through grade 12 students eligible for Indian Education services in the state of Minnesota, the definition of American Indian Student eligible to be a recipient of this grant is as follows:
- American Indian or Alaskan Native: Persons having origins in any of the original peoples of North America and maintain cultural identification through tribal affiliation or community recognition.
- As per statute 122A.63, and with the addition of contracting with tribal, technical, and community colleges, the following Indian people are eligible for scholarships
- A student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a postsecondary institution receiving a joint grant;
- A licensed employee of a district receiving joint grant, who is enrolled in a master of education program; and
- A student who, after applying for federal and state financial aid and an Indian scholarship according to section 136A.126, has financial needs that remain unmet. Financial need shall be determined according to the congressional methodology for needs determination or as otherwise set in federal law.

3. Grantee institutions should follow the budget allocation amounts:

- No less than 80 percent of the awarded grant shall be promoted as scholarships. The loan portion of the program will be eliminated.
- No more than 20 percent of the awarded grant shall be used in the recruitment and or administration of the scholarships.

4. Tiered Language for priority students and degrees eligible:

- Tribally enrolled.
- First and second generation descendency.
- Tiered Language for priority students:
- Tribally enrolled, first and second generation descendency (documented CIB)
- To pursue a AA, BA/BS, MA, PhD or EdD.

5. Eligible Programming

- For recruitment purposes, the four grantees and/or the sub-contracted tribal, technical, or community colleges shall agree to work with their respective institutions to hire an American Indian work-study student or other American Indian staff to conduct initial information queries and contact persons working in schools that may be interested in education as a profession. In addition, programming regarding education professions should be included in high school recruitment and efforts to find students.

Schools and school districts have been limited in their outreach due to imposed restrictions that have not included new initiatives in Tribal, community, and technical colleges as well as new educational reforms in the state of Minnesota, especially the new tiered-teacher licensure program.

Equity and Inclusion:

These changes will allow the MITTP grants to be better utilized in preparing American Indian teacher candidates. The changes will provide clear information and promote MITTP to substantially more potential education

students. This will build capacity for potential American Indian education students and will result in more American Indian students as potential educators in the field and in Minnesota. Culturally relevant promotion and retention for potential educators will provide better outcomes for program clients.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of American Indian licensed teachers	237	285	2010-2018

Statutory Change(s):

M.S. 122A.63

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Grants to Support Students Experiencing Homelessness

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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	.2	.2	.2	.2

Recommendation:

The Governor recommends appropriating \$500,000 each year to provide grants to eligible school districts order to address the needs of students experiencing homelessness. Up to 5 percent of the appropriation will be used for MDE grant administration including providing technical assistance.

Rationale/Background:

Over 15,000 students experienced homelessness in Minnesota’s public charter schools and school, based on student enrollment data for the 2017-18 school year. These students attend 1,239 different school sites located in 312 different public charter schools and school districts across 76 of Minnesota’s 87 counties. Homelessness and housing instability present significant challenges for these students and their academic success. Attendance rates are lower for students experiencing homelessness: 89 percent compared to 96 percent for students not experiencing homelessness. Nearly all students experiencing homelessness qualify for free or reduced-price lunch and are nearly twice as likely to receive special education services.

Homeless and highly mobile students are more likely to be chronically absent, missing more than 10 percent of school days. Chronic absenteeism jeopardizes educational success. Only one in four homeless third-graders demonstrate reading proficiency, a rate that is 37 percent lower than their low-income but housed peers. Low reading proficiency in third grade correlates with significantly lower academic success in the future. About 75 percent of students experiencing homelessness don’t meet proficiency standards on state math and reading tests.

The McKinney-Vento Homeless Assistance Act (McKinney-Vento Act) (42 U.S.C. § 11431-11435) passed in 1987 and re-authorized in 2015, is federal legislation that ensures the educational rights and protections of children and youth experiencing homelessness. It requires all local educational agencies (LEAs) to provide “equal access to the same free, appropriate public education, including a public preschool education, as provided to other children and youths.” The McKinney-Vento Act also authorizes the funding for the federal Education for Homeless Children and Youths Program. In Minnesota, the grant currently supports 9,255 homeless youth with services such as tutoring, professional development, referral services, transportation assistance and other activities.

However, the federal funding does not completely meet the needs of districts. Most districts do more than what is required by federal law, by providing backpacks, school supplies and hygiene items; keeping schools open late so students have a safe place to study; hiring social workers to help families find housing and navigate services; contracting with food banks and other nonprofits so families have access to the necessities and providing extra tutoring and academic counseling to homeless students. To do so, they have to dip into their general funds and

other sources. Additionally, federal funds to Minnesota have been decreasing as other states experience faster growth in their concentration of students experiencing homelessness.

Providing expanded funds for eligible districts to fill the growing need will ensure equity and access to education for students experiencing homelessness.

Proposal:

This proposal would provide an additional 4,250 homeless students with services that are not being covered by federal funding provided by the McKinney-Vento Homeless Assistance Act. This proposal funds grants for schools and districts to provide increased school stability and academic success for students experiencing homelessness. Grants would be awarded to school districts with the highest count or concentration of students experiencing homelessness. In addition to grant funds, this proposal includes funding for MDE to administer the grant program including technical assistance, 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:

Homeless students are a population of underserved students. Homelessness disproportionately impacts students of color and American Indian students. Seventy-two percent of students facing homelessness are students of color. American Indian students are over-represented among students experiencing homelessness by a factor of 6.1. Black students are over-represented by a factor of 4.5. Homelessness also disproportionately impacts students with disabilities and lesbian, gay, bisexual, transgender, or questioning (LGBTQ) youth.

Results:

Students experiencing housing instability supported with grants	Students experiencing housing instability not supported with grants	Time Period
9255	4250	2016-2017 School Year

This proposal would increase the number of students experiencing housing instability who receive grant-funded supports.

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Grant Administration Account

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Special Revenue				
Expenditures	64	64	64	64
Transfer in (from 1000)	64	64	64	64
General Fund				
Transfer out (to 2001)	64	64	64	64
Expenditures	(64)	(64)	(64)	(64)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that Minnesota Department of Education (MDE) cover their costs for grant administration through the transfer of up to 5 percent of each new grant appropriation in FY2020 and beyond to a special revenue account. This proposal also transfers \$64,000 per year that is currently authorized in law for grant administration, and gives MDE authority to transfer up to 5 percent of new grants to the new special revenue account.

Rationale/Background:

Grant programs assigned to MDE without funding for grant management costs have increased from \$13 million in 2012 to \$47.7 million in 2018. The trend in recent years has been to name specific grantees in law. While these types of grants do not have the same level of administrative responsibilities as competitive grants that require creating a request for proposal and evaluating applications, the fiduciary and other grant management responsibilities still remain including adherence to all state grant management policies.

Annual grant management activities include:

- Develop grant requirements.
- Conduct pre-award assessments.
- Work with grantees to collect and finalize work plans.
- Prepare and negotiate grant agreements.
- Set up grants in Statewide Integrated Financial Tools (SWIFT).
- Review budget revisions as appropriate.
- Review payment requests, process and pay invoices.
- At completion of grant, work with program staff to make sure all necessary reporting is completed – make final payment and close grant.
- Grant monitoring (site visits or desk reviews – one per grant if under \$50,000).

If the grant is for multiple years the following activities are added to the process:

- Work with program staff on continuation application.
- Review budget applications submitted by grantee.
- Amend contracts for the new fiscal year and set up budgets.

If the grant is over \$50,000, state grant management policy requires annual monitoring (either site visits or desk reviews).

Competitive grants or grant programs require more work up front including:

- Develop grant requirements.
- Prepare grant applications.
- Prepare and advertise the Request for Proposal (RFP). (The Minnesota Department of Administration has requirements around how and where to advertise RFPs.)
- Review grant applications. (The Minnesota Department of Administration has multiple requirements around what the review should entail including scoring, negotiating, and awarding.)

Proposal:

This proposal would allow MDE to transfer up to 5 percent of each new grant appropriation in FY2020 and beyond to an account in the special revenue fund. This proposal also transfers \$64,000 per year that is currently authorized in law for grant administration.

Results:

Goal: Minnesota will reach a **third grade reading** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
56.4%	55.6%	90%	34.4 percentage points

Goal: Minnesota will reach an **eighth grade math** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
57.5%	56.4%	90%	33.6 percentage points

Goal: Minnesota will reach a 95 percent **consistent attendance** rate, with no group below 90 percent, by the year 2020.

2016 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
86.7%	85.6%	95%	9.4 percentage points

Goal: Minnesota will reach a **four-year graduation** rate of 90 percent, with no group below 85 percent, by the year 2020.

2012 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
78.4%	82.7%	90%	7.3 percentage points

Statutory Change(s):

M.S. 119A.03

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Maltreatment Investigations Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	406	288	288	288
Expenditures		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)	406	288	288	288
FTEs	2	2	2	2

Recommendation:

The Governor recommends increasing funding for the Minnesota Department of Education (MDE) Division of Compliance to investigate maltreatment allegations. The funds will be used to assess and respond to intake reports, conduct onsite investigations of alleged maltreatment, collaborate with the Minnesota Attorney General's Office, and train school administration, law enforcement, and state and local child welfare agencies to ensure compliance of relevant law.

The Governor also recommends amending the Maltreatment of Minors Act to allow MDE to investigate allegations of maltreatment of students ages 18-21.

Rationale/Background:

The state Reporting of Maltreatment of Minors Act gives MDE the authority to investigate reports of alleged maltreatment (physical abuse, sexual abuse, or neglect) of students under the age of 18, or refer cases to the Department of Human Services (DHS) in cases of abuse of a vulnerable adult. However, neither MDE nor DHS currently has the authority to investigate allegations of maltreatment of students ages 18-21 that do not meet the criteria of a vulnerable adult. As such, allegations of maltreatment involving general education students between the ages 18-21 that occur within a public school district or charter school are only being investigated by law enforcement, and only if it meets a criminal burden of proof standard. Recent news media coverage highlighted the current lack of jurisdiction for MDE to investigate allegations when a school employee sexually abused a student who was between the ages of 18-21. Giving MDE authority to investigate such matters will provide assistance in situations where there is an asymmetric power dynamic that does not fully reflect equitable interactions between adults.

MDE has experienced a steady increase in the number of intake reports received and allegations investigated over the past five years. This increase in reports is likely due to the media attention related to and societal expectations around investigating allegations of abuse, specifically sexual abuse matters. MDE currently receives and assesses more than 1,000 reports per year and conducts onsite investigations involving an average of 275 allegations of maltreatment of children in the public school system. The team at MDE assesses and screens all reports of alleged maltreatment; conducts onsite investigations, trainings, and technical assistance; responds to data requests; updates and maintains a program database. Each team member maintains an average caseload of 65 cases per year, and are also responsible for oversight of corresponding programs and initiatives such as the implementation of Minnesota's Olmstead Plan as it relates to abuse and neglect of students with disabilities, test security investigations, and assuring districts are in compliance with maintaining harassment and violence policies.

Proposal:

This proposal increases MDE’s responsibilities to investigate reports of student maltreatment by extending the existing age of the alleged victim to include any student between the ages of 18-21, who is enrolled in a public school that does not fall under the criteria of a vulnerable adult. This proposal includes two new FTE at MDE to handle the increase in reports received and cases needing to be investigated as a result of this law change, which is estimated to be 40 to 50 new reports during the first year of enactment with the potential to expand to more than 100 reports each year thereafter. Additionally, the new FTEs are expected to conduct a minimum of 20 to 30 new onsite investigations during the first year of enactment, with the potential to expand to more than 50 investigations each year after.

To achieve this proposed amendment, MDE would need to work with the following external partners; MNIT, Department of Human Services (DHS), Data Practice Office (DPO), local law enforcement agencies, school district administration, and local welfare agencies. This proposal includes funding for MDE to provide training so agencies can be compliant with the proposed changes in law and to minimize duplicate agency efforts in conducting maltreatment investigations of vulnerable adults. This includes ensuring compliance with data practice standards, and educating state and local entities on MDE’s jurisdiction, authority and procedures. Additionally, multiple training curricula will need to be developed via a web-based system to ensure mandated reporter requirements.

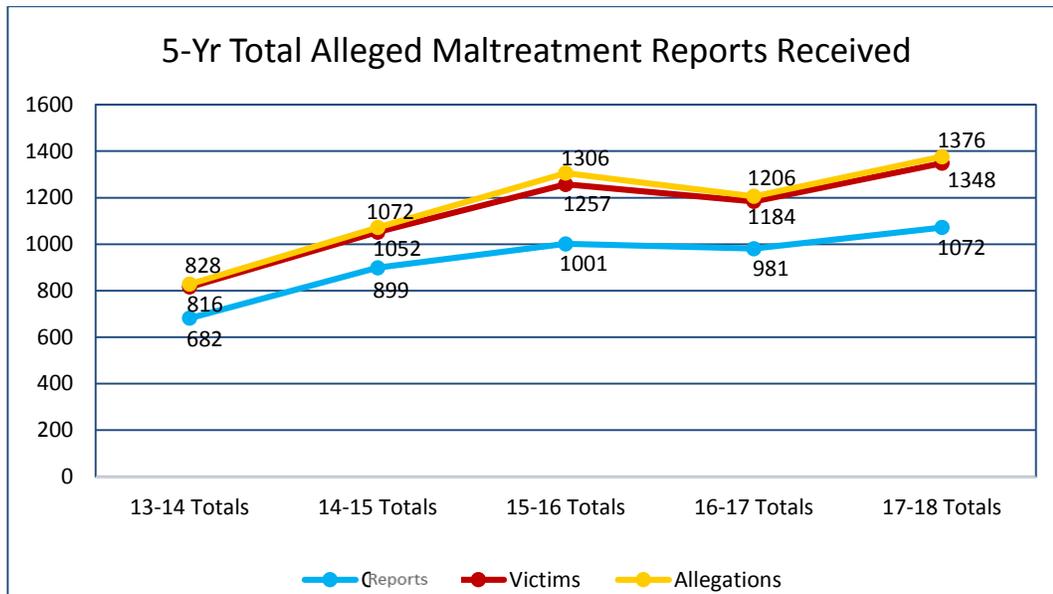
Equity and Inclusion:

- Students between the ages of 18-21 who are currently enrolled in the public school system will be afforded the same protection and rights in relation to investigations of alleged maltreatment within the public school district as is already established and provided to students 17 years of age or younger.
- Increased protection and rights for students between the ages of 18-21 from incidents of physical abuse, sexual abuse and neglect.

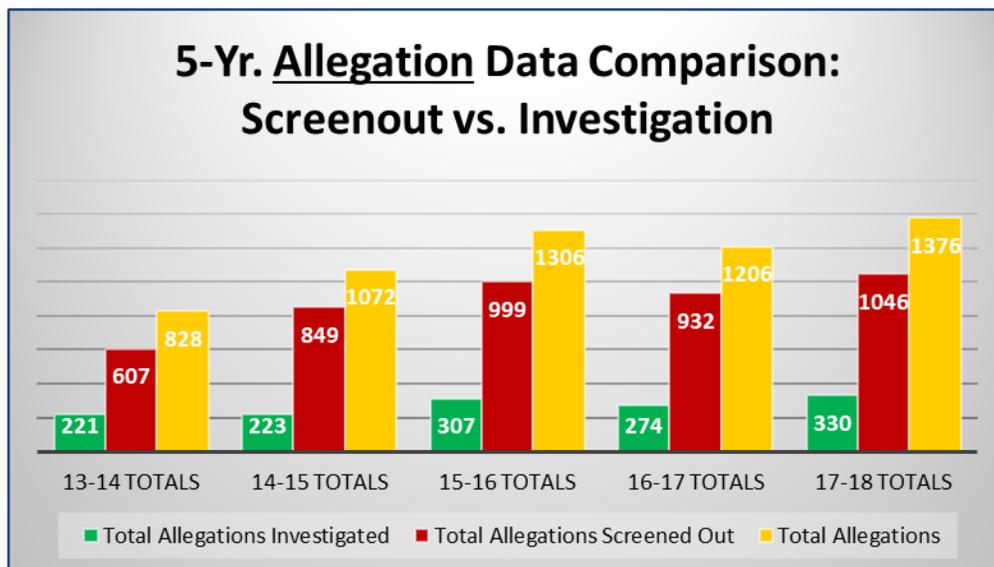
IT Related Proposals:

<i>Category</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Payroll						
Professional/Technical Contracts	126					
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	126					
MNIT FTEs						
Agency FTEs						

Results:



Average Reports Increase Per Year: 78, Average Victim Increase Per Year: 106.4, Average Allegation Increase Per Year: 109.4



Allegations Investigated	13-14 Totals	14-15 Totals	15-16 Totals	16-17 Totals	17-18 Totals
% Investigated	27%	21%	24%	23%	24%
5-Yr Average					24%

Statutory Change(s):

M.S. 626.556

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: School Safety Revenue

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	5,769	11,791	12,109	12,081
Revenues	0	(200)	(210)	(250)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,769	11,991	12,319	12,331
FTEs	0	0	0	0

Recommendation:

The Governor recommends providing Minnesota school districts and charter schools with additional revenue to improve student and school security. Funds may be used for building security improvements or to hire more school resource officers, counselors, or other student support staff. This recommendation provides one-time state aid to districts and charter schools equal to \$5 per pupil in fiscal year (FY) 2020. In FY 2021 and beyond this proposal will: 1) increase the Safe Schools Levy allowance from \$36 per pupil to \$50 per pupil and create a minimum revenue amount of \$20,834 per school district; 2) equalize the levy to allow districts with low property tax capacity access to this revenue; and 3) provide charter schools with \$14 per pupil in Safe Schools Aid. The Governor also recommends amending the allowable uses under the school levy to include professional development such as restorative practices, social-emotional learning, and other evidence-based practices.

This proposal seeks an allocation of \$17.8 million for the FY 2020-21 biennium and \$24.7 million for the FY 2022-23 biennium, including the cost of interactions with the property tax refund program, state individual and corporate income taxes, and the continuation of the 4,000 expiring seats for the voluntary pre-kindergarten/school readiness plus program. In addition, the safe schools levy would increase by \$5.4 million for taxes payable in 2020 and \$5.6 million for taxes payable in 2021 and later.

Rationale/Background:

Under current law a district may levy up to \$36 per adjusted pupil unit to directly fund the following purposes or reimburse cities and counties who contract with the district for these purposes:

1. to pay the costs incurred for the salaries, benefits and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;
2. to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;
3. to pay the costs for a gang resistance education training curriculum in the district's schools;
4. to pay the costs for security in the district's schools and on school property;
5. to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;
6. 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;
7. to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

8. to pay for costs associated with improving the school climate; or
9. to pay costs for co-locating and collaborating with mental health professionals who are not district employees or contractors.

A school district that is a member of an intermediate school district may levy an additional amount up to \$15 per adjusted pupil unit for intermediate school district programs.

The levy is not equalized by the state. Most districts levy the maximum amount, but a few districts, including those with the lowest tax base per pupil, do not levy or levy less than the maximum due to low tax capacity.

The levy formula has been increased periodically and the uses of the revenue have been broadened over time. Prior to 2001, the levy was called the crime levy, and a per capita formula was used (\$1.50 per capita from taxes payable in 1998 – 2001 and \$1 per capita before that). For taxes payable in 2001 and 2002, the rate was \$11 per pupil unit. Beginning with taxes payable in 2003, the rate was increased to \$30 per pupil unit, and beginning with taxes payable in 2014, the rate was increased to \$36 per pupil unit (\$4 of this increase was new revenue, and \$2 was to adjust for a pupil unit weighting change).

With the increase in the number of school shootings and other violence in schools in recent years, there is growing recognition of the need to significantly increase funding for student and staff safety, both for building security improvements and for more school resource officers, counselors, or other student support staff, and to extend the funding to schools that are currently excluded. To ensure that districts with little or no tax base are able to access safe schools revenue, and to provide greater equity in the tax burdens between districts with low tax base per student and districts with higher tax base per student, state aid should be provided to equalize the levy. Finally, the authority for cooperative units to access safe schools revenue should be extended from intermediate districts only to all cooperative units enrolling students.

Proposal:

For FY 2020:

- Increase the safe schools revenue allowance for school districts from \$36 to \$41, a \$5 increase, with a minimum revenue of \$17,083 per district, and provide \$5 per student for charter schools. Since the levy for FY 2020 has already been made, provide the increase all from state aid; and
- Increase the safe schools revenue allowance for intermediate districts from \$15 to \$17.08 per member district pupil unit, a \$2.08 increase, and provide \$2.08 per student for other cooperative units enrolling students. Since the levy for FY 2020 has already been made, provide the \$2.08 increase all from state aid.
- Amend the allowable uses under item (8) school climate in the school safety levy to include professional development such as restorative practices, social-emotional learning, and other evidence-based practices.

For FY 2021 and later:

- Increase the current safe schools revenue allowance for school districts from \$36 to \$50, a \$14 increase, with a minimum revenue of \$20,834 per district, and provide \$14 per student for charter schools;
- Increase the current safe schools revenue allowance for intermediate districts from \$15 to \$20.83 per member district pupil unit, a \$5.83 increase, and provide \$5.83 per student for other cooperative units enrolling students;
- Equalize the levy for school districts and the levy made by member districts of cooperatives, including intermediate districts, using an equalizing factor equal to 110 percent of the state average Adjusted Net Tax Capacity (ANTC) per pupil unit excluding 50 percent of Class 2a agricultural property valuation. This is the same measure currently used for Long Term Facilities Maintenance Revenue (LTFM), except that the equalizing factor for LTFM is 123 percent of the state average ag-modified ANTC per pupil.

For FY 2020 and later:

- Clarify that the equipment bonding under Minnesota Statute, section 123B.61 may be used for the purchase of equipment related to violence prevention and facility security, and increase the maximum amount of the annual debt service levy for facilities and equipment bonds by the amount of a district's safe schools revenue.

Because this proposal raises levy allowances, property taxes on all property will increase. Increased property taxes will result in higher homeowner property tax refunds, which are additional costs to the state general fund. The growth in property taxes will also increase income tax deductions, which reduces revenues to the state general fund.

Equity and Inclusion:

This proposal will support all students in Minnesota public schools, particularly students in charter schools, cooperatives other than intermediates, and students in low tax base school districts. Charter schools and cooperatives other than intermediates are currently excluded from eligibility for safe schools revenue; in this proposal they would be included in the program and would receive the same increase as school districts and intermediate districts, respectively. Districts with little or no tax base (e.g., Red Lake, Nett Lake), which have been effectively excluded from the program due to inability to make a tax levy, will be able to raise the same revenue per student as other districts with most of the revenue funded by the state. Districts with relatively low tax base per student will receive equalization aid to reduce disparities in the tax rate needed to raise the same safe schools revenue per student as other districts.

Results:

School districts and cooperatives will receive a much-needed boost in safe schools revenue, which can be used for building security improvements or to hire more school resource officers, counselors, or other student support staff.

Statutory Change(s):

M.S. 126C.44

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: IT Program and Data Integration

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	822	822	822	822
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	822	822	822	822
FTEs	1	1	1	1

Recommendation:

The Governor recommends funding for program and data integration that will improve data systems and reports for stakeholders, including the Minnesota Department of Education (MDE) program areas, research, and data analysis.

Rationale/Background:

As a result of the 2016 Minnesota legislative session, MDE is required to report graduation rates, results of the Minnesota Comprehensive Assessments (MCAs), and more, by detailed ethnicity for students of color and American Indian students. This legislation is referred to as the “All Kids Count Act,” and the more detailed reporting is called data disaggregation. Read the full text of the legislation: Minnesota Statutes, sections [120B.31 subd. 3a](#) and [120B.35 subd. 3](#).

Shortly after this legislation was passed in 2016, MDE applied for and was awarded a five-year federal grant to fund the development of a data collection system to collect complete and accurate detailed demographic information. In 2017, MNIT @ Education conducted a feasibility study examining the options and necessary enhancements related to data submission in an effort to streamline the process. More information can be found in Appendix A of the February 2018 legislative report for [Data Disaggregation](#).

As a result of the feasibility study MDE and MNIT @ Education have determined the best long-term solution for the state and for the collection of detailed demographics is to utilize [Ed-Fi](#), a data standard that is used in other states and districts across the country. The Ed-Fi protocol allows for real time data transfers that are automated using a secure system and practices. This is an effort to not only provide information in real time but also to reduce the errors that may be introduced by human interaction during the current submission processes.

MDE and MNIT have been working with the Ed-Fi Alliance during the initial phase of implementation of [Ed-Fi](#). Though each state’s implementation of Ed-Fi is unique, the Ed-Fi Alliance provides some background and success stories from various perspectives at [Ed-fi.org-benefits](#).

Currently districts utilize a manual upload process to submit student enrollment information to MDE. MDE then uses the submitted information to provide payments to schools and districts. Utilizing Ed-Fi will allow for real time, automated data transfers that will reduce time and staff pressures on school districts. It will also allow data systems that do not currently interface with each other to do so. For example, if the Minnesota Common Course

Catalog and Minnesota Automated Reporting Student System (MARSS) could interface, the state would have better information about what demographic groups have access to a well-rounded education.

Proposal:

This proposal would create a new program to sustain the initial implementation of data disaggregation and Ed-Fi with five partner districts, which is funded via a federal grant. Initial implementation is currently ongoing with statewide implementation of data disaggregation and Ed-Fi in MARSS is expected to occur during the 2019-2020 school year. These funds will provide MDE and MN.IT resources to integrate data submissions and systems across more programs within MDE in effort to streamline collection efforts, to increase efficiency for districts, and to take advantage of the increased data reporting capabilities initially made possible through the federal grant.

Equity and Inclusion:

Additional programs implementing Ed-Fi will allow for more efficient disaggregation of data by student groups as well as new reports which would provide disaggregation of data by student groups. The particular groups and reports will vary somewhat by data type, but some examples include:

- The need for collecting more detailed groups, which lead to the adoption of Ed-Fi, was the result of legislation intended to better identify disparities in opportunities and results for various racial and ethnic groups. Disaggregation of test results for the seven major federal racial and ethnic groups (American Indian, Asian, black, Hispanic, Native Hawaiian and Pacific Islander, white, and two or more races) and for the additional ethnic groups required in state law (e.g. disaggregating Karen, Hmong, etc., within the larger Asian group). Those services and supports to districts must continue.
- Including other program areas in Ed-Fi will allow greater and improved data analysis – including rigorous course taking patterns or early learning enrollment for the various detailed demographic groups.
- The funding should be ongoing until all Minnesota program areas’ data collection efforts are fully transitioned to Ed-Fi.

IT Related Proposals:

<i>Category</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Payroll	678	678	678	678		
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	678	678	678	678	678	678
MNIT FTEs	4.3	4.3	4.3	4.3	4.3	4.3

This data reflects staff needed to support current programs and bring additional programs onto Ed-Fi 3.0.

Results:

Goal: Minnesota will reach a **third grade reading** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
56.4%	55.6%	90%	34.4 percentage points

Goal: Minnesota will reach an **eighth grade math** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
57.5%	56.4%	90%	33.6 percentage points

Goal: Minnesota will reach a 95 percent **consistent attendance** rate, with no group below 90 percent, by the year 2020.

2016 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
86.7%	85.6%	95%	9.4 percentage points

Goal: Minnesota will reach a **four-year graduation** rate of 90 percent, with no group below 85 percent, by the year 2020.

2012 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
78.4%	82.7%	90%	7.3 percentage points

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Turnaround Arts Schools

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	140	140	140	140
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	140	140	140	140
FTEs	1	1	1	1

Recommendation:

The Governor recommends funding to support Turnaround Arts Schools. This is a new initiative for MDE, but was previously funded at the Perpich Center for the Arts who provided services to Turnaround Arts Schools since 2014. The position will support the six Turnaround Arts schools through professional development and school change technical assistance.

Rationale/Background:

The John F. Kennedy Center for the Performing Arts – Turnaround Arts Program was started by the President's Committee on the Arts and the Humanities in 2011. The national program office provides local Turnaround Arts programs with arts education in-kind materials, advisement and coaching, program methodologies, a national program evaluation and resulting data, training, peer-to-peer learning structures, and limited funding. The Perpich Center has been the regional partner for the Turnaround Arts sites but chose to not renew the program. MDE would need funding to hire a regional staff position, who engage directly in supporting schools as required by the Kennedy Center. Staff work exclusively in high-need schools. In Minnesota, these are schools in need of support as defined in our federal Every Student Succeeds Act (ESSA) plan. Eight schools were chosen for the original national pilot; the program has expanded to 84 schools in 17 states and the District of Columbia. There are six schools in Minnesota currently. Turnaround Arts schools have almost exclusively served students in grades K-8.

The six schools, their locations, and the year they began in the initiative are as follows:

1. Bethune Community School, Minneapolis (2014)
2. Cityview Elementary School, Minneapolis (2016)
3. Stonebridge World Charter School, Minneapolis (2016)
4. Northside Elementary, St. James in southwest MN (2014)
5. Red Lake Middle School, Red Lake Reservation in northwest MN (2014)
6. Riverside Central Elementary School, Rochester in southern MN (2016)

Serving nearly 3,000 students, these schools have diverse student populations in both urban and rural settings. For example, 100 percent of Red Lake Middle School's students are Native American; Northside Elementary in rural St. James is about half white and half Hispanic students; and Bethune and Cityview Schools in North Minneapolis have a majority of African American students. More than half of the students at all six schools are eligible for free or reduced-price meals and, in four of the schools, 90 percent or more of students are eligible. Letters from the schools are available.

Proposal:

This proposal provides funding to support Turnaround Arts Schools. This is a new initiative for MDE, but was previously funded by the legislature through the Perpich Center for the Arts. The position will support the schools through professional development and school change technical assistance.

Equity and Inclusion:

The goal of this work is to have increased student arts access and academic achievement through improving tools for teachers and administrators. This program builds capacity at low income schools to promote student success through arts integration and improved school culture, climate, and family engagement.

The importance of achieving these objectives cannot be overstated for Turnaround Arts schools' students, families, and communities. The targeted student group for this project are high-need students attending schools where 20 percent or more of students are eligible for free and reduced-price lunch (FRL).

Results:

Schools that serve this target group that have been involved in Turnaround Arts have demonstrated increased academic achievement, increased student and family engagement, and improved school climate. In the first eight Turnaround Arts schools in the nation, math proficiency increased an average of 22.5 percent and reading proficiency increased an average of 12.6 percent from 2011-2014. Compared to similar schools in need of support, these first Turnaround Arts schools improved 6.3 percent more in math and reading (Stoelinga, 2014).

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Data Analytics

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	222	226	226	226
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	222	226	226	226
FTEs	1.4	1.4	1.4	1.4

Recommendation:

The Governor recommends \$222,000 in FY 2020, and \$226,000 each year thereafter to fund data analytics activities at the Minnesota Department of Education (MDE), including program evaluation, research, and data analysis.

Rationale/Background:

There is a continued emphasis on data-driven decision-making to improve student learning. The MDE Data Analytics team was created in 2012 to support educators, state programs, legislators and stakeholders in their understanding, analyzing, and interpretation of education data. This team also provides a key role in program evaluation, research, data analysis, and training at a local level. Enhanced data analytics allows decision-makers to set better goals, make policy decisions, and improve teaching and learning in the classroom.

While the number of requests have increased over the years, this team has worked to improve the timeliness of responses and technical support to Minnesota districts and charter schools. However, some Data Analytics staff are currently funded through a federal grant, which will expire in September 2019. Without a new funding source, these staff would no longer be able provide the current level of service, which will result in delays in fulfilling public data requests and support to local decision-makers who rely on MDE-provided reports.

Proposal:

The Governor recommends increased funding for MDE's Data Analytics team. The funds will support staff who conduct the following activities:

- Report Interpretation: This work includes training to school and district personnel in an effort to increase appropriate and effective use of the data provided; and outreach to families and other stakeholders. This includes collaboration with other state agencies.
- Data Requests: This work includes responding to public data requests, which come from a variety of stakeholders including the public, other state agencies, and the legislature.
- Administrative or programmatic capacity: This work includes coordinating the Minnesota Statewide Longitudinal Education Data System (SLEDS) and the Early Childhood Longitudinal Data System (ECLDS) by providing programmatic capacity; and providing professional development and outreach to teachers and district staff. This is consistent with a recommendation from the 2017 OLA report. [Minnesota Office of the Legislative Auditor-Standardized Student Testing](#)

Results:

Without the assistance of existing staff with dedicated funding, the ability for schools/districts and stakeholders to effectively and correctly interpret the state’s and local school’s/district’s progress in achieving our goals for all students.

Goal: Minnesota will reach a **third grade reading** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
56.4%	55.6%	90%	34.4 percentage points

Goal: Minnesota will reach an **eighth grade math** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

2017 Baseline	Current Result (2018)	2025 Goal	Distance from Current Result to 2025 Goal
57.5%	56.4%	90%	33.6 percentage points

Goal: Minnesota will reach a 95 percent **consistent attendance** rate, with no group below 90 percent, by the year 2020.

2016 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
86.7%	85.6%	95%	9.4 percentage points

Goal: Minnesota will reach a **four-year graduation** rate of 90 percent, with no group below 85 percent, by the year 2020.

2012 Baseline	Current Result (2017)	2020 Goal	Distance from Current Result to 2020 Goal
78.4%	82.7%	90%	7.3 percentage points

Statutory Change(s):

NA

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Regional Centers Expansion

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	1,000	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	2,000	2,000	2,000
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends that Minnesota invest in supporting children in schools and districts identified under Minnesota’s Every Student Succeeds Act (ESSA) plan and World’s Best Workforce (WBWF) by expanding the capacity of Minnesota’s Regional Centers of Excellence (RCEs). This investment of an additional \$1 million in FY20 and \$2.0 million each year after that, will allow the RCEs to provide on the ground coaching, training, consulting and other assistance to all identified district and school leadership teams so that they build a strong and sustainable infrastructure to implement strategic plans and research-based practices that lead to improved outcomes for children.

Rationale/Background:

Under ESSA, Minnesota is required to identify its chronically underperforming schools and to support their improvement. Schools are identified based on academic achievement in math and reading, student progress in increasing proficiency levels, English learners’ progress toward English language proficiency, graduation rates, and consistent attendance. Individual student group performance in these indicators is also a focus of the accountability system.

Minnesota has already planned and implemented a coordinated regional approach to supporting schools with intensive onsite technical assistance through RCEs. However, current state funding of \$1 million a year does not support the staffing to provide the on-site intensive assistance needed in order to build the capacity at the school and district levels under new federal ESSA requirements and aligned with WBWF requirements. Under the new accountability requirements in ESSA, Minnesota has identified an increased number of schools for support. Under WBWF, districts not making progress towards WBWF goals will be identified for support, and Regional Center staff—already deployed to assist districts with underperforming schools—could be leveraged more in WBWF planning and supports. In order to sustain the needed levels of intensive support for an expanding number of schools and to add WBWF supports at the district level, the centers staffs need to expand accordingly.

Proposal:

This proposal seeks to expand the existing statewide system of support for schools offered by Minnesota’s Regional Centers of Excellence (RCEs). RCEs are primarily funded with Title I federal funds (\$10.9 million), as well as \$1 million in state funding and about \$500,000 in Title II funding, to provide needed supports for schools identified under federal ESSA requirements and for districts identified under state WBWF requirements.

This funding provides more intensive supports for schools identified for “Comprehensive Support,” defined as 5 percent of Title I schools identified based on student achievement, or high schools with four-year graduation rates below 67 percent for any individual student group. This includes 47 schools and 147 high schools.

This proposal will allow Regional Centers to provide the same level of support to schools identified for “Targeted Support,” defined as any school (versus any Title I school) where any student group performs at or below Comprehensive Support schools for at least one indicator in each stage. This includes 157 schools that may need to focus on a single student group, or may need support on just some of the measures.

Funds would expand the services in the six Regional Centers in Marshall, Rochester, Sartell, Fergus Falls, Thief River Falls, and Mountain Iron. Center specialists work onsite to provide direct assistance to schools. Each staff member has a specialist area they support, and through this expansion, RCEs will be able to add additional specialists in school climate, early learning, and family and community engagement.

The proposal would also add 2 FTEs at MDE to direct and coordinate RCEs activities, and provide administrative support.

Equity and Inclusion:

Both the state WBWF goals and federal ESSA requirements are intentionally established to ensure *all* students are meaningfully included, and this proposal is aimed at supporting districts and schools in ensuring all students are given opportunities to succeed from prekindergarten through the workforce and postsecondary. The third WBWF goal is explicitly about eliminating disparities in achievement between student groups.

Under ESSA, Minnesota was a nationwide leader in ensuring that each student group (including racial groups, English learners, special education students, students receiving free or reduced-price lunch) is considered equally among the indicators. A school can be identified for support if one student group performs at or below Comprehensive Support schools.

As Minnesota conducted robust stakeholder engagement efforts around the design of Minnesota’s consolidated ESSA plan, we heard from a variety of communities (including communities of color, advocates for English learners and special education students), that schools need support to do this work and that a regional approach that empowers local districts and schools to lead school improvement works far better than a “top down” or “one size fits all” approach. In particular, we heard from representatives of our greater Minnesota or rural communities how much they value having support from experts that live and work their communities rather than those who live in the cities and may not fully understand the context of rural schools.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Percentage of 3 rd grade students proficient in reading	57%	57%	2013-2018
Results	Graduation rates	78%	82%	2012-2016
Results	Percentage of high school graduates enrolled in college in Minnesota who require developmental courses within two years of high school graduation	29%	20%	2007-2016

Table 1: * Targets get progressively harder to meet, hence the decrease in the percent

Regional Centers of Excellence Results

Type of Measure	Name of Measure	Previous	Current	Dates**
Quantity	Hours of direct support to schools identified for improvement	N/A	64,956 to 75 schools	2014-2018
Quality	Percent of school leadership teams that agreed that <ul style="list-style-type: none"> • Center staff has enhanced the school’s Continuous Improvement process • Center staff has introduced new ideas to the school’s Continuous Improvement process • Are satisfied with Center support person 	85%	>90%	2015-2018
Results	Percentage of supported schools that had a school leadership team that functioned at the “Developing” or Succeeding” on the School Leadership Team Rubric	65.7%	68.3%	2016-2018
Results	Percentage of Students Proficient in Math in Priority and Focus Schools	35.69%	35.87%	2014-2018
Results	Percentage of Students Proficient in Reading in Priority and Focus Schools	34.52%	38.32%	2014-2018

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Legal Costs

Fiscal Impact (\$000s)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Fund					
Expenditures	(2,000)	4,700	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(2,000)	4,700	0	0	0
FTEs (Maintain)	0	0	0	0	0

Recommendation:

The Governor recommends \$4.7 million in FY 2020 to fund legal support costs associated with Attorney General activities and other direct court costs. It is anticipated the Minnesota Department of Education's legal support costs will increase during the next biennium due to two large lawsuits.

Rationale/Background:

MDE is a defendant in two cases that have the potential to establish landmark rulings in the State of Minnesota. During the 2017 legislative session, \$4 million of one-time funds were provided for fiscal years 2018-19 in anticipation of the two major lawsuits. Although MDE estimates \$2 million of this appropriation will cancel on June 30, 2019, these lawsuits remain in progress. These lawsuits will bring additional costs for discovery and experts, court fees, mediation services, and potential trial costs. The timeline of the lawsuits and the total amount of legal costs are uncertain and difficult to estimate.

Proposal:

This proposal would cancel \$2 million in FY 19, and appropriate \$4.7 million one-time in FY 20 to MDE for legal support costs associated with Attorney General activities and other costs related to defending and mediating lawsuits. Funds would be available for both years of the biennium, FY 2020 and FY 2021.

If this proposal is not funded, all legal costs would need to be paid from general fund operating funds, impacting the agency's ability to support schools, teachers, and students. This proposal would enable MDE to maintain approximately 16 FTEs and impacts the Attorney General's office ability to budget and plan to provide adequate legal services.

Statutory Change(s):

N/A

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Early Learning Scholarship Special Revenue Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	(70,709)	(70,709)	(70,709)	(70,709)
Revenues (transfer out)	70,709	70,709	70,709	70,709
Special Revenue				
Expenditures	70,709	70,709	70,709	70,709
Revenues (transfer in)	70,709	70,709	70,709	70,709
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the Early Learning Scholarship appropriation be transferred to an account in the special revenue fund so that more early learning scholarships may be awarded to students and families.

Rationale/Background:

Early learning scholarships are awarded to 3- and 4-year-old children with the highest needs to improve school readiness. Scholarships are awarded in one of two ways: either directly to families or through Four-Star Parent Aware Rated programs. These awards follow statutory grant program funding, which allows a family 12 additional months after the close of a fiscal year to use their scholarship. If a family does not spend all of their award, the remaining balance is returned. Neither the regional administrator nor the Minnesota Department of Education (MDE) has the legal authority to reallocate those funds to another family on the waitlist after the fiscal year has closed. In 2017, \$8.5 million canceled from the Early Childhood Scholarships program. Despite improvements in forecasting, it is not possible to avoid all cancellations as families may gain or lose funding eligibility within the child's scholarship year.

By transferring scholarship money to the special revenue fund, funds would carryforward at the end of each fiscal year and be available until spent. This would give MDE the legal authority to reallocate returned funds, which would reduce this program's almost 1,700-student waitlist.

Proposal:

The Governor recommends that the Early Learning Scholarship funds be transferred to the special revenue fund Maximize available. To ensure scholarships continue to be awarded and paid in a timely manner, MDE would make the following changes to the award timeline:

- Regional Administrators and Pathway II programs would have 12 months to award a scholarship to a child.
- The child would have 12 months to receive services and charge the scholarship from the award date.
- Regional administrators and Pathway II programs would have 105 days to invoice or make adjustments from the date of service.
- MDE would identify funds not awarded within 12 months and work with regional administrators on a plan for awarding the next twelve months or reallocating the money to another program that has a waiting list. This would give the new program time to award to children and meet the award and payment schedule outlined above.

Transferring the Early Learning Scholarship appropriation to an account in the special revenue fund would simplify the payment system for the scholarship program, improve MDE's program management and oversight

capabilities, and ensure MDE can meet the commitments of these children for the full 12-month period of their scholarship.

Equity and Inclusion:

Early Learning Scholarships increase access to high-quality early childhood programs for 3- and 4-year-old children with the highest needs to improve school readiness for all young children. Scholarships provide support for children to attend a high-quality early learning program as rated through Parent Aware, Minnesota's quality rating and improvement system. Priority for scholarships are given based on family income and child poverty, and to children birth to age 2 if they meet one or more of the following criteria: child of a teen parent; currently in foster care; in need of child protective services; or experienced homelessness in the last 24 months.

Results:

MDE tracks the distribution of scholarship across Minnesota to ensure an equitable geographic distribution. As the primary goal of early learning scholarships is to improve access to high-quality early learning programs for children at most risk of not being school ready by kindergarten, further tracking is done by child's age, child's race and ethnicity and child's language. MDE, along with their partners and grantees, review the data to develop improved outreach and collaborations to improve access to high-quality programs through scholarship awards. Early learning scholarships serve a diverse population.

In FY 2017, for those children reported, Pathway I scholarships were awarded to children speaking 33 languages other than English in their home, or 15.2 percent of awards. Pathway II scholarships reached even more children from diverse back grounds with 49 languages other than English, 22.7 percent of awards. While 14.9 percent of families chose not to provide race and ethnicity data, 46.6 percent of children were identified as children of color, compared to data from the 2013 American Community Survey, which identified a non-white child population under age 5 of 25 percent.

<i>Type of Measure</i>	<i>Name of Measure</i>	2013	2014	2015	2016	2017
Quantity	Number of children receiving a scholarship	509	5,869	8,225	11,219	15,079

Statutory Change(s):

M.S. 124D.165, subdivision 3

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Board of School Administrators Maintain Funding Structure in FY 2020

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	232	232	232	232
Revenues	260	260	260	260
Other Funds				
Expenditures	(232)	(232)	(232)	(232)
Revenues	(232)	(232)	(232)	(232)
Net Fiscal Impact = (Expenditures – Revenues)	28	28	28	28
FTEs	0	0	0	0

Recommendation:

The Governor recommends maintaining the current funding structure for the Board of School Administrators (BOSA) by appropriating their operating budget from the general fund and depositing all school administrator licensure fees to the general fund. This recommendation brings both the receipts and appropriation to support BOSA back to the general fund to simplify and ensure consistent funding for the agency.

Rationale/Background:

Beginning in FY 2020, BOSA's funding structure will change so that licensure fee revenue is deposited into and operating dollars are appropriated out of the Educator Licensure account in the special revenue fund. Currently, BOSA is general fund appropriated and all licensing fees for school administrators are paid to the general fund. Changing BOSA's funding stream poses many administrative challenges. Historically, the board has not consistently collected enough receipts in a fiscal year to fully fund their operating budget. In addition, the board does not receive the majority of their fee revenue until November of each year. This will result in the board relying on cash flow assistance at the start of every fiscal year so that they may continue to support their operations. This recommendation brings both the receipts and appropriation to support BOSA back to the general fund to simplify and ensure consistent funding for the board.

Proposal:

The Governor recommends striking statutory language, which appropriates BOSA's operating funds from the Educator Licensure account in the special revenue fund starting in FY 2020. BOSA would instead remain appropriated entirely out of the general fund, and would continue to deposit licensure fees into the general fund.

Results:

This proposal is intended to ensure consistent funding for the board so they are able to provide current levels of service more effectively.

Statutory Change(s):

M.S. 122A.14; M.S. 122A.175; M.S. 122A.18; M.S. 122A.21

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Board of School Administrators Operating and Revenue Increase

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	170	115	115	115
Revenues	115	115	115	115
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	55	0	0	0
FTEs	1	1	1	1

Recommendation:

The Governor recommends increasing the operating budget for the Board of School Administrators (BOSA) by \$170,000 in FY 2020, and by \$115,000 each year thereafter. This additional funding will go to support increased ethical inquiries; more rigorous review of continuing credit requests; data collection and analysis; the design, build and maintenance of a new automated licensure fee collection system, and miscellaneous operating expenses.

The Governor also recommends increasing the annual fee from \$75 to \$100 for active administrators, and from \$32.50 to \$50 for inactive members. This will generate an additional \$87,000 a year in fee revenue.

Rationale/Background:

The Board of School Administrators was created by the state legislature in 2001 to enforce standards, approve university preparation programs and alternative pathways for administrators, establish rules on continuing education and professional development, and adopt and implement a rigorous code of ethics. BOSA is staffed by two employees who must manage an increasing number of ethical inquiries; more rigorous review of continuing credit requests; and data collection and analysis.

With additional resources, BOSA could:

- Process additional ethical inquiries, which vary in complexity and administrative time to resolve. In FY 2018, the board processed 121 ethical inquiries, an increase of 29 percent since FY 2016.
- More thoroughly review clock hours, attendance, and program standards and goals for accuracy, quality and effectiveness. Currently, BOSA is required to review and approve continuing education clock hours. Administrators are required to obtain 125 clock hours over a five-year period. BOSA has limited capacity to review all clock hours.
- Gather and analyze data to give policymakers more accurate and timely data with meaningful measurements and assessments of licensure and preparation programs.
- expedite processing of 45 variance requests a year, the 566 new administrative licenses every year, the 2,000 license renewals, most of which must be accelerated to meet the emergency needs of the school districts.
- Cover unplanned, mandated costs such as legal expenses or other expenses involving when employees get sick or retire, and allow for additional operating expenditures related to conducting board meetings such as travel reimbursements and meals for board members.

Proposal:

The Governor recommends increasing BOSA's operating appropriation as follows:

- \$80,000 each year to hire one Office Administrative Assistant Intermediate.
- \$21,000 each year for mandatory, unplanned expenses such as contract settlements, employee retirements, and court costs associated with discipline cases before an administrative law judge.
- \$69,000 in FY 2020 to create a new automated fee collection system; and \$14,000 each year thereafter to maintain the system.

The Governor also recommends increasing the annual fee for active administrative license holders from \$75 a year to \$100. The annual fee for inactive license holders would increase from \$32.50 to \$50 a year. This fee was set by the legislature in 2002 and has not increased since. On February 12, 2018, the board unanimously voted to increase these fees. This recommendation would increase non-dedicated general fund receipts by an estimated \$87,000 a year.

Results:

Each year, the Board of School Administrators:

- Licenses 7,037 Minnesota school administrators, which is an increase of 2.3 percent since 2016; and
- Certifies 43 administrative preparation programs at Minnesota's 14 universities every five years; and
- Processes over 120 ethics inquiries; and
- Awards over 1,600 certificates of continuing education.

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Regional Library Telecommunications Aid

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 amending statutory language governing Regional Library Telecom Aid (RLTA) to increase access to the internet and technology in regional and public libraries by expanding the allowable uses of funds. This recommendation would not increase total aid.

Rationale/Background:

RLTA provides state funds to offset the cost of internet access in public libraries that participate in the federal e-rate program. This program provides discounted telecommunications aid to impoverished, rural libraries and schools. RLTA spending is also used for the state's maintenance of effort for federal Library Services and Technology Act (LSTA) funding.

RLTA has a surplus of funds after a statutory change in 2015 which fully aligned the state program with the federal e-rate program. Current allowable costs are for activities that establish basic connectivity and equipment such as routers, switches and wiring. Since this change, the amount of RLTA that is needed to fully fund connectivity has decreased substantially, largely due to lowered costs at some of the larger regional library systems. At the same time, requests for basic equipment have been modest. This has led to a surplus of funds in RLTA. Because of the interaction with federal funding, a decrease in spending for RLTA directly results in a decrease in federal funds. Additionally, while e-rate and RLTA combine to cover the full cost of connectivity, libraries have additional needs related to providing access to the internet and technology that do not fall under the e-rate umbrella.

Proposal:

This proposal would allow regional public libraries to use surplus funds for other costs related to providing internet and technology access. This includes but is not limited to the purchase of personal computers, laptops, e-readers, tablets, wireless access points (and associated software), printers, technology for remote locations, software to manage internet access, internet security and Children's Internet Protection Act (CIPA) compliance.

Expanding the allowable use of RLTA funds would permit libraries to keep pace with the variety of needs related to providing access to the internet and technology and is likely to be supported by the regional public library systems. Implementation would require MDE to determine the timing for distribution of funds, establish processes for application and award of funds, as well as requirements for documentation that would ensure the reasonableness of costs.

Equity and Inclusion:

RLTA funds the telecommunications infrastructure necessary for library-based programs and services that support World’s Best Workforce goals and serve all Minnesotans. By allowing additional uses of funds, libraries will be better situated to respond to the needs of individuals in the community who lack internet access and access to technology.

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	6,921,334	10,923,529	2016, 2017
Quantity	Number of internet devices in public libraries	6,702	6,702	2016, 2017

Statutory Change(s):

M.S. 134.355

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Kindergarten Student Accounting Simplification

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	96	106	107	107
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	96	106	107	107
FTEs	0	0	0	0

Recommendation:

The Governor recommends changing the average daily membership (ADM) calculation for kindergarten students with a disability by making it the same as the ADM calculation for other kindergarten students. This will eliminate an unintended and inequitable disparity in funding between kindergarten students with a disability and other kindergarten students. Currently, kindergarten students with a disability generate slightly less general education revenue than their nondisabled peers who are served the same number of hours during the fiscal year.

Rationale/Background:

- ADM and pupil units for kindergarten students with a disability have long been calculated based on the ratio of the number of hours of assessment and education services required in the fiscal year by the student's individualized education plan (IEP) to 875 hours, with a limit of one pupil unit per student.
- Since the ADM calculations for kindergarten students with a disability are based on total hours served during the fiscal year and are limited to 1.0 ADM, kindergarten students with a disability do not generate extended time revenue when they are served in a targeted services program outside of the regular school day.
- Pupil units for nondisabled kindergarten students were historically limited to 0.50, and later to 0.612. When all-day, every day kindergarten funding was enacted in 2013, the ADM calculations for kindergarten students with a disability were inadvertently not updated to make them consistent with the calculations for kindergarten students without a disability. Kindergarten students without a disability generate one pupil unit if enrolled for 850 hours during the school year, and also qualify for extended time funding if enrolled in a targeted services program outside of regular school hours.
- As a result, kindergarten students with a disability generate less general education revenue per hour enrolled than non-disabled kindergarten students for two reasons: (1) The number of hours required to generate one ADM is 875 for students with a disability and 850 for students without a disability, and (2) students with a disability do not qualify for extended time revenue if they are served outside of regular school hours in a targeted serves program.
- For grades one through 12, ADM for students with a disability is calculated in the same manner as for students in the same grade level without a disability.
- Calculating ADM for kindergarten students with a disability in the same manner as for kindergarten students without a disability will also simplify the school finance system by eliminating a separate set of ADM calculations for these students.

Proposal:

Beginning in FY 2020, ADM and pupil units for kindergarten students with a disability would be calculated in the same manner as for kindergarten students without a disability. The impact on regular ADM for kindergarten students with a disability will be negligible because nearly all of these students are currently served in a program providing 875 or more hours of service per year.

- Kindergarten extended time ADM is projected to increase by 8 in FY 2020 and later, a 2.7 percent increase.
- The cost of the proposal would be \$96,000 in FY 2020, \$106,000 in FY 2021, and \$ 107,000 each year thereafter.

Equity and Inclusion:

The proposal would eliminate an unintended and inequitable disparity in funding between kindergarten students with a disability and kindergarten students without a disability. While there are no documented cases of kindergarten students with a disability being denied access to extended time programs, this proposal would ensure kindergarten students with a disability do not receive less funding than kindergarten students without a disability.

Results:

The calculation of general education revenue will be simpler and more equitable.

Statutory Change(s):

M.S. 126C.05, subdivision 1; M.S. 126C.10, subdivision 2d

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Achievement and Integration Administrative Set Aside Revenue

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 amending Minnesota Statutes, section 124D.862 in order for the 0.3 percent of achievement and integration revenue transferred to the Minnesota Department of Education (MDE) under Subdivision 1 (b) to administer the program be based on second prior year expenditures rather on estimated amounts. This will create more predictability in funding.

Rationale/Background:

Each year, 0.3 percent of each district's initial achievement and integration revenue is transferred to the department for the oversight and accountability activities required under section 124D.862 and section 124D.861. Because MDE can only estimate the amount of initial revenue districts will expend in a given year, the amount the agency budgets for oversight and support of the Achievement and Integration program must be adjusted. In other words, the agency adjusts its budget once districts' actual expenditures of achievement and integration revenue are known. Using an estimated revenue amount in this way has resulted in overspending and underspending the agency's administrative budget for this program.

To address this, the Governor recommends using prior year expenditures as the basis for calculating the 0.3 percent set aside for the agency. With second prior year data, the exact amount of the transfer would be known about six months before the start of the fiscal year rather than six months into the fiscal year, avoiding the need to do a mid-year budget adjustment.

Proposal:

This proposal recommends that the amount set aside for agency administration be calculated based on second prior year actual expenditures rather than on an estimated amount.

There will be no change in the amount of revenue generated. This change will only affect how the agency calculates and then budgets the amount of revenue to use as the basis for the .3 percent set-aside for the agency included in 124D.862 Subd. 1 (b). This set-aside is added to MDE's budget to fund the agency's accountability and oversight of the Achievement and Integration program.

This change will enable MDE to more accurately budget for staffing and resources to support the Achievement and Integration program. This change supports administrative capacity to provide technical assistance and oversight to districts in the Achievement and Integration program. Agency staff provide resources that help these districts to align their programs and use of revenue with requirements in statute and rule.

Equity and Inclusion:

Currently, 126 districts participate in the Achievement and Integration program working to reduce gaps in reading and math, while promoting strong and meaningful integration of students and ideas. The Achievement and Integration program is intended to increase racial and economic integration, eliminate student achievement disparities, and increase equitable access to effective and more diverse teachers. Providing funding stability for the oversight and support of this program will make it more likely that more support will be provided and increase the likelihood that the purpose of the program will be realized. Those impacted by this change may be the students, families, and staff of participating districts.

Results:

The table below lists the number of racially identifiable schools and racially isolated districts participating in the program for the years listed.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2014-2015 2015-2016</i>	<i>2016-2017</i>	<i>2017-2018</i>
Quantity	Number of participating racially isolated districts	40	40	39
Quantity	Number of participating racially identifiable schools	55	55	55
Quantity	Number of participating districts with racially identifiable schools	15	15	15

Districts self-report on the extent to which they have realized the goals in their plans. The current achievement and integration plans were submitted in FY 2017 and will end in FY 2020. First year results for these three-year plans will be available in the fall of 2018.

Districts’ progress toward the goals in their prior three-year plan are listed below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2015</i>	<i>2017</i>	<i>Number of Districts</i>
Quality	Progress toward goal for reducing reading achievement gap	23.9% on track	10.16% met goal	13
Quality	Progress toward goal for reducing math achievement gap	26.9% on track	4.69% met goal	6
Quality	Progress toward integration goal	66.8% on track	51.56% met goal	66

Statutory Change(s):

M.S. 124D.862 Subdivision 1 (b).

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Clarifying Adult Basic Education Aid Calculation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 clarifying the language regarding the adult basic education (ABE) growth calculation to prevent decreases in funding.

Rationale/Background:

Current statute directs the appropriation for ABE to grow at the lesser of the current growth rate in contact hours, or 3 percent. Due to a strong economy, the contact hours in ABE are declining, leading to a negative growth rate. The Minnesota Department of Education (MDE) has interpreted current statute to mean that ABE funding should not decline when there is a negative growth in contract hours (or a growth rate less than 1.0).

Proposal:

This proposal would put into law current practice by clarifying that the appropriation for ABE should be held steady when there is a decline in contact hours. During times of positive growth rates, the appropriation would continue to increase as indicated in statute.

Equity and Inclusion:

This proposal would protect ABE funding. Students in ABE are traditionally underrepresented and underserved groups, including a higher concentration of people experiencing poverty and people of color. This proposal will help maintain funding to meet their needs.

Results:

Type of Measure	Name of Measure	FY 2013	FY 2016
Quantity	Clients who obtained a high school diploma or GED	3,932	1,782
Quantity	Clients who entered postsecondary education	2,971	8,562
Quality	Clients who were unemployed at program entry who obtained employment	42%	49%
Quality	Clients who were employed at program entry who retained employment	72%	73%

Statutory Change(s):

M.S. 124D.531

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Head Start Background Studies

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	51	8	8	8
Revenues	(51)	(8)	(8)	(8)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that statutory authority be given to the Minnesota Department of Human Services (DHS) to add Head Start programs that are license-exempt and not receiving Child Care Assistance Program (CCAP) funds and Tribal Head Start programs to the list of programs that can use DHS's background study system, which currently serves DHS licensed Head Start and other individuals working licensed early childhood programs. This brings these Head Start Programs into compliance with federal requirements.

Rationale/Background:

- Head Start programs must fully implement a new federally required background check process no later than September 30, 2019.
- DHS amended legislation two years ago to meet new Child Care Development Block grant background study requirements that will also meet the Head Start performance standards but some Head Start programs are not currently eligible to have access to the system.
- This proposal is built on analysis and collaboration between MDE and DHS. DHS provided the amended language for their background check system services. DHS welcomes the change and recognizes the improvements to the system and improvement in implementation of background checks for all Head Start programs.
- The background studies would increase revenues to DHS, but because the fees only cover the cost of doing the studies, the proposal is revenue neutral.

Proposal:

This proposal would provide DHS the statutory authority to add Head Start programs that are license-exempt and not receiving CCAP funds and Tribal Head Start programs to the list of program that can use DHS's background study system. Head Start programs often have a mix of locations that are licensed and licensed exempt within one Head Start grantee agency. If accepted, this legislative proposal will allow a Head Start grantee agency to use one background study process for all of their staff and locations.

This proposal would streamline administration of the background check process for all Head Start grantee agencies though access to the DHS background study system that is compliant with Head Start federal requirements for background studies. This will result in a reduction of paperwork, lessen hiring delays and strengthen the ability to move staff across Head Start sites when needed.

It is critical for federal compliance of the Head Start performance standards that this proposal be adopted in 2019. MDE’s Head Start Collaboration Office continues to hear from program that this proposal would be an essential fix.

Equity and Inclusion:

This proposal supports Head Start programs that are license-exempt or tribally licensed serve children and families who live in poverty and American Indian children. As Head Start programs provide services to low-income families, this proposal will support low-income families by removing administrative barriers on providers that can stymie staffing classrooms.

Results:

Currently about 60 percent of Head Start programs do have access to the DHS background study system. This change will allow all Head Start programs to use the DHS background study system and meet federal Head Start performance standards.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
General Fund								
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	BACT#	Description	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
SRF	11	Provider screening and enrollment	51	8	59	8	8	16
SRF	REV	Enrollment and Revalidation Fee	(51)	(8)	(59)	(8)	(8)	(16)
Requested FTE’s								
Fund	BACT#	Description	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23

Statutory Change(s):

M.S. 245C.02

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Eliminate Off-Grade Testing Questions

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	(\$15)	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	(\$15)	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends adopting recommendations from the Office of the Legislative Auditor (OLA), and revising the requirements for grades 3-8 Math and Reading Minnesota Comprehensive Assessment (MCA) by:

- Eliminating off-grade questions, and
- Eliminating the reporting of a career and college readiness trajectory for grades 3-8.

This will shorten tests by eight to 15 questions for students. There would be a one-time savings of \$15,000 for decreased test construction and statistical analysis. Statewide Testing is allocated approximately \$10,800,000 annually from the state.

Rationale/Background:

- In 2013, legislation was passed requiring that beginning in school year 2015-2016 grades 3-8 Math and Reading MCA:
 - Be adaptive;
 - Include off-grade content, administered based on student performance; and
 - Report a career and college readiness score.
- In spring 2016, grades 3-8 Math and Reading MCA were adaptive and included off-grade content as required.
 - Adaptive tests are a type of assessment in which the tests are built for the student using a computer algorithm. Questions are selected for a student based on how the student answers the previous questions, in the case of the Math MCA, or the questions in a previous passage set, for the Reading MCA. The grades 3-8 Math and Reading adaptive test allows for the operational test to be reduced by approximately eight questions compared to previously fixed forms.
 - The grades 3-8 Math and Reading MCA ranged from eight to 15 off-grade questions. Off-grade questions are test questions that are given to students based on how they did on the operational MCA test. Based on the student's performance, they could be given MCA test questions from no more than two grade levels above or below the student's current grade (except in grade three where no items are available below grade three and grade eight where no items are available from grades immediately above eight).
 - The career and college ready score is based on MCA question responses and off-grade question responses.
- Due to the increased test length (8-15 questions) educators expressed a concern about the impact to students and the loss of additional instructional time due to the inclusion of these required off-grade

questions. These off-grade questions are included on the MCA only because of state legislation; this state requirement is beyond the minimum required by federal legislation. On average, the off-grade questions added approximately 10-15 additional minutes of testing time.

- In March 2017, the OLA published a report evaluating Minnesota’s testing program: [Minnesota Office of the Legislative Auditor-Standardized Student Testing](#).
 - One of their recommendations was to research the effectiveness of including the off-grade items.
 - MDE has conducted analyses to examine the effectiveness of off-grade items. The report was published in March 2018 [Analyses on the Effectiveness of the MCA-III Off-Grade Tests](#)
 - The analysis found minimal, if any, improved measurement precision as a result of including the off-grade questions to determine a student’s career and college readiness score.
 - Another OLA recommendation was for the legislature to eliminate the requirement of reporting an empirically-derived trajectory toward career and college readiness for students in grades 3-8.
 - The career and college readiness benchmarks are very close to the MCA “meets the standards” score.
 - Many stakeholders do not support the appropriateness and are concerned about the unintended consequences of further “labeling” young students. For example, telling a third grade student (and their family) they are not career and college ready may be detrimental.
- During 2017, MDE convened a Future Assessment Design Working Group.
 - The working group’s recommendations include removing the off-grade items from the MCA.
 - The working group also recommended eliminating the requirement to report the career and college readiness trajectory.
 - Recommendations are included in the [Future Assessment Design Working Group Report](#)
- In 2017, MDE also assembled an Assessment Advisory Committee.
 - This committee’s recommendations include removing the off-grade items from the MCA.
 - The committee also recommended eliminating the requirement to report the career and college readiness trajectory.
 - The Committee’s findings are in the [Assessment Advisory Committee Recommendations Report](#)

Proposal:

- By eliminating the off-grade requirement, the overall test length would be decreased by 8-15 questions, allowing for decreased time spent testing.
- Eliminating the requirement to report a career and college ready score for students in grades 3-8 will remove a possibly damaging score.
- If these requirements are eliminated during the 2019 legislative session the change will be reflected in the 2020 tests.
- These changes are supported and recommended by two groups of stakeholders. Their reports are linked above in the background section.
- These changes are also desired by educators and recommended by other stakeholders. This is primarily due to decreasing testing time.
- This proposal is recommended and supported by the OLA.

Equity and Inclusion:

This proposed change will have a greater impact on English learners. English learners already have additional tests that are required by federal and state law, which results in these students spending more time testing. English learners, on average, spent 10-20 minutes on the off-grade portion of the MCA. By eliminating these additional items, all students, but especially English learners, will have more time for instruction.

Results:

More details are available in the Off-Grade Effectiveness Evaluation [Off-Grade Effectiveness Evaluation](#).

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>
Quantity	Testing Time	2015 (prior to off-grade) On average 85-110 min.	2017 (including off-grade) On average 95-130 min.
Quality	Measurement Precision	2015 (prior to off-grade) On average 0.24-0.34	2017 (including off-grade) On average 0.23-0.31

Statutory Change(s):

M.S. 120B.30, subd 1, 1a

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Referendum/Local Optional Revenue Simplification

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 making the calculation of general education revenue simpler and more transparent by converting \$300 per pupil of referendum revenue to local optional revenue (LOR), making all districts statewide eligible for \$724 per pupil of LOR, and severing the current interactions between referendum revenue and LOR. All remaining referendum revenue would be voter approved. Referendum and LOR equalization formulas would be adjusted to maintain the same mix of aid and levy as under current law, and the referendum cap would be reduced by \$300 to maintain the same effective cap on referendum revenue as under current law.

Rationale/Background:

Under legislation enacted in 2013 and 2014:

- All school districts statewide are eligible for \$424 per pupil of LOR. LOR is an equalized levy which does not require voter approval. LOR is equalized at the same level as Tier 2 referendum revenue (the portion of referendum revenue between \$300 and \$760 per pupil).
- LOR is subtracted off each district's referendum revenue approved by the voters before January 1, 2014. The size of the LOR subtraction is adjusted annually based on the portion of the maximum LOR levy certified by the district.
- School districts with referendum revenue remaining after the LOR subtraction may convert up to \$300 per pupil of the remaining voter approved referendum revenue to board-approved referendum revenue for up to five years. The board-approved referendum revenue can be renewed by school board resolution.
- School districts with less than \$300 per pupil of referendum revenue remaining after the LOR subtraction may approve an increase in referendum revenue by board action to raise the net referendum revenue after the LOR subtraction to \$300 per pupil.

The interactions among voter approved referendum revenue, board approved referendum revenue and LOR are complex and lack transparency. Considerable confusion has been created. In fact, one district needed to get special legislation approved in 2015 to avoid an unintended loss of referendum revenue.

Separating referendum and LOR calculations will make both sets of calculations much simpler and more transparent. Referendum revenue will be limited to amounts approved by the voters in a referendum election, and the full amount available to school districts by board resolution without voter approval will be included in LOR. The LOR subtraction to pre-2014 referendum allowances will be made permanent, and referendum allowances will no longer float up or down annually based on the amount of LOR accessed by the district.

Proposal:

Beginning in fiscal year (FY) 2021 (levies certified in 2019 for taxes payable in 2020), simplify referendum and LOR calculations by making the following changes:

- Set the maximum LOR allowance for all districts at \$724, an increase of \$300 from the current LOR allowance. The \$724 is the amount of equalized referendum and LOR levy available to all districts statewide by board action without voter approval.
- Offset the increase in the LOR allowance dollar for dollar with a reduction of \$300 per pupil in each district's referendum allowance. This is the portion of referendum revenue available to all districts statewide by board action without voter approval.
- Eliminate the reduction to equity revenue for districts with no referendum revenue to neutralize the impact on equity revenue of the \$300 transfer referendum to LOR.
- Permanently reduce all remaining referendum allowances authorized before 2014 by \$424, instead of recalculating these allowances each year based on how much each district certifies as its LOR levy that year.
- Retain the inflation adjustment as part of referendum revenue for the remaining years of voter-approved inflation for any inflation-adjusted referendum allowances shifted to LOR.
- Neutralize the property tax impact of these changes by establishing a two-tiered equalization formula for LOR, with the first \$300 per pupil equalized at \$880,000 and the remainder equalized at \$510,000. Tier 1 referendum equalization would be eliminated.
- The referendum cap would be reduced by \$300 to reflect the transfer of \$300 to LOR, retaining the same effective cap on referendum allowances.
- There would be no net change in revenue, aid or levy for any district. This assumes that the small number of districts that opted to levy less than the \$300 available in referendum revenue by board-action will elect to maintain their levies at the same level when they are converted to LOR or equity revenue.

Statutory Change(s):

M.S. 124E.20, M.S. 126C.10, M.S. 126C.17

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Eliminate Duplicative Growth Model in Statute

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 replacing a growth formula set in statute to align with a new model, consistent with stakeholder input and new federal requirements. This was also recommended by the Office of the Legislative Auditor.

This has no net impact on education funding.

Rationale/Background:

There continues to be interest in measuring and using individual student performance over time. This is typically referred to as “growth”, and growth measures compare a student’s current test score to the student’s previous test score. Growth tells us whether a student is meeting proficiency expectations and how well the student is improving or progressing over time.

Prior to 2012, growth was primarily used for public reporting and local district data analysis purposes. In 2009, Minnesota Statutes 120B.299 defined a specific formula for a low, medium and high student growth model with prescribed state growth targets. Minnesota Statutes 120B.36, subdivision 1, has required that the percentage of students showing low, medium and high growth must be publicly reported.

Since this model was put in state law in 2009, many Minnesota stakeholders have become more interested in finding the best way to measure growth in order to meet educator and student needs in the state. As a result, different growth models have been developed, providing an unclear and instable use of growth measures and leading to confusion among stakeholders.

Minnesota’s No Child Left Behind (NCLB) waiver passed in 2012 and was the first major emphasis on using growth in the state’s school accountability system. A particular model, referred to as the z-score growth model, was used in Minnesota’s NCLB Waiver accountability system from 2012 to 2016. Z-score measures any growth as growth, including within a category (from the low range of does not meet standards to the high range of does not meet standards, for example).

The federal Every Student Succeeds Act (ESSA) gave the state an opportunity to take a close look at its growth models in collaboration with stakeholders to determine how student growth should be measured. MDE spent months working with advocates and technical experts to build the best growth model for our state’s ESSA accountability system.

This new growth model, referred to as a transition matrix, was selected for inclusion in our state ESSA plan and this model was first used in 2018 for school accountability. A transition matrix measures growth that transitions across categories, i.e., from does not meet standards to partially meets standards. It is federally required that Minnesota publicly report this measure of growth at the school and district level on our State Report Card. In addition to this primary growth model measuring student progress in academic math and reading, a separate growth model is required in ESSA specific to English learner progress toward English language proficiency. This leaves the state with many growth models, leading to confusion among stakeholders.

Further, page 68-69 of the OLA report, provides a recommendation to remove the specific MDE growth formula in law and instead provide broad guidance to the department. This report goes on to say it is confusing to report different measures of the same concept (growth) and changing context and requirements over time make specific formulas obsolete or inaccurate.

Lastly, the proposal to change the literacy incentive aid language (124D.98) has no impact on district funding. It will maintain the existing formula but eliminate the reference to the growth model.

Proposal:

This eliminates a growth model that is used to calculate literacy incentive aid. This calculation will be maintained in order to not change funding levels, but will no longer be publicly reported.

Equity and Inclusion:

This proposal affects all students in Minnesota equally. It also respects the stakeholder engagement process that led to the development of this growth model. Minnesota Department of Education held over 300 public meetings developing the state's ESSA plan.

Statutory Change(s):

If the proposal will require statutory changes, include the statute number here.

Education

FY 2020-21 Biennial Budget Change Item

Change Item Title: Early Learning Data Sharing Agreement

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
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 allowing the Minnesota Department of Education (MDE) and the Minnesota Department of Human Services (DHS) to share information about service providers who have been disqualified from receiving Early Learning Scholarships, Child Care Assistance Program (CCAP), and Child and Adult Care Food Program (CACFP) funds. This would ensure that service providers who have been disallowed from receiving funds from one program, would no longer be eligible to receiving funds from the others.

Rationale/Background:

- Currently, public programs cannot share data; therefore, a disqualified program may continue to receive funds from one source when disallowed by another. Currently, DHS has the authority to stop CCAP payments to a particular scholarship and CACFP-eligible program, but no similar process exists with Early Learning Scholarship or CACFP.
- Without the ability to share data, MDE and DHS cannot analyze the extent of the situation.
- In the best interest of both departments and the state, fraud has been raised in the media on a large scale.
- This prevents programs taking advantage of state systems that have not yet been able to coordinate data, and it saves administrative time recouping funds later in the programs not yet on hold for payment.

Proposal:

The Governor recommends making statutory changes, which would allow data to be shared across agencies specifically related to programs receiving funding from CCAP, CACFP, and Early Learning Scholarships in instances when a program has been determined disqualified from receiving funding from any of the three programs. This would allow consistency in disallowing a program to receive funding from any of these programs once disallowed by one of the three. This will build public trust of the use of funds and allows state agency partners to streamline administrative requirements and reach.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019-est</i>
Quantity	Number of children receiving a scholarship	8,225	11,219	15,079	16,537	16,500

Statutory Change(s):

[Minnesota Laws 2015, First Special Session, Chapter 3, Article 9, Section 8](#)

Program: Education Leadership

education.mn.gov/MDE/index.html

AT A GLANCE

Set policy and direct the annual spending of \$9.6 billion in fiscal year (FY) 2017.

Provide guidance and assistance to:

- 861,540 students in prekindergarten through grade 12.
- Over 125,000 children participating in early learning programs.
- 331 school districts and 169 charter schools.
- 61,822 adult learners (FY 2018).

PURPOSE & CONTEXT

The mission of the Minnesota Department of Education (MDE) is: “Leading for educational excellence and equity. Every day for every one.” MDE strives to create the World’s Best Workforce by focusing on five key student outcome goals: 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 MDE support three overarching strategies:

1. **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.
 - 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.
2. **Prekindergarten 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 K-12 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.

- 3. Guidance, technical assistance, and funding:** We provide supportive leadership to all educational entities by providing guidance and technical assistance to meet state and federally legislated requirements, and administering 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 and competitive grants, as well as aid programs.
 - Calculate state aid and distribute payments to school districts and charter schools.
 - Calculate school district local property tax levies.

RESULTS

Goal: Minnesota will reach a **third-grade reading** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

<i>2017 Baseline</i>	<i>Current Result (2018)</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
56.4%	55.6%	90%	34.4 percentage points

Goal: Minnesota will reach an **eighth-grade math** achievement rate of 90 percent, with no student group below 85 percent, by the year 2025.

<i>2017 Baseline</i>	<i>Current Result (2018)</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
57.5%	56.4%	90%	33.6 percentage points

Goal: Minnesota will reach a 95 percent **consistent attendance** rate, with no group below 90 percent, by the year 2020.

<i>2016 Baseline</i>	<i>Current Result (2017)</i>	<i>2020 Goal</i>	<i>Distance from Current Result to 2020 Goal</i>
86.7%	85.6%	95%	9.4 percentage points

Goal: Minnesota will reach a **four-year graduation** rate of 90 percent, with no group below 85 percent, by the year 2020.

<i>2012 Baseline</i>	<i>Current Result (2017)</i>	<i>2020 Goal</i>	<i>Distance from Current Result to 2020 Goal</i>
78.4%	82.7%	90%	7.3 percentage points

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

Education Leadership & Support

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<i>Expenditures by Fund</i>								
1000 - General	21,061	26,946	22,544	29,863	23,354	23,295	32,393	28,952
2000 - Restrict Misc Special Revenue	6,403	6,138	7,078	7,069	7,006	7,051	6,774	6,819
2001 - Other Misc Special Revenue	700	737	829	344			1,173	1,173
2403 - Gift	62	71	101	187	127	125	127	125
3000 - Federal	60,320	55,833	81,417	101,695	106,427	92,177	106,427	92,177
6000 - Miscellaneous Agency	1			1	1	1	1	1
Total	88,547	89,727	111,968	139,159	136,915	122,649	146,895	129,247
Biennial Change				72,853		8,437		25,015
Biennial % Change				41		3		10
Governor's Change from Base								16,578
Governor's % Change from Base								6

Expenditures by Activity

Education Leadership & Support	65,056	71,909	110,749	137,855	135,683	121,417	144,087	125,612
Regional Centers of Excellence	4,928	4,609	938	1,070	1,000	1,000	2,000	3,000
Office of Innovation	12,663	7,727	2					
Accountability & Improvement	2,413	2,773					406	288
Student & School Success	3,236	2,472	40					
Board of School Administrators	251	236	240	234	232	232	402	347
Total	88,547	89,727	111,968	139,159	136,915	122,649	146,895	129,247

Expenditures by Category

Compensation	36,964	38,254	39,045	40,988	42,736	42,971	44,644	45,146
Operating Expenses	26,931	27,839	32,138	47,697	37,822	36,271	45,044	38,844
Grants, Aids and Subsidies	24,615	23,486	40,668	50,468	56,349	43,399	57,199	45,249
Capital Outlay-Real Property			2					
Other Financial Transaction	37	147	115	6	8	8	8	8
Total	88,547	89,727	111,968	139,159	136,915	122,649	146,895	129,247

Total Agency Expenditures	88,547	89,727	111,968	139,159	136,915	122,649	146,895	129,247
Internal Billing Expenditures	5,107	5,493	5,354	6,473	6,554	6,262	6,554	6,262

Education Leadership & Support

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Expenditures Less Internal Billing	83,440	84,233	106,614	132,686	130,361	116,387	140,341	122,985
<u>Full-Time Equivalents</u>	371.58	371.47	372.58	379.60	411.28	397.13	426.08	413.93

Education Leadership & Support

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	21,503	27,484	29,375	23,902	23,140	23,072	33,148	29,698
Balance Forward In		1,042	41	5,787				
Net Transfers							969	969
Transfers In	2,422	715	311	293	333	342	333	342
Transfers Out	432	1,624	1,395	119	119	119	119	119
Cancellations	1,686	630						
Balance Forward Out	746	41	5,787					
Expenditures	21,061	26,946	22,544	29,863	23,354	23,295	32,393	28,952
Biennial Change in Expenditures				4,400		(5,758)		8,938
Biennial % Change in Expenditures				9		(11)		17
Governor's Change from Base								14,696
Governor's % Change from Base								32
Full-Time Equivalents	140.30	142.01	138.04	140.20	136.80	129.80	146.29	141.29

2000 - Restrict Misc Special Revenue

Balance Forward In	1,135	1,209	2,612	1,844	1,040	854	1,040	854
Receipts	6,386	7,269	6,961	6,280	6,721	6,739	6,721	6,739
Internal Billing Receipts	5,375	5,587	5,400	5,343	5,974	5,974	5,974	5,974
Transfers In			10		232	232	0	0
Transfers Out		3	661	15	133	15	133	15
Balance Forward Out	1,118	2,337	1,844	1,040	854	759	854	759
Expenditures	6,403	6,138	7,078	7,069	7,006	7,051	6,774	6,819
Biennial Change in Expenditures				1,606		(90)		(554)
Biennial % Change in Expenditures				13		(1)		(4)
Governor's Change from Base								(464)
Governor's % Change from Base								(3)
Full-Time Equivalents	28.70	24.37	26.66	25.96	32.65	32.65	30.65	30.65

2001 - Other Misc Special Revenue

Balance Forward In	224	184	155	4				
Receipts	693	708	683	340				
Transfers In							1,173	1,173
Transfers Out			5					

Education Leadership & Support

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Balance Forward Out	217	154	4					
Expenditures	700	737	829	344			1,173	1,173
Biennial Change in Expenditures				(265)		(1,173)		1,173
Biennial % Change in Expenditures				(18)		(100)		100
Governor's Change from Base								2,346
Governor's % Change from Base								
Full-Time Equivalents	4.70	4.64	5.02	3.02			7.31	7.31

2403 - Gift

Balance Forward In	174	185	174	175	88	67	88	67
Receipts	72	61	101	100	106	107	106	107
Balance Forward Out	184	174	174	88	67	49	67	49
Expenditures	62	71	101	187	127	125	127	125
Biennial Change in Expenditures				154		(36)		(36)
Biennial % Change in Expenditures				116		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.02	0.04	0.05	0.05	0.05	0.05	0.05

2820 - Maximum Effort School Loan

Balance Forward In	431	1,852	48	288	287	987	287	987
Receipts	1,852	280	288	287	987	44	987	44
Transfers Out	431	62,477	48	288	287	987	287	987
Net Loan Activity		60,392						
Balance Forward Out	1,852	48	288	287	987	44	987	44

3000 - Federal

Balance Forward In	517	34						
Receipts	59,837	55,799	81,417	101,695	106,427	92,177	106,427	92,177
Transfers In	337							
Transfers Out	337							
Balance Forward Out	34							
Expenditures	60,320	55,833	81,417	101,695	106,427	92,177	106,427	92,177

Education Leadership & Support

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Biennial Change in Expenditures				66,959		15,492		15,492
Biennial % Change in Expenditures				58		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	197.88	200.43	202.82	210.37	241.78	234.63	241.78	234.63

6000 - Miscellaneous Agency

Balance Forward In	43	51	60					
Receipts	10	9	1	1	1	1	1	1
Transfers Out			61					
Balance Forward Out	52	60	0					
Expenditures	1			1	1	1	1	1
Biennial Change in Expenditures				0		1		1
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Educational Leadership and Support

Activity: Regional Centers of Excellence

education.mn.gov/MDE/dse/rc/

AT A GLANCE

- In fiscal year (FY) 2018, 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 2017, Center staff provided 64,956 hours of direct support to just priority and focus schools.

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 and to support schools identified as needing support under Minnesota's plan for the federal Every Student Succeeds Act (ESSA). Comprehensive support and improvement (CSI) schools are the 5 percent most persistently low-performing Title I schools or any public high school with a graduation rate less than 67 percent for any student group. Targeted support and improvement schools include any public school that has one or more student groups performing at a similar level as (CSI) schools or the school's overall performance is similar to CSI schools but they were not selected due to higher attendance.

- The Centers provide onsite technical assistance and professional development to schools and districts identified as underperforming based on Minnesota's accountability system under ESSA.
- The Centers support the Minnesota Department of Education's commitments to equity by prioritizing equity, developing leadership teams across levels of the system, making data visible and actionable, working on the conditions for learning, and supporting budget decisions that more equitably distribute resources practices.
- The Centers use a stage-based framework with schools that incorporates three core support elements:
 1. Building and using implementation teams to actively lead implementation efforts.
 2. Using data and consistent, frequent feedback loops to drive decision-making and promote continuous improvement.
 3. Developing an implementation infrastructure that uses evidence-based practices, fosters change, and enables continuous improvement.

SERVICES PROVIDED

Identified schools and districts receive intensive on-site coaching and technical assistance in alignment with Minnesota's support and improvement timeline in the following areas:

- School leadership teams that work on continuous improvement.
- Continuous improvement processes including comprehensive needs assessment, root-cause analysis, improvement plan design and implementation.
- Selection and implementation of evidence-based practices.
- School, family and community engagement.
- Identification and implementation of quick wins for school improvement.

- District or charter level practices that support school improvement including resource equity studies and alignment of school improvement activities to local World’s Best Workforce initiatives.

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, strategic leadership, coordination, and support for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2018 or Most Current Data</i>
Quantity	Percentage of Students Proficient in Math in Priority and Focus Schools	36.6%	35.3%
Quantity	Percentage of Students Proficient in Reading in Priority and Focus Schools	35.5%	38.8%
Quantity	Multiple Measures Rating (Priority and Focus Schools)**	26.3%	31.4%
Quantity	Focus Rating (Priority and Focus Schools)***	25.8%	29.3%
Quantity	Achievement Gap Reduction Score (Priority and Focus Schools)****	0.3397	0.2161
Quantity	Growth Score (Priority and Focus Schools)	-0.2158	-0.1295

*Current schools were identified based on 2014 results.

** Multiple Measures Rating (MMR) was a measurement of school performance used for holding schools accountable under Minnesota’s approved No Child Left Behind waiver. The MMR considered the proficiency, growth, achievement gap reduction and graduation rates of schools. The MMR was no longer a part of accountability starting in 2017.

*** 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 MMR was no longer a part of accountability starting in 2017.

**** The lower the achievement gap reduction scores, the more progress made toward closing the achievement gap. The MMR was no longer a part of accountability starting in 2017.

M.S. 120B.115

Program: Educational Leadership

Activity: Board of School Administrators

bosa.mn.gov/BOSA/index.htm

AT A GLANCE

- The Board of School Administrators is a ten-member board appointed by the governor and confirmed by the senate for their outstanding contributions in their respective fields and for their commitment to the highest ethical standards for Minnesota's administrators.
- There are 7,037 Minnesota licensed school administrators, up 2.3 % since 2016.
- The board reviews each of the 43 administrative preparation programs at Minnesota's fourteen universities every five years to insure quality and effectiveness.
- The board processes over 120 ethics inquiry's per year ensuring due process for all Minnesota administrators.
- The board awards over 1,600 certificates of continuing education every year.

PURPOSE & CONTEXT

The Board of School Administrators was created by the state legislature in 2001 to ensure a system of accountability that leads to the highest performing superintendents, principals, directors of special education and directors of community education for Minnesota's schools. Standards are enforced through licensing, approving university preparation programs and alternative pathways for administrators, establishing rules on continuing education and professional development, and adopting and implementing a rigorous code of ethics.

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 and confirmed by the senate 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 include:

- Licensing and re-licensing of superintendents, principals, directors of special education, and directors of community education who want to work in Minnesota
- Offering advice on best practices to administrators
- Reviewing variance requests from school boards to determine if they are in the public's interest
- Reviewing, approving and monitoring university administrative preparation programs
- Establishing and certifying continuing education activities that promote the highest standards of professional development
- Reviewing ethical complaints and determining appropriate discipline
- Collecting fees

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2017</i>	<i>2018</i>	<i>Dates</i>
Quantity	Number of first-time Minnesota administrative licenses issued	545	606	FY 2017 FY 2018
Quantity	Number of school boards served through the granting of variances	23	37	FY 2017 FY 2018
Quantity	Number of board-approved continuing education certificates issued to administrators	1,814	1,686	FY 2017 FY 2018
Quantity	Number of Code of Ethics inquiries reviewed	104	121	FY 2017 FY 2018

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 fiscal year (FY) 2017:

- 861,540 prekindergarten through grade 12 students.
- 331 school districts and 169 charter schools.
- \$6.86 billion in state aid and \$1.1 billion in local property taxes.
- \$9,220 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 FY 2017, general education funding for prekindergarten 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, voluntary prekindergarten, school readiness plus and prekindergarten 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 2017):

- Basic Revenue (\$5.7 billion) provides districts and charter schools with uniform funding per pupil unit. In FY 2019, the basic education funding formula is \$6,312 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 (\$56.1 million) is based on the number and concentration of English Learner students enrolled in a district or charter school.
- Compensatory Revenue (\$549.1 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. In 2018, Compensatory Pilot Grants were permanently added to this funding.
- Extended-Time Revenue (\$59.5 million) provides districts with additional revenue to fund educational programs for at-risk students outside the traditional school year schedule.
- Gifted and Talented Revenue (\$12.2 million) provides districts and charter schools with funding for gifted and talented educational programs. The gifted and talented funding formula is \$13 per weighted student.

Additional funding for cost differences among school districts:

- Sparsity Revenue (\$27.3 million) funds the added costs of operating small schools that are too isolated to reduce costs by cooperating or consolidating.
- Transportation Sparsity Revenue (\$65.9 million) funds the added cost of pupil transportation in areas with low population density and includes a pupil transportation adjustment for schools with transportation expenses that exceed allocations.
- Small Schools Revenue (\$16.5 million) provides additional funding to small districts with less than 960 weighted students.
- Declining Enrollment Revenue (\$9.2 million) provides districts and charter schools with funding to limit the impact of declining enrollment.
- Pension Adjustment Revenue (\$7.2 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. Beginning in 2019 additional pension adjustment revenue is made available for all districts based on a percentage of teacher salaries in the district.

Additional funding for Voluntary Prekindergarten (2017) and School Readiness Plus Programs (2018):

- Aid entitlement for FY 2017 voluntary prekindergarten was capped at \$27.1 million (\$25 million on 90-10 appropriations basis), of which \$21.4 million was for direct aid to school districts and charter schools with voluntary prekindergarten programs, \$5.7 million was to provide property tax relief to neutralize the statewide impact of the program on school levies, and \$0.6 million was for MDE administration, including one-time IT costs.
- In FY 2018 the funding cap changed from a dollar amount to a participant cap of 6,160 students enrolled in either voluntary prekindergarten or school readiness plus programs.
- In FY 2019 the participant cap for voluntary prekindergarten and school readiness plus is increased to 7,160.
- In FY 2020 and later the funding for School Readiness Plus programs sunsets and the cap for Voluntary Prekindergarten is set to 3,160 participants.
- 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).
- 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 for school readiness plus classrooms must have a licensed teacher, and several more program requirements.

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

- Operating Referendum Revenue (\$744.8 million) is optional revenue raised by either public vote or school board resolution to provide funding for their district.
- Operating Capital Revenue (\$211.5 million) is reserved for facilities and equipment purposes.
- Equity Revenue (\$112.1 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 (\$363.0 million) provides up to \$424 per weighted student. Deducted from referendum revenue approved by voters in 2013 or earlier.

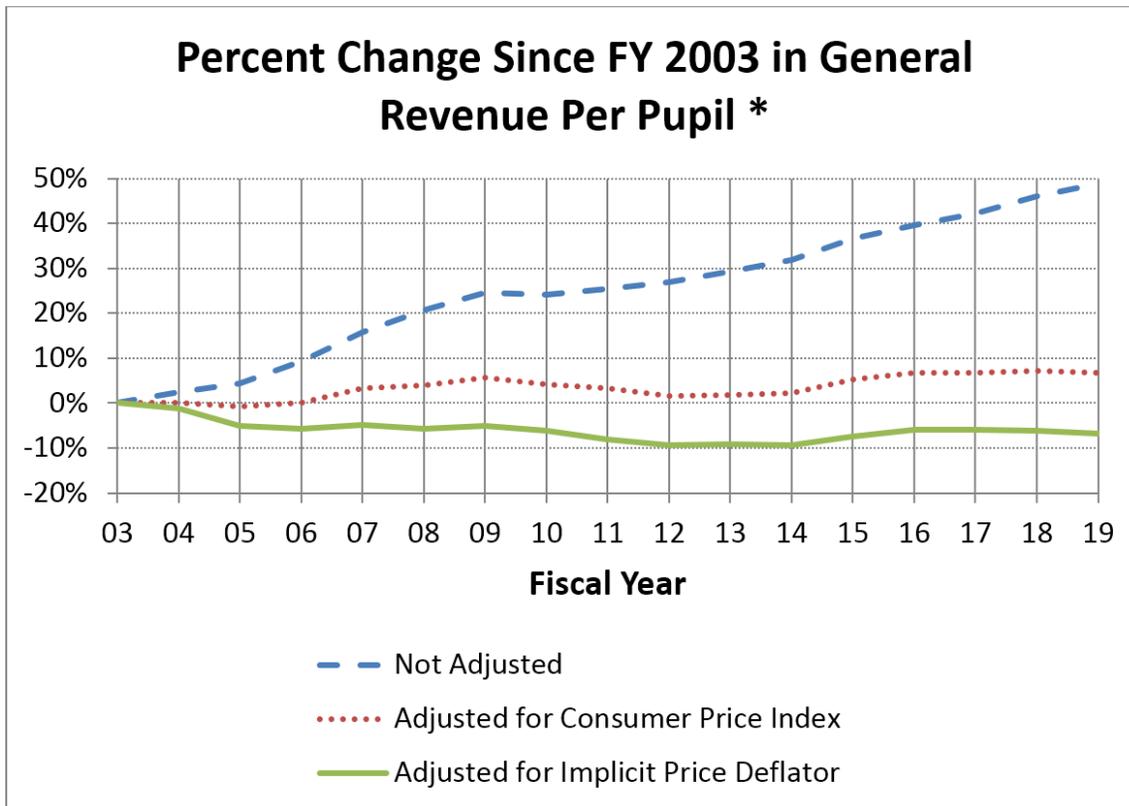
Miscellaneous Adjustments to General Education Revenue:

- 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.
- Online Learning (OLL) Aid is paid to state-approved OLL programs on behalf of students who have completed supplemental OLL courses while enrolled in another public school district or charter school.

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

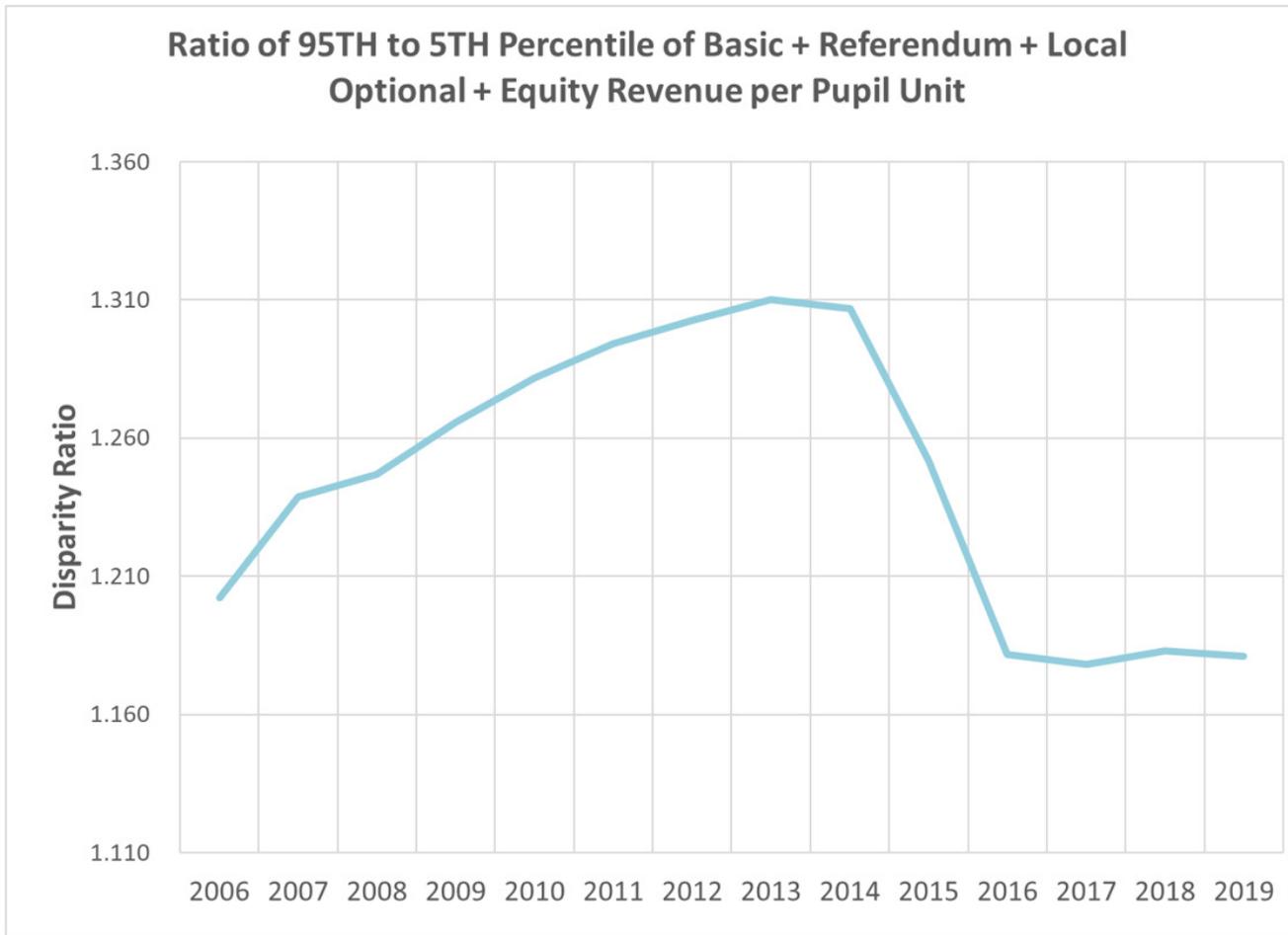
RESULTS

Quality Result: This chart shows the percentage change in general education revenue per student between FY 2003 and FY 2019, 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 almost 49 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 2006 through FY 2019. The funding gap between high revenue and low revenue districts increased from 20 percent in FY 2006 to 31 percent in FY 2013, then declined to 18 percent by FY 2016. Between FY 2017 and FY 2019 the gap has remained constant at 18 percent. The gap between high revenue and low revenue districts is primarily driven by property tax disparities.



M.S.126C.10 – General Education Revenue (revisor.mn.gov/statutes/?id=126C.10)

General Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	6,681,052	6,859,421	7,065,692	7,248,965	7,243,875	7,283,139	7,465,901	7,654,221
District Revenue	6,681,052	6,859,421	7,065,692	7,248,965	7,243,875	7,283,139	7,465,901	7,654,221
Direct Appropriation	6,671,467	6,868,291	7,070,039	7,231,063	7,244,412	7,279,304	7,444,341	7,635,568
Current Year	6,024,784	6,168,947	6,383,211	6,548,582	6,544,029	6,579,458	6,743,958	6,913,626
Prior Year	635,236	653,857	686,828	682,481	700,383	699,846	700,383	721,942
Transfers Out		25,974						
Cancellations	4,129	12,188						
Expenditures	6,667,338	6,830,129	7,070,039	7,231,063	7,244,412	7,279,304	7,444,341	7,635,568
Biennial Change in Expenditures				803,635		222,614		778,807
Biennial % Change in Expenditures				6		2		5
Governor's Change from Base								556,193
Governor's % Change from Base								4

3801 - Endowment School

Balance Forward In		0						
Transfers In	27,763	29,958	33,023	35,458	35,753	36,048	35,753	36,048
Expenditures	27,763	29,958	33,023	35,458	35,753	36,048	35,753	36,048
Biennial Change in Expenditures				10,760		3,320		3,320
Biennial % Change in Expenditures				19		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Enrollment Options Transport

AT A GLANCE

- 74 students served in fiscal year (FY) 2017.
- Of the 74 students, 21 were from the postsecondary enrollment options program, six were in the open enrollment program and 47 were in charter schools.

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 supports 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. PSEO is a program that allows 10th-, 11th- and 12th-grade students to earn secondary and college credit (dual-credit) while still in high school, through enrollment in and successful completion of college-level courses at higher education institutions. Open enrollment programs allow voluntary prekindergarten through 12th-grade students and prekindergarten 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 district. Charter school students apply to the enrolling school. Students/families provide their own transportation in these programs.

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

RESULTS

The table below provides 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 four years. It also provides the number of students served by the program for the last four 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.

<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Average Claim per Student per Year	\$366	\$375	\$365	\$302
Number of Students Served	91	96	66	74

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

Enrollment Options Transport

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	24	23	20	22	24	26	24	26
Total	24	23	20	22	24	26	24	26
Biennial Change				(5)		8		8
Biennial % Change				(10)		19		19
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	24	23	20	22	24	26	24	26
Total	24	23	20	22	24	26	24	26

Enrollment Options Transport

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	39	26	29	22	24	26	24	26
Transfers Out			9					
Cancellations	15	3						
Expenditures	24	23	20	22	24	26	24	26
Biennial Change in Expenditures				(5)		8		8
Biennial % Change in Expenditures				(10)		19		19
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Abatement Revenue

AT A GLANCE

- Abatement Aid totaled \$2.3M in fiscal year (FY) 2018.
- Abatement Levy totaled \$10.4M in FY 2019.

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 2018, 258 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. The aid reimbursement is received one year after the revenue loss and the levy reimbursement is received two years after the revenue loss.

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Calendar Year 2016</i>	<i>Calendar Year 2017</i>
Quantity	Statewide District Revenue Loss Prevented	\$12.2 M	\$12.7 M

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

Abatement Revenue

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	3,050	2,665	2,374	2,939	2,897	2,971	2,897	2,971
Total	3,050	2,665	2,374	2,939	2,897	2,971	2,897	2,971
Biennial Change				(403)		555		555
Biennial % Change				(7)		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	3,050	2,665	2,374	2,939	2,897	2,971	2,897	2,971
Total	3,050	2,665	2,374	2,939	2,897	2,971	2,897	2,971

Abatement Revenue

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	3,081	2,620	2,580	2,745	2,914	2,977	2,914	2,977
District Revenue	3,081	2,620	2,580	2,745	2,914	2,977	2,914	2,977
Direct Appropriation	3,051	2,666	2,374	2,939	2,897	2,971	2,897	2,971
Current Year	2,773	2,358	2,112	2,471	2,623	2,680	2,623	2,680
Prior Year	278	308	262	468	274	291	274	291
Cancellations	1	1	0					
Expenditures	3,050	2,665	2,374	2,939	2,897	2,971	2,897	2,971
Biennial Change in Expenditures				(403)		555		555
Biennial % Change in Expenditures				(7)		10		10
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Consolidation Transition

education.mn.gov/MDE/dse/schfin/

AT A GLANCE

- There were four school district consolidations in fiscal year (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. The number of pupil units used to calculate aid for a district in either year is limited to 1,500.

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 were four consolidations in FY 2014, and there have been none since FY 2014. 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 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>
Quantity	First Year of Consolidation	4	0	0	0	0	0

Note: District 2859, Eagle Valley dissolved as of July 1, 2017. District was split between District 786, Bertha and District 787, Browerville.

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

Consolidation Transition

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	21					270		270
Total	21					270		270
Biennial Change				(21)		270		270
Biennial % Change								
Governor's Change from Base								0
Governor's % Change from Base								
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	21					270		270
Total	21					270		270

Consolidation Transition

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement						300		300
District Revenue						300		300
Direct Appropriation	22		185	0	0	270	0	270
Current Year						270		270
Prior Year	21							
Transfers Out			185					
Cancellations	1							
Expenditures	21					270		270
Biennial Change in Expenditures				(21)		270		270
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Other General Education

Activity: Nonpublic Pupil

education.mn.gov/MDE/fam/nphs/

education.mn.gov/MDE/dse/schfin/Non/

AT A GLANCE

- Number of nonpublic students participating in Fiscal Year 2018:
 - Textbook/materials 66,154
 - Health services 62,014
 - Guidance and counseling 24,719
- Rates per nonpublic student in Fiscal Year 2018:
 - Textbook/materials \$91.60
 - Health services \$74.98
 - Guidance and counseling \$255.57

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 supports 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 5 percent of their total aid reimbursement amount.

MDE 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>FY2016</i>	<i>FY2018</i>
Quality	Percentage of nonpublic students applying for access to textbooks.	81%	77%
Quality	Percentage of nonpublic students applying for access to health services.	76%	72%
Quality	Percentage of secondary nonpublic students applying for access to guidance and counseling services.	93%	93%

M.S. 123B.40-48

Nonpublic Pupil

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	15,047	14,952	17,396	17,816	17,987	18,449	18,135	18,728
Total	15,047	14,952	17,396	17,816	17,987	18,449	18,135	18,728
Biennial Change				5,213		1,224		1,651
Biennial % Change				17		3		5
Governor's Change from Base								427
Governor's % Change from Base								1
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	15,047	14,952	17,396	17,816	17,987	18,449	18,135	18,728
Total	15,047	14,952	17,396	17,816	17,987	18,449	18,135	18,728

Nonpublic Pupil

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	14,887	14,847	17,649	18,065	17,978	18,502	18,142	18,794
District Revenue	14,887	14,847	17,649	18,065	17,978	18,502	18,142	18,794
Direct Appropriation	16,759	16,879	18,197	17,816	17,987	18,449	18,135	18,728
Current Year	13,473	13,543	16,092	16,259	16,181	16,652	16,329	16,915
Prior Year	1,575	1,410	1,304	1,557	1,806	1,797	1,806	1,813
Transfers Out	786		418					
Cancellations	926	1,927	383					
Expenditures	15,047	14,952	17,396	17,816	17,987	18,449	18,135	18,728
Biennial Change in Expenditures				5,213		1,224		1,651
Biennial % Change in Expenditures				17		3		5
Governor's Change from Base								427
Governor's % Change from Base								1

Program: Other General Education

Activity: Nonpublic Transportation

<https://education.mn.gov/MDE/dse/schfin/Trans/Type/>

AT A GLANCE

- 43,206 nonpublic students were transported to and from school in fiscal year (FY) 2017.
- 197 of 331 districts transported nonpublic students in FY 2017.

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 (MDE) 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>FY 2016</i>	<i>FY 2017</i>
Quality	Percentage of nonpublic students transported	66.3%	63.7%

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

Nonpublic Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	17,590	17,467	17,564	19,483	19,135	18,999	19,649	19,920
Total	17,590	17,467	17,564	19,483	19,135	18,999	19,649	19,920
Biennial Change				1,990		1,087		2,522
Biennial % Change				6		3		7
Governor's Change from Base								1,435
Governor's % Change from Base								4
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	17,590	17,467	17,564	19,483	19,135	18,999	19,649	19,920
Total	17,590	17,467	17,564	19,483	19,135	18,999	19,649	19,920

Nonpublic Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	17,536	17,541	17,557	19,616	19,082	18,989	19,653	19,949
District Revenue	17,536	17,541	17,557	19,616	19,082	18,989	19,653	19,949
Direct Appropriation	17,673	18,278	18,372	19,483	19,135	18,999	19,649	19,920
Current Year	15,775	15,706	15,729	17,655	17,174	17,091	17,688	17,955
Prior Year	1,816	1,761	1,835	1,828	1,961	1,908	1,961	1,965
Transfers Out			808					
Cancellations	83	811						
Expenditures	17,590	17,467	17,564	19,483	19,135	18,999	19,649	19,920
Biennial Change in Expenditures				1,990		1,087		2,522
Biennial % Change in Expenditures				6		3		7
Governor's Change from Base								1,435
Governor's % Change from Base								4

Program: Other General Education

Activity: Career and Technical Aid

education.mn.gov/MDE/dse/cte/

AT A GLANCE

- 311 districts levied a total of \$22.5 million for Career and Technical Education programs for fiscal year (FY) 2017.
- 151 districts received Career and Technical Education aid for FY 2017, totaling \$4.5 million.

PURPOSE & CONTEXT

Career and Technical Education (CTE) revenue 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 CTE programs are eligible for this revenue.

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

CTE programs are a sequence of courses that integrates core academic knowledge with technical and occupational knowledge and skills to provide students a pathway to postsecondary education and careers. CTE teaches transferable workplace skills in applied learning contexts to provide opportunities to explore high-demand career options, and gives students the technology and skills needed for success in adult life.

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 CTE programs to qualify for this revenue. A district with a CTE program approved by the Minnesota Department of Education (MDE) 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.

CTE property tax levy equals:

- CTE 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.

CTE aid equals:

- CTE revenue minus CTE 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>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of districts participating in CTE programs	311	311
Quantity	Amount of property tax levy for CTE program	\$19,503,105	\$22,504,108

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

Career & Technical Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	5,714	4,630	4,505	4,247	3,751	3,321	3,751	3,321
3000 - Federal	6,039	6,225	5,974	6,310	6,499	6,694	6,499	6,694
Total	11,753	10,855	10,479	10,557	10,250	10,015	10,250	10,015
Biennial Change				(1,572)		(771)		(771)
Biennial % Change				(7)		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses	0							
Grants, Aids and Subsidies	11,753	10,855	10,479	10,557	10,250	10,015	10,250	10,015
Total	11,753	10,855	10,479	10,557	10,250	10,015	10,250	10,015
Total Agency Expenditures	11,753	10,855	10,479	10,557	10,250	10,015	10,250	10,015
Internal Billing Expenditures	0							
Expenditures Less Internal Billing	11,753	10,855	10,479	10,557	10,250	10,015	10,250	10,015

Career & Technical Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	5,114	4,533	4,525	4,229	3,698	3,279	3,698	3,279
District Revenue	5,114	4,533	4,525	4,229	3,698	3,279	3,698	3,279
Direct Appropriation	5,922	4,806	4,561	4,247	3,751	3,321	3,751	3,321
Current Year	5,287	4,113	4,085	3,807	3,329	2,952	3,329	2,952
Prior Year	428	517	420	440	422	369	422	369
Cancellations	208	176	56					
Expenditures	5,714	4,630	4,505	4,247	3,751	3,321	3,751	3,321
Biennial Change in Expenditures				(1,593)		(1,680)		(1,680)
Biennial % Change in Expenditures				(15)		(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts	6,039	6,225	5,974	6,310	6,499	6,694	6,499	6,694
Expenditures	6,039	6,225	5,974	6,310	6,499	6,694	6,499	6,694
Biennial Change in Expenditures				21		909		909
Biennial % Change in Expenditures				0		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Special Provision For Select Districts

AT A GLANCE

- The One-Room Schoolhouse revenue program was implemented in fiscal year (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 (MDE) processes the aid payment for this program.

RESULTS

MDE does not collect data regarding utilization of One-Room Schoolhouse aid.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2017</i>	<i>FY 2018</i>
Quantity	Number of Minnesota resident students attending Angle Inlet School	8	9

MN Laws 2017 1st Special Session, Chapter 5, Article 1, Section 19, Subdivision 8

Special Provision For Select Districts

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	65	65	65	65	65	65	65	65
Total	65	65	65	65	65	65	65	65
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	65	65	65	65	65	65	65	65
Total	65	65	65	65	65	65	65	65

Special Provision For Select Districts

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	65	65	65	65	65	65	65	65
Expenditures	65	65	65	65	65	65	65	65
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: State Paid Property Tax Credits and Education Reserve

AT A GLANCE

- 9 credit programs in fiscal year (FY) 2017 (one program is for prior year adjustments).
- 1 new credit program beginning in FY 2019 (2017/pay 2018).
- General Fund Reserve transferred \$25.974 million between one excess and five deficient programs in FY 2017.
- Community Education funds had no deficiencies in FY 2017 and the Reserve was not utilized.

PURPOSE & CONTEXT

Property tax credits and aids calculated by the Department of Revenue provide a vehicle for property tax reform or relief for targeted real property classes. The effect of these state paid property tax credits and aids is to shift a portion of property tax burden for education from property owners to the state.

- All school districts in the state receive some form of state paid property tax credits.
- The number and the amount of state paid tax credits that districts and property tax owners in the district receive is dependent upon the local conditions, such as natural disasters, existence of agricultural property, economic depression, and others noted below.

The two “Education Reserves” allow the commissioner to transfer the excess from a direct general fund appropriation for any education aid or grant authorized in specified chapters that exceeds the amount required to be used to any education aid or grant appropriation that is insufficient.

- The general fund reserve pertains to chapters 127A, 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.
- The community education fund reserve pertains to sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.

SERVICES PROVIDED

There are several property tax credit and aid programs paid to school districts by the Minnesota Department of Education (MDE) that reduce property taxes paid by property owners:

1. Programs reducing the property tax rate applied to the property value to calculate property tax:
 - *Disparity Reduction Aid* provides relief to high tax rate areas. The Department of Revenue calculates a reduction to the initial tax rate to reduce the rate as much as 10 percent.
2. Programs providing a reduction to the calculated property tax:
 - *Local Option Disaster Abatement Credit* provides relief related to the damage or destruction of homestead and non-homestead property. The property need not be located within a disaster or emergency area.
 - *Homestead and Disaster Credit* provides relief related to the damage or destruction that occurred for each reassessed homestead property within the county that is located within a disaster or emergency area.
3. *Local Option Disaster Credit* provides relief related to the damage or destruction that occurred for: (1) homestead property that meets all the requirements under the Local Option Disaster Abatement, subdivision 1, paragraph (a), but that does not qualify for a credit under the Homestead and Disaster Credit; and, (2) non-homestead and utility property that meets all the requirements under the Local Option Disaster Abatement, subdivision 1, paragraph (b).

4. *Agricultural Preserves Credit* provides relief to owners of agricultural property in the seven-county metropolitan area.
5. *Disparity Reduction Credit* provides relief to apartments, commercial, industrial, and public utilities in economically depressed areas located at Minnesota borders designated as enterprise zones.
6. *Residential Homestead Market Value Credit* provides relief to residential homestead property, including the house, garage, one acre of land for farm homesteads, and certain resort homesteads. The credit is computed as 0.4 percent of the first \$76,000 market value of each homestead property. The maximum credit is \$304 and is phased out at a rate of .09 percent of the value over \$76,000.
7. *Agricultural Land Market Value Credit* provides relief to agricultural homestead property, excluding the house, garage, and one acre. The credit is computed as 0.3 percent of the first \$115,000 market value of each homestead property. The maximum credit is \$345 and is phased out at a rate of .05 percent of the value over \$115,000 with a maximum reduction of \$115.
8. *School Building Bond Agricultural Credit*, enacted in 2017, provides relief to agricultural homestead property, excluding the house, garage, and one acre. The credit is computed as 40 percent of the property's eligible net tax capacity, multiplied by the school debt tax rate.

In addition to the property tax relief aids and credits listed above, school districts may receive others paid by the county, including power line credit, county conservation credit, taconite homestead credit, and supplementary homestead credit. Taconite homestead credit and supplementary homestead credit targets Iron Range homeowners with a credit of either 66 percent or 57 percent, depending on characteristics of the mining industry within the school district. The 66 percent credit has a maximum of \$315.10 per property. The 57 percent credit has a maximum of \$289.80 per property.

The Education Reserves allows full funding or closer to full funding for programs that may be underfunded due to the difference between forecast estimates and actual costs of specified programs.

RESULTS

Program Name	FY 2015 2013 Pay 2014	FY 2016 2014 Pay 2015	FY 2017 2015 Pay 2016	FY 2018 2016 Pay 2017
Disparity Reduction Aid	\$7,877,846	\$7,935,614	\$7,928,689	\$7,933,846
Local Option Disaster Abatement Credit	\$75,609	\$0	\$26,568	\$0
Homestead and Disaster Credit	\$0	\$4,873	\$0	\$66,021
Local Option Disaster Credit	\$0	\$0	\$0	\$4,963
Agricultural Preserves Credit	\$280,509	\$326,341	\$324,938	\$242,182
Disparity Reduction Credit	\$1,682,942	\$1,843,251	\$2,711,320	\$2,527,796
Residential Homestead Market Value Credit	\$7,093	\$8,129	\$19,136	\$7,440
Prior Year Real Property Credit	\$24,136	\$6,956	\$5,654	\$14,125
Agricultural Land Market Value Credit	\$5,021,122	\$8,803,072	\$9,084,824	\$8,667,219

M.S. 273.119; M.S. 273.1233; M.S. 273.1234; M.S. 273.1235; M.S. 273.1384; M.S. 273.1387; M.S. 273.1398; M.S.127A.41, subd.8; M.S.127A.41, subd.9;

E37 - Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Transfers In	786	25,974	7,811					
Transfers Out	786	25,974	991					

Program: Other General Education

Activity: Miscellaneous Levies (information only)

education.mn.gov/MDE/dse/datasub/LevyCertSys/

AT A GLANCE

- 13 levy programs have estimated levies for fiscal year (FY) 2019.

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. Most of these levies are available to any district with certain obligations that qualify for levy authority, but a few, as noted below, are for specific districts only.

- 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 July 1, 1992.
- 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, drug abuse, student and staff safety; 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; to pay for facility security enhancements including laminated glass, announcement systems, communication devices and other modifications to violence prevention and facility security; pay for the costs associated with improving school climate; to pay costs associated with collaborating with mental health professionals who are not district employees or contractors.
- 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 non-licensed 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.

Other Miscellaneous Severance Pay/Early Retirement Incentive Levies

- 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 Transition Revenue
 - For a school district that consolidates under Minnesota Statutes, section 123A.485, subdivision 2, 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 2 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 123A.485, subdivision 3, 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 (MDE) 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>Pay 2017: In Thousands</i>	<i>Pay 2018: In Thousands</i>
Quantity	Reemployment Insurance Levy	\$6,358.1	\$5,584.4
Quantity	Judgment Levy	\$278.7	\$1,034.8
Quantity	Health Benefit Levy	\$1,705.7	\$1,712.9
Quantity	Additional Retirement Levy	\$24,424.9	\$24,666.6
Quantity	Minneapolis Health Insurance Subsidy Levy	\$0	\$0
Quantity	St. Paul Severance Levy	\$941	\$1,046.6
Quantity	Safe Schools Levy	\$31,083.6	\$31,565.4
Quantity	Ice Arena Levy	\$2,228.6	\$2,273.8
Quantity	Severance Levies	\$611	\$241.4
Quantity	Swimming Pool Levy	\$596.4	\$622.8
Quantity	Economic Development Abatement Levy	\$1,247.8	\$1,608.8
Quantity	Tree-Growth Replacement Levy	\$596.4	\$667.2
Quantity	Reorganization Operating Debt Levy	\$30.7	\$30.7

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

Program: Choice Programs
Activity: Charter School Lease Aid

education.mn.gov/MDE/dse/chart

AT A GLANCE

- In fiscal year (FY) 2017, 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 generate 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: (pupil units served plus PSEO pupil units).

The Minnesota Department of Education (MDE) approves charter school lease aid applications.

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>Preliminary FY 2018*</i>
Quantity	Charter Schools receiving lease aid	159	160	160
Quantity	Pupil Units Served	54,052	57,491	61,094
Quantity	Average Lease Cost per Pupil Unit	\$1,413	\$1,429	\$1,491
Quantity	Average Aid per Pupil Unit	\$1,180	\$1,198	\$1,214

*Does not reflect FY 2018 UFARS adjustments to lease costs.

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

Charter School Lease Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	63,446	68,616	73,205	79,646	85,279	90,843	85,450	91,064
3000 - Federal	8,458	8,364	7,542	13,747	11,000	11,000	11,000	11,000
Total	71,904	76,981	80,747	93,393	96,279	101,843	96,450	102,064
Biennial Change				25,255		23,982		24,374
Biennial % Change				17		14		14
Governor's Change from Base								392
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	71,904	76,981	80,747	93,393	96,279	101,843	96,450	102,064
Total	71,904	76,981	80,747	93,393	96,279	101,843	96,450	102,064

Charter School Lease Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	63,803	68,897	73,803	80,219	85,842	91,398	86,032	91,622
District Revenue	63,803	68,897	73,803	80,219	85,842	91,398	86,032	91,622
Direct Appropriation	63,540	68,046	73,440	79,646	85,279	90,843	85,450	91,064
Current Year	57,414	62,228	66,355	72,198	77,258	82,259	77,429	82,461
Prior Year	6,032	6,389	6,850	7,448	8,021	8,584	8,021	8,603
Transfers In		571						
Transfers Out			235					
Cancellations	94	0						
Expenditures	63,446	68,616	73,205	79,646	85,279	90,843	85,450	91,064
Biennial Change in Expenditures				20,789		23,271		23,663
Biennial % Change in Expenditures				16		15		15
Governor's Change from Base								392
Governor's % Change from Base								0

3000 - Federal								
Receipts	8,458	8,364	7,542	13,747	11,000	11,000	11,000	11,000
Expenditures	8,458	8,364	7,542	13,747	11,000	11,000	11,000	11,000
Biennial Change in Expenditures				4,466		711		711
Biennial % Change in Expenditures				27		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs

Activity: Achievement and Integration Aid

education.mn.gov/MDE/dse/acint/

AT A GLANCE

- During the 2017-2018 schoolyear 55 racially identifiable schools* (in 15 different districts) and 38 racially isolated districts** participated in this program. Some of these racially isolated districts also have racially identifiable schools. There were 82 additional districts in the program to work with racially isolated districts on integration activities.
- Based on their 2017 fall enrollment, 24 additional racially isolated districts and 16 new racially identifiable schools will join the program and generate revenue starting in FY 2020. Up to 66 additional districts may be in the program to work with the new racially isolated districts on integration activities.
- Districts use this revenue to increase racial and economic integration, to reduce achievement disparities within their districts, and to partner with neighboring districts on integration activities for students.

**A school with enrollment of protected students more than 20 percentage points above that of the district average for schools serving the same grade levels.*

***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 increase racial and economic integration, reduce achievement disparities for specific student groups, and provide students equitable access to a qualified and racially diverse teaching staff.

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

Achievement and Integration revenue is made up of two different funding streams: *initial revenue* which may be used to fund the strategies in a district's approved achievement and integration plan and *incentive revenue* which must be used for strategies to reduce racial and economic enrollment disparities. Both types of revenue are funded through local property tax levy (30 percent) and state aid (70 percent).

Districts are required to incorporate their achievement and integration plan into their World's Best Workforce plan. This program supports the World's Best Workforce goals of closing all racial and economic achievement gaps.

Districts that have not met their plan goals at the end of three years must develop an improvement plan and use up to twenty percent of their achievement and integration revenue to fund that plan.

SERVICES PROVIDED

Achievement and Integration revenue is used to implement strategies in a district's achievement and integration plan. These strategies must increase integration and reduce achievement disparities within the district or racially identifiable school. Most plans include student integration activities between neighboring districts.

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

- Family involvement programs.
- Integrated prekindergarten 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.
- Rigorous coursework and career and college readiness programs for underserved students.
- Recruitment and retention of a racially and ethnically diverse staff.

The Minnesota Department of Education (MDE) reviews and approves district plans and budgets, calculates and processes aid payments, and provides ongoing assistance to districts on developing effective plans, monitoring their progress, improvement processes, and reporting results.

RESULTS

The table below lists the number of racially identifiable schools and racially isolated districts participating in the program for the years listed.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2014-2015 2015-2016</i>	<i>2016- 2017</i>	<i>2017- 2018</i>
Quantity	Number of participating racially isolated districts	40	40	39
Quantity	Number of participating racially identifiable schools	55	55	55
Quantity	Number of participating districts with racially identifiable schools	15	15	15

Districts self-report on the extent to which they've realized the goals in their plans. The current achievement and integration plans were submitted in FY 2017 and will end in FY 2020. First year results for these three-year plans will be available in the fall of 2018.

Districts' progress toward the goals in their prior three-year plan are listed below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2015</i>	<i>2017</i>	<i>Number of Districts</i>
Quality	Progress toward goal for reducing reading achievement gap	23.9% on track	10.16% met goal	13
Quality	Progress toward goal for reducing math achievement gap	26.9% on track	4.69% met goal	6
Quality	Progress toward integration goal	66.8% on track	51.56% met goal	66

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

Achievement & Integration Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	64,161	64,889	70,563	70,217	79,875	82,668	80,263	83,101
Total	64,161	64,889	70,563	70,217	79,875	82,668	80,263	83,101
Biennial Change				11,730		21,763		22,584
Biennial % Change				9		15		16
Governor's Change from Base								821
Governor's % Change from Base								1
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	64,161	64,889	70,563	70,217	79,875	82,668	80,263	83,101
Total	64,161	64,889	70,563	70,217	79,875	82,668	80,263	83,101

Achievement & Integration Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	63,850	65,213	71,072	70,869	81,233	83,198	81,663	83,630
District Revenue	63,850	65,213	71,072	70,869	81,233	83,198	81,663	83,630
Direct Appropriation	65,439	67,091	71,384	70,503	80,201	83,003	80,589	83,436
Current Year	57,991	59,030	64,380	63,811	73,142	74,912	73,530	75,303
Prior Year	6,171	5,860	6,182	6,692	7,059	8,091	7,059	8,133
Transfers Out	269	281	279	286	326	335	326	335
Cancellations	1,010	1,921	543					
Expenditures	64,161	64,889	70,563	70,217	79,875	82,668	80,263	83,101
Biennial Change in Expenditures				11,730		21,763		22,584
Biennial % Change in Expenditures				9		15		16
Governor's Change from Base								821
Governor's % Change from Base								1

Program: Choice Programs

Activity: Inter-district Desegregation Transportation

education.mn.gov/MDE/dse/acint/

AT A GLANCE

- In fiscal year (FY) 2017, over 8,000 open enrolled students were transported to and from schools participating in achievement and integration programs at a total district cost of \$15.9 million. Districts received state aid in the amount of \$13.8 million, as districts already receive a portion of general education revenue to cover the cost.
- Other students were transported to achievement and integration programs and events at a total district cost of \$498,130 in FY 2017. Districts received \$498,130 in state aid as there is no general education deduction for this type of transportation.

PURPOSE & CONTEXT

This state aid program supports the achievement and integration program by funding unreimbursed transportation costs for students in an inter-district desegregation program.

This aid program supports the World’s Best Workforce goal of reducing the racial and economic 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.

The Minnesota Department of Education (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 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of Districts	61	61	62	65
Quantity	Number of Students Transported	9,060	9,264	8,668	8,065

M.S. 124D.87

Inter-district Desegregation Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	14,542	13,550	14,328	13,193	13,874	14,589	13,874	14,589
Total	14,542	13,550	14,328	13,193	13,874	14,589	13,874	14,589
Biennial Change				(571)		942		942
Biennial % Change				(2)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	14,542	13,550	14,328	13,193	13,874	14,589	13,874	14,589
Total	14,542	13,550	14,328	13,193	13,874	14,589	13,874	14,589

Inter-district Desegregation Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	14,423	13,496	13,337	13,193	13,874	14,589	13,874	14,589
Transfers In	119	54	991					
Expenditures	14,542	13,550	14,328	13,193	13,874	14,589	13,874	14,589
Biennial Change in Expenditures				(571)		942		942
Biennial % Change in Expenditures				(2)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs
Activity: Recovery Program

AT A GLANCE

- For fiscal year (FY) 2017, there was \$500,000 in grant funds available. For FY 2018, the amount was increased to \$750,000.
- 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 of the costs of recovery program support staff. In FY 2018, coverage for unreimbursed transportation expenses was added to the list of eligible costs.

Recovery program support staff are defined as:

- Licensed alcohol and chemical dependency counselors;
- Licensed school counselors;
- Licensed school psychologists;
- Licensed school nurses; and
- Licensed school social workers.

The Minnesota Department of Education provides the following services for the program:

- 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; and
- Providing guidance as it relates to Minnesota statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2017</i>	<i>FY 2018</i>
Quantity	Number of schools receiving grants	5	5

M.S.124D.695

Recovery Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	489	439	674	826	750	750	750	750
Total	489	439	674	826	750	750	750	750
Biennial Change				572		0		0
Biennial % Change				62		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	489	439	674	826	750	750	750	750
Total	489	439	674	826	750	750	750	750

Recovery Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	500	500	750	750	750	750	750	750
Balance Forward In		11		76				
Cancellations		72						
Balance Forward Out	11		76					
Expenditures	489	439	674	826	750	750	750	750
Biennial Change in Expenditures				572		0		0
Biennial % Change in Expenditures				62		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Indian Education
Activity: Indian Teacher Training Program

education.mn.gov/MDE/fam/indian/

AT A GLANCE

- Historically, grants were 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 Mahnommen Public Schools; and the University of Minnesota-Duluth, in collaboration with Duluth Public Schools.
- The grants will be opened up for competitive postsecondary institutions and area schools to reach a more extensive pool of applicants starting in 2019.

PURPOSE & CONTEXT

The Minnesota Indian Teacher Training Program (MITTP) provides scholarships to assist American Indian students to become teachers and to 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 all racial and economic achievement gaps between students are closed.

SERVICES PROVIDED

This program provides scholarships to American Indian students and teachers who have the potential to complete a teacher-training program or certification needed to work in a specific school setting, and who have demonstrated a financial need.

RESULTS

A majority of students that receive scholarship/grant funds are supported for multiple years during their teacher training program. Eighty-one of the MITTP participants currently work in an educational capacity.

In the 2017-2018 school year, there were a total of six students participating at the four institutions in the Indian Teacher Training Program. The program receives \$460,000 per year.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Program Participants	10	6

**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.

Indian Teacher Training Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	190	460	460	460	460	460	460	460
Total	190	460	460	460	460	460	460	460
Biennial Change				270		0		0
Biennial % Change				42		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	190	460	460	460	460	460	460	460
Total	190	460	460	460	460	460	460	460

Indian Teacher Training Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	190	460	460	460	460	460	460	460
Expenditures	190	460	460	460	460	460	460	460
Biennial Change in Expenditures				270		0		0
Biennial % Change in Expenditures				42		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Indian Education
Activity: Tribal Contract Schools

education.mn.gov/MDE/fam/indian/

AT A GLANCE

- In fiscal year (FY) 2017, 685 American Indian students attended the four federal Bureau of Indian Education (BIE) tribal contract schools in Minnesota.

PURPOSE & CONTEXT

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 supports 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 BIE tribal contract schools. The funds provide general education services and are not specifically set aside to meet any legislated goals. 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 Minnesota Department of Education (MDE) 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 under federal jurisdiction and therefore are not state public schools under Minnesota statutes, so MDE cannot require tribal schools to submit assessment data related to this program.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	American Indian student graduation rate in BIE Tribal contract schools*	52.5%	44.7%
Quantity	Statewide American Indian student graduation rate	49.5%	50.7%

**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

Tribal Contract Schools

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	2,362	1,488	2,954	2,948	1,825	1,779	3,321	3,819
Total	2,362	1,488	2,954	2,948	1,825	1,779	3,321	3,819
Biennial Change				2,051		(2,298)		1,238
Biennial % Change				53		(39)		21
Governor's Change from Base								3,536
Governor's % Change from Base								98
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	2,158	1,488	2,631	2,693	1,526	1,610	3,022	3,484
Other Financial Transaction	204		323	255	299	169	299	335
Total	2,362	1,488	2,954	2,948	1,825	1,779	3,321	3,819

Tribal Contract Schools

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	2,159	1,812	2,886	2,992	1,695	1,788	3,357	3,870
District Revenue	2,159	1,812	2,886	2,992	1,695	1,788	3,357	3,870
Direct Appropriation	3,539	3,278	3,623	2,948	1,825	1,779	3,321	3,819
Current Year	2,159	1,489	2,631	2,693	1,526	1,610	3,022	3,484
Prior Year	204		323	255	299	169	299	335
Transfers Out			669					
Cancellations	1,177	1,790						
Expenditures	2,362	1,488	2,954	2,948	1,825	1,779	3,321	3,819
Biennial Change in Expenditures				2,051		(2,298)		1,238
Biennial % Change in Expenditures				53		(39)		21
Governor's Change from Base								3,536
Governor's % Change from Base								98

Program: Indian Education

Activity: Tribal Early Childhood Program

education.mn.gov/MDE/fam/indian/

AT A GLANCE

- Provides support to four tribal early childhood family education (ECFE) programs.
- Serves 800 to 1,100 children, birth to age 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 supports 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 program uses 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 (MDE), 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 under federal jurisdiction and, therefore, are not state public schools under Minnesota statutes. They are not required to submit assessment data for this program. MDE does not track or report participant performance.

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

Tribal Early Childhood Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	68	68	68	68	68	68	68	68
Total	68	68	68	68	68	68	68	68
Biennial Change				0			0	0
Biennial % Change				0			0	0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Other Financial Transaction	68	68	68	68	68	68	68	68
Total	68	68	68	68	68	68	68	68

Tribal Early Childhood Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	68	68	68	68	68	68	68	68
Expenditures	68	68	68	68	68	68	68	68
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Indian Education

Activity: American Indian Education Aid

education.mn.gov/MDE/fam/indian/

AT A GLANCE

- Provides formula funding to 143 eligible school districts, charter schools and tribal contract schools.
- Funding reaches nearly 97 percent of American Indian students statewide.
- 22,154 American Indian students served annually.
- 26.5 percent of American Indian students served are in the seven-county metro area.
- The Indian Education Aid program replaced the Success for the Future program in fiscal year (FY) 2016.

PURPOSE & CONTEXT

This program seeks to increase the academic achievement, decrease the dropout rate, and improve the school climate of American Indian students in culturally appropriate ways. The program serves American Indian students in school districts, federal 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 that was enacted by the legislature in 2015, expands funding to eligible districts and schools from 32 to 143, serving nearly 97 percent of American Indian students in Minnesota. Under the new formula, school districts, charter schools, and tribal schools that have 20 or more American Indian students enrolled are eligible to receive \$20,000 for the first 20 students, and an additional \$358 per student beyond the initial count of 20.

This program is designed to support 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; and
- Developing intercultural awareness among students, parents, staff and community.

The following services are funded by the American Indian formula aid program with the goals of increasing student achievement, increasing graduation rates, reducing the achievement gap, and lowering 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; and
- 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 97 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>FY 2016</i>	<i>FY 2017</i>
Results	Statewide American Indian Graduation Rate	51.92%	50.65%
Results	Statewide American Indian MCA Reading Proficiency – 8 th Grade	35.9%	32.6%
Results	Statewide American Indian MCA Math Proficiency – 8 th Grade	31.1%	26.8%

M.S. 124D.81

American Indian Education Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	7,001	8,367	9,004	9,501	9,515	9,673	9,515	9,673
Total	7,001	8,367	9,004	9,501	9,515	9,673	9,515	9,673
Biennial Change				3,137		683		683
Biennial % Change				20		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	7,001	8,367	9,004	9,501	9,515	9,673	9,515	9,673
Total	7,001	8,367	9,004	9,501	9,515	9,673	9,515	9,673

American Indian Education Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	7,632	8,190	9,214	9,605	9,505	9,692	9,505	9,692
District Revenue	7,632	8,190	9,214	9,605	9,505	9,692	9,505	9,692
Direct Appropriation	7,953	8,838	9,244	9,501	9,515	9,673	9,515	9,673
Current Year	6,808	7,544	8,358	8,645	8,555	8,723	8,555	8,723
Prior Year	193	824	646	856	960	950	960	950
Cancellations	952	471	240					
Expenditures	7,001	8,367	9,004	9,501	9,515	9,673	9,515	9,673
Biennial Change in Expenditures				3,137		683		683
Biennial % Change in Expenditures				20		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

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

education.mn.gov/MDE/dse/qc/

AT A GLANCE

- In fiscal year (FY) 2018, 186 districts and charter schools participated (36.54 percent):
 - 109 school districts participated (33.13 percent).
 - 75 charter schools participated (45.73 percent).
 - One intermediate district participated (25.00 percent).
 - One education district participated (8.33 percent).
- 491,028 students in the state were served (55.49 percent).
- 37,418.03 full-time equivalent (FTE) licensed staff in the state were served (56.75 percent).
- 23 districts and charter schools are on the waiting list with pending applications awaiting funding.

PURPOSE & CONTEXT

The alternative teacher professional pay system (commonly known as Q Comp) provides school districts and charter schools with up to \$260 per student and education districts and intermediate districts with \$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 \$88,118,000 for FY 2017 and later. Program expenditures have reached this cap as of the start of FY 2017. Due to enrollment increases, all participating programs are seeing funding prorated to 98.8 percent in FY 2019 to ensure the basic aid cap is not exceeded. Applications are still accepted for the waiting list but no plans will be approved until revenue is available.

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 performs several functions in support of this program, including:

- Review and approve applications and subsequent program changes.
- Provide technical assistance on program development and implementation.
- Provide professional development, networking and coaching to support educators to effectively implement the program including but not limited to: observation and feedback, professional learning communities, teacher leadership development.
- Calculate and process Q Comp payments.

Basic alternative compensation aid was capped at \$88.1 million for FY 2017, and was available to districts on a first-come, first-served basis. State total basic aid is currently at the cap. The funding cap was reached in FY 2017. The cap would need to be increased in order to provide full funding for all current districts and to provide funding to all interested districts. However, districts have the authority to levy for an amount equal to the shortfall due to proration.

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 school districts receive.

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

RESULTS

Since Q Comp was enacted two outside studies have been done to investigate its effectiveness:

- A 2014 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 at districts receiving Q comp revenue ([Journal of Human Resources study](#)).
- A 2009 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

Alternative Compensation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	79,316	88,053	89,924	89,783	89,196	88,841	89,211	88,853
Total	79,316	88,053	89,924	89,783	89,196	88,841	89,211	88,853
Biennial Change				12,338		(1,670)		(1,643)
Biennial % Change				7		(1)		(1)
Governor's Change from Base								27
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	79,316	88,053	89,924	89,783	89,196	88,841	89,211	88,853
Total	79,316	88,053	89,924	89,783	89,196	88,841	89,211	88,853

Alternative Compensation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	79,377	88,963	90,153	89,742	89,135	88,808	89,151	88,819
District Revenue	79,377	88,963	90,153	89,742	89,135	88,808	89,151	88,819
Direct Appropriation	78,956	88,137	90,169	89,783	89,196	88,841	89,211	88,853
Current Year	71,550	80,177	81,138	80,768	80,222	79,928	80,237	79,939
Prior Year	7,766	7,876	8,786	9,015	8,974	8,913	8,974	8,914
Transfers In	359							
Transfers Out			114					
Cancellations		84	131					
Expenditures	79,316	88,053	89,924	89,783	89,196	88,841	89,211	88,853
Biennial Change in Expenditures				12,338		(1,670)		(1,643)
Biennial % Change in Expenditures				7		(1)		(1)
Governor's Change from Base								27
Governor's % Change from Base								0

Program: Innovation and Accountability

Activity: Assessments

AT A GLANCE

- Serves approximately 65,000 students per grade, grades 3-12.
- Serves approximately 73,000 English learners (ELs), grades K-12.
- Serves approximately 6,000 students with severe cognitive disabilities.
- Supports all charter schools, districts, Minnesota Department of Education (MDE) divisions, and stakeholders with data requests and data analysis.

PURPOSE & CONTEXT

Statewide testing’s mission is to design, develop, and implement a system of assessment so Minnesota students, parents, teachers, administrators, legislators, and taxpayers will have access to valid and reliable data to support and improve education in Minnesota. Our purpose is to build a comprehensive assessment system and provide analytics that adds value to Minnesota’s education system.

This program supports all of the World’s Best Workforce (WBWF) goals.

SERVICES PROVIDED

This program provides data and analysis to inform parents, teachers, and the public on the achievement of students against the Minnesota K-12 Academic Standards and Minnesota English Language Proficiency Standards. This includes special populations such as English learners, students receiving special education services and student receiving free/reduced priced meals.

MDE awards contracts to vendors, manages the contracts, supports districts’ administration of the tests, and reports test results. Part of the district and agency support provided by the division comes from the Data Analytics Team, which conducts complex analysis of program-specific data, which often includes test results.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2017</i>	<i>FY 2018</i>
Quality	District satisfaction with support/training materials.	~45-60%	More than 80%
Quantity	Number of data requests fulfilled. This includes internal and external requests.	More than 120	More than 140

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

Assessments

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	10,255	12,314	10,892	10,892	10,892	10,892	10,892	10,877
3000 - Federal	4,762	8,665	1,155	463				
Total	15,016	20,979	12,047	11,355	10,892	10,892	10,892	10,877
Biennial Change				(12,593)		(1,618)		(1,633)
Biennial % Change				(35)		(7)		(7)
Governor's Change from Base								(15)
Governor's % Change from Base								(0)

Expenditures by Category

Compensation			3	2				
Operating Expenses	15,016	20,979	12,045	11,353	10,892	10,892	10,892	10,877
Total	15,016	20,979	12,047	11,355	10,892	10,892	10,892	10,877

Total Agency Expenditures	15,016	20,979	12,047	11,355	10,892	10,892	10,892	10,877
Internal Billing Expenditures	14	10	5	5				
Expenditures Less Internal Billing	15,002	20,969	12,042	11,350	10,892	10,892	10,892	10,877

Full-Time Equivalent

			0.03	0.01				
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Assessments

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	11,204	10,892	10,892	10,892	10,892	10,892	10,892	10,877
Balance Forward In		1,422						
Balance Forward Out	949							
Expenditures	10,255	12,314	10,892	10,892	10,892	10,892	10,892	10,877
Biennial Change in Expenditures				(785)		0		(15)
Biennial % Change in Expenditures				(3)		0		(0)
Governor's Change from Base								(15)
Governor's % Change from Base								(0)
3000 - Federal								
Receipts	4,762	8,665	1,155	463				
Expenditures	4,762	8,665	1,155	463				
Biennial Change in Expenditures				(11,808)		(1,618)		(1,618)
Biennial % Change in Expenditures				(88)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.03	0.01				

Program: Innovation and Accountability
Activity: College Entrance Exam Reimbursements

AT A GLANCE

- Testing reimbursement helps students’ access college entrance exams.
- In the 2017-2018 school year, 283 districts requested reimbursement totaling nearly \$864,000.

PURPOSE & CONTEXT

This program provides reimbursement to high school students for one college entrance exam during grade 11 or 12. Beginning in school year 2017-2018, reimbursements are limited to high school students identified as receiving free or reduced-price lunch or unable to pay.

This program supports 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 and is identified as receiving free or reduced-price lunch or unable to pay. 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

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of districts reimbursed	321	321

M.S. 120B.30

College Entrance Exam Reimbursements

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General		5,761	1,511	1,511	1,511	1,511	1,511	1,511
Total		5,761	1,511	1,511	1,511	1,511	1,511	1,511
Biennial Change				(2,739)		0		0
Biennial % Change						0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses		1						
Grants, Aids and Subsidies		5,760	1,511	1,511	1,511	1,511	1,511	1,511
Other Financial Transaction		0						
Total		5,761	1,511	1,511	1,511	1,511	1,511	1,511
Total Agency Expenditures		5,761	1,511	1,511	1,511	1,511	1,511	1,511
Expenditures Less Internal Billing		5,761	1,511	1,511	1,511	1,511	1,511	1,511

College Entrance Exam Reimbursements

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	3,011	3,011	1,511	1,511	1,511	1,511	1,511	1,511
Balance Forward In		3,011						
Cancellations		261	0					
Balance Forward Out	3,011							
Expenditures		5,761	1,511	1,511	1,511	1,511	1,511	1,511
Biennial Change in Expenditures				(2,739)		0		0
Biennial % Change in Expenditures						0		0
Governor's Change from Base								0
Governor's % Change from Base								0

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 fiscal year (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 more than 30 days of professional development over two years.

The Minnesota Department of Education (MDE) administers an annual grant to support the program. It was \$150,000 per year through FY 2017. Beginning in FY 2018, it is \$200,000 per year.

RESULTS

This program was new for FY 2016. A program evaluation was completed by the Center for Applied Research and Educational Improvement at the University of Minnesota in June 2017. Highlights of outcomes include:

Program completion: Twenty-four of the 26 participants in the Northwest cohort fully completed the program, and 31 participants in the Twin Cities cohort (representing 18 school districts, three charter schools and the State Academy of the Deaf), completed the program.

Engagement and completion of Action Learning Project: Twenty-one of the 24 participants in the Northwest cohort completed an Action Learning Project, and 26 of the 31 participants in the Twin Cities cohort completed the Action learning Project. The Action Learning Projects focused on a local problem of practice that the participant saw as important to address in striving to increase student outcomes. Participants presented projects to their cohorts of peers in June of 2017.

Leadership expertise: The number of *participants* who rated their perception of expertise (on an online survey) as good increased for the most part due to moving from moderate to good. On the pre-survey, the majority of respondents rated their individual level of expertise as good in four of the seven areas on the pre-survey; however, on the post-survey, the majority of respondents rated their expertise level as good in every area.

Leadership skills: Over 85 percent of the *principal supervisors* respondents agreed or strongly agreed (on an online survey) that their school leaders had enhanced their leadership skills, as a result of participating in the Minnesota Principals Academy. These areas included their ability to motivate and support teachers, especially related to new instructional practices; their thinking around how to improve instruction and build teams; their willingness and ability to ensure that they and their teachers use data and research to make curricular and instructional decisions; their commitment to high expectations for all students; and their willingness to listen to a variety of stakeholders.

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

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	150	150	200	200	200	200	200	200
Total	150	150	200	200	200	200	200	200
Biennial Change				100		0		0
Biennial % Change				33		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	150	150	200	200	200	200	200	200
Total	150	150	200	200	200	200	200	200

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	150	150	200	200	200	200	200	200
Expenditures	150	150	200	200	200	200	200	200
Biennial Change in Expenditures				100		0		0
Biennial % Change in Expenditures				33		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Innovation and Accountability
Activity: Other Innovation Opportunities

AT A GLANCE

- The Teacher-Governed School Grants, Singing-Based Pilot Program, and Vision-Therapy Pilot Project were all one-time appropriations.
- The Full-Service Community Schools program, first appropriated in fiscal year (FY) 2016, had a one-time appropriation for FY 2017.
- With the exception of the Vision-Therapy Pilot Project, which ends June 30, 2020, each of these grant programs ended June 30, 2018.

PURPOSE & CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services as described below. These grants or grant programs support the World's Best Workforce Goals.

SERVICES PROVIDED

Teacher-Governed School Grants were 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.

- \$500,000 for FY 2017.
- Up to \$50,000 for planning grants.
- Up to \$100,000 for implementation grants.
- The last of these grants ended on June 30, 2018, and are no longer active.

The Singing-Based Pilot Program was a grant to implement a singing-based reading intervention program designed to improve the reading performance of students in grades 3-5. The pilot was conducted by the Rock'n'Read Project. Pilot sites, in at least three schools, gave priority to schools in which a high proportion of students that: 1) did not read at grade level; and, 2) were eligible for free or reduced-price lunch. This program contributed to the World's Best Workforce goals of all third-graders reading at grade level and closing the economic achievement gap.

- \$100,000 for FY 2017.
- Final report detailing expenditures and outcomes was submitted to the Legislature in February of 2017.
- This grant ended on June 30, 2017, and is no longer active.

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.

- \$200,000 for FY 2017, available until June 30, 2019.
- The Minnesota Department of Education (MDE) made a grant available to Centennial Schools to report specific measurable outcomes to MDE.
- Centennial Schools was to complete the pilot study on convergence insufficiency and report outcomes to MDE by September 2019.
- MDE was to provide a report to the Minnesota Legislature no later than January 2020.
- Centennial Schools declined the grant.

The Full-Service Community Schools appropriation was 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 resulted 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. MDE plans to issue a report on this program in FY 2022. This program supported all five of the World's Best Workforce goals.

- \$250,000 for FY 2016.
- \$1,250,000 for FY 2017.
- Up to \$50,000 each year is for administration of this program.
- These grants ended on June 30, 2018, and are no longer active.

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

[Rock N Read Interim Report](#)

There is no other data for these programs at this time.

M.S.124D.231;

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

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

Other Innovation Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	200	1,800	500	200			2,000	2,000
Total	200	1,800	500	200			2,000	2,000
Biennial Change				(1,300)		(700)		3,300
Biennial % Change				(65)		(100)		471
Governor's Change from Base								4,000
Governor's % Change from Base								

Expenditures by Category

Compensation							33	34
Operating Expenses							2	2
Grants, Aids and Subsidies	200	1,800	500	200			1,965	1,964
Total	200	1,800	500	200			2,000	2,000

Full-Time Equivalents

							0.25	0.25
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Other Innovation Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	250	2,000	500				2,000	2,000
Balance Forward In			200	200				
Transfers Out	50							
Balance Forward Out		200	200					
Expenditures	200	1,800	500	200			2,000	2,000
Biennial Change in Expenditures				(1,300)		(700)		3,300
Biennial % Change in Expenditures				(65)		(100)		471
Governor's Change from Base								4,000
Governor's % Change from Base								
Full-Time Equivalents							0.25	0.25

Program: Special Student and Teacher

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 fiscal year (FY) 2017:

- 79 International Baccalaureate (IB) programs were in place in 65 authorized IB schools.
- 45,348 Advanced Placement (AP) students took 73,559 exams.
- 3,995 IB students took 8,691 exams.
- Efforts focused on increasing the number of low-income students taking AP or IB exams.
- 934 AP teachers attended in-depth training.
- 1,163 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, but not required, 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.

The Minnesota Department of Education (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 2016</i>	<i>FY 2017</i>
Quality	Percent of AP exams –“proficient” or above (national average is 57% and 58%)	66%	66%
Quality	Number of IB exams–“proficient” or above (national average is 74%, both years)	54%	54%
Quantity	Number of low-income students taking AP exams	4,033	4,208
Quantity	Number of low-income students taking IB exams	1,003	1,177

M.S.120B.13

Advanced Placement-International Baccalaureate

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

**Advanced Placement-International
Baccalaureate**

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Balance Forward In		100						
Cancellations		100						
Expenditures	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher

Activity: Concurrent Enrollment

education.mn.gov/MDE/dse/ccs/pseo/index.htm

AT A GLANCE

- Of the 32,010 students that participated in fiscal year 2017 (FY17), 5,803 were low-income students and 187 were English learners.
- For FY 2017, the state aid amount was prorated to \$54.01 per student, per course.

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 basis, 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 set at \$150 per student per course. However, because funding is capped and enrollment is increasing, full course reimbursement exceeds the appropriation, and the program is prorated. For FY17, districts received roughly \$54 per student in state aid, with local funding making up an increasing portion of the cost.

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; and
- Continued participation in the high school culture while earning college credits.

The Minnesota Department of Education:

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

RESULTS

In 2016-17, 319 districts and charter schools offered 74,059 concurrent enrollment courses to 31,971 students through 38 Minnesota colleges and universities.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of students participating	30,247	32,010
Quantity	College credits earned that generated Concurrent Enrollment aid	224,594 credits	255,879 credits

M.S. 124D.091

Concurrent Enrollment

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Concurrent Enrollment

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Cancellations		0						
Expenditures	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher
Activity: Collaborative Urban Educator

AT A GLANCE

- In fiscal year (FY) 2018, the Legislature amended the title of the Collaborative Urban Educators program to include Greater Minnesota and titled the program Collaborative Urban and Greater Minnesota Educators of Color Program.
- Four colleges named in legislation are eligible for the Collaborative Urban and Greater Minnesota Educators of Color Program, and a competitive application is added for programs in greater Minnesota.

PURPOSE & CONTEXT

This program addresses the need to recruit and train teachers prepared to meet the educational needs of urban schools and schools in greater Minnesota, as well as a diverse student population. Its purpose is to increase educators of color and American Indian educators in the state of Minnesota.

This program serves four institutions of higher learning named in legislation in Minneapolis and St. Paul, plus postsecondary institutions selected through a competitive grant process.

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

This program supports the Every Student Succeeds Act (ESSA) Minnesota State Plan for Educator Quality and Equity in Access.

SERVICES PROVIDED

Grant funds are \$195,000 for each named Collaborative Urban Educator grantee in law (St. Thomas, Concordia, Hamline, and Augsburg). Each institution has discretion to determine the best way to recruit candidates of color and American Indian candidates, and to use the appropriation in order to increase teacher diversity in the state of Minnesota.

- 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).

Funding was increased in 2018 by \$220,000 for each year (FY18 and FY19) for a competitive grant process to recruit and retain teacher candidates of color and American Indian candidates throughout the state. Grantees who were awarded the funds are:

- College of St. Scholastica
- Metro State University
- Mankato State University

- St. Mary’s University of Minnesota
- University of St. Thomas
- Winona State University

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

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

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of enrolled students at Concordia University	Not available	26
Quality	Percentage of program completion based on number of enrolled students from Concordia University	Not available	57.7%
Quantity	Number of enrolled students at St. Thomas University	Not available	44
Quality	Percentage of program completion based on number of enrolled students from St. Thomas University	Not available	68.2%
Quantity	Number of enrolled students at Hamline University	Not available	26
Quality	Percentage of program completion based on number of enrolled students from Hamline University	Not available	84.6%
Quantity	Number of enrolled students at Augsburg	Not available	26
Quality	Percentage of program completion based on number of enrolled students from Augsburg	Not available	73.1%

MN Laws 2013, chapter 116, article 3, section 37, subdivision 12

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000
Total	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000
Biennial Change				131		0		0
Biennial % Change				7		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000
Total	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000

Collaborative Urban Educator

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000
Balance Forward In		0						
Cancellations		1						
Balance Forward Out	0							
Expenditures	780	1,090	1,000	1,000	1,000	1,000	1,000	1,000
Biennial Change in Expenditures				131		0		0
Biennial % Change in Expenditures				7		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher

Activity: Literacy Incentive Aid

AT A GLANCE

- Fiscal year (FY) 2017, 56.5 percent of third-grade students were proficient statewide.
- FY 2017, 74 percent of fourth-grade students met their growth target statewide.

PURPOSE & CONTEXT

This program provides schools with additional aid based on student reading performance.

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

This program supports the World’s Best Workforce goals by incentivizing districts and charter schools to have all third-graders reading at grade level and to have all fourth-graders showing medium to high growth in reading, as measured by the Minnesota Comprehensive Assessments (MCA) test scores.

SERVICES PROVIDED

Part of literacy incentive aid is based on the portion of students in a school that meet or exceed proficiency on the MCA grade three reading test (called “proficiency aid”). Part of literacy incentive aid is based on the portion of students that show medium or high growth in reading proficiency between grades three and four (called “growth aid”).

Proficiency and growth are based on three-year averages.

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

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

The Minnesota Department of Education (MDE) calculates and processes 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>	<i>FY 2016</i>	<i>FY 2017</i>
Quality	Portion of grade three students generating proficiency aid	57.2%	58.1%	58.8%	57.3%	56.5%
Quality	Portion of grade four students generating growth aid	72.3%	72.6%	74.0%	73.8%	74.0%

M.S.124D.98

Literacy Incentive Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	44,453	45,183	46,267	45,838	45,304	45,442	45,304	45,442
Total	44,453	45,183	46,267	45,838	45,304	45,442	45,304	45,442
Biennial Change				2,468		(1,359)		(1,359)
Biennial % Change				3		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	44,453	45,183	46,267	45,838	45,304	45,442	45,304	45,442
Total	44,453	45,183	46,267	45,838	45,304	45,442	45,304	45,442

Literacy Incentive Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	44,169	45,367	46,277	45,829	45,246	45,464	45,246	45,464
District Revenue	44,169	45,367	46,277	45,829	45,246	45,464	45,246	45,464
Direct Appropriation	44,538	45,803	47,264	45,838	45,304	45,442	45,304	45,442
Current Year	39,771	40,786	41,686	41,247	40,722	40,918	40,722	40,918
Prior Year	4,683	4,399	4,581	4,591	4,582	4,524	4,582	4,524
Transfers Out			981					
Cancellations	85	620	16					
Expenditures	44,453	45,183	46,267	45,838	45,304	45,442	45,304	45,442
Biennial Change in Expenditures				2,468		(1,359)		(1,359)
Biennial % Change in Expenditures				3		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher

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 for 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 Occupations (HOSA)
- Service Occupations (HERO)
- Trade and Industry Technology (SKILLSUSA)
- Business (BPA)
- Agriculture, Food and Natural Resources (FFA)
- Family and Consumer Science (FCCLA)
- Marketing (DECA)

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.

The Minnesota Department of Education (MDE) processes payments and provides technical support for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2015</i>	<i>FY 2017</i>
Quantity	Membership in career and technical education student organizations	19,809	20,573

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

Student Organizations

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	725	725	725	725	768	768	768	768
Total	725	725	725	725	768	768	768	768
Biennial Change				0		86		86
Biennial % Change				0		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	725	725	725	725	768	768	768	768
Total	725	725	725	725	768	768	768	768

Student Organizations

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	725	725	725	725	768	768	768	768
Balance Forward In			0					
Expenditures	725	725	725	725	768	768	768	768
Biennial Change in Expenditures				0		86		86
Biennial % Change in Expenditures				0		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher

Activity: Early Childhood Literacy

minnesotareadingcorps.org/

AT A GLANCE

- This program is implemented by Reading Corps, an initiative of ServeMinnesota.
- In FY 2017 there was a 57.6 percent pass rate on the statewide third-grade MCA test of reading proficiency for participants who completed their Minnesota Reading Corps tutoring.
- In the 2016-17 school year, Reading Corp served 30,000 children in 77 Minnesota counties in 700 individual sites
- In 2017-2018 school year, Minnesota Reading Corps worked with 452 elementary schools and 153 pre-K sites.

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>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of prekindergarten children receiving individualized instruction.	8,412	9,055	9,082	6,816	6,074
Quality	Percentage of prekindergarten children who meet their growth goals.	85%	80%	86%	86%	85%
Quantity	Number of K-3 children receiving individualized instruction.	20,326	19,857	21,802	17,296	17,272
Quality	Percentage of K-3 children who meet their growth goals.	78%	85%	69%	84%	78%

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

Early Childhood Literacy

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950
Total	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950
Biennial Change				650		2,000		2,000
Biennial % Change				5		14		14
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950
Total	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950

Early Childhood Literacy

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950
Expenditures	6,125	7,125	6,950	6,950	7,950	7,950	7,950	7,950
Biennial Change in Expenditures				650		2,000		2,000
Biennial % Change in Expenditures				5		14		14
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Student and Teacher

Activity: Elementary and Secondary Education Act (ESEA) Programs

education.mn.gov/mde/index.html

AT A GLANCE

- Elementary and Secondary Education Act (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.

The Minnesota Department of Education 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 were required to submit a state plan to the federal government in 2017 to meet the new requirements in ESSA. Implementation of ESSA began in the 2018-2019 school year. Minnesota's plan establishes accountability indicators that will be used to prioritize support for schools identified as low-performing in areas such as academic achievement, English language proficiency, graduation rates, and attendance rates.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>
Quantity	Schools recognized for excellence	524
Quantity	Schools identified for comprehensive support and improvement	198
Quantity	Schools identified for targeted support and improvement	159
Quantity	Schools identified for support	133

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.

Elementary and Secondary Education Act

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General							450	450
3000 - Federal	195,428	201,822	190,658	204,599	208,919	210,172	208,919	210,172
Total	195,428	201,822	190,658	204,599	208,919	210,172	209,369	210,622
Biennial Change				(1,993)		23,834		24,734
Biennial % Change				(1)		6		6
Governor's Change from Base								900
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Operating Expenses		0						
Grants, Aids and Subsidies	195,428	201,822	190,658	204,599	208,919	210,172	209,369	210,622
Total	195,428	201,822	190,658	204,599	208,919	210,172	209,369	210,622

Elementary and Secondary Education Act

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation							500	500
Net Transfers							50	50
Expenditures							450	450
Biennial Change in Expenditures				0		0		900
Biennial % Change in Expenditures								
Governor's Change from Base								900
Governor's % Change from Base								
3000 - Federal								
Receipts	195,427	201,822	190,658	204,599	208,919	210,172	208,919	210,172
Expenditures	195,428	201,822	190,658	204,599	208,919	210,172	208,919	210,172
Biennial Change in Expenditures				(1,993)		23,834		23,834
Biennial % Change in Expenditures				(1)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

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

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 fiscal year (FY) 2014. The Civic Education Coalition consists of Minnesota Civic Youth, 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.
- Race 2 Reduce grants support expanded water conservation programming in Minnesota Schools.
- Grow Your Own funding supports a new teacher initiative involving non-licensed educational professionals, including paraprofessionals and cultural liaisons.
- Concurrent enrollment grants are focused on providing professional development opportunities for teachers

PURPOSE & CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services as described below. These grants or grant programs support the World's Best Workforce Goals (WBWF).

SERVICES PROVIDED

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 WBWF goals related to all children ready for school, and all students ready for career and college.
- \$460,000 for 2018.
- \$460,000 for 2019.
 - \$319,000 each year is for the Minnesota Children's Museum (\$50,000 each year to Minnesota Children's Museum, Rochester).
 - \$50,000 each year is for the Duluth Children's Museum.
 - \$41,000 each year is for the Minnesota Academy of Science.
 - \$50,000 each year is for the Headwaters Science Center.

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 WBWF Goal of being career and college ready.
- \$125,000 for 2018
- \$125,000 for 2019

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 4-6.

- This program supports the WBWF goal of being career and college ready.
- \$1,350,000 for 2018
- FY18 balance carries forward into FY19

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 WBWF goals of closing the racial and economic achievement gaps between students, and all students graduating from high school.
- \$500,000 for 2018
- \$500,000 for 2019

Minnesota Reading Corps combines the people power of AmeriCorps and the science of how children learn to read. The program provides training for teaching early literacy skills and provides one-on-one and small group tutoring that is tailored to each learner's needs.

- Provides literary tutors to children from age 3 to grade three.
- This program supports the WBWF goals of closing the racial and economic achievement gaps between students, and all students graduating from high school.
- \$6,950,000 for 2018
- \$6,950,000 for 2019

Race 2 Reduce is a community collaboration of many stakeholders supported through a grant from the Minnesota Department of Education (MDE).

- This program educates students about water resources and engages youth to be leaders of change and environmental stewards of the future.
- Grantees include H2O for Life, ISD 624 (White Bear Lake), and ISD 832 (Mahtomedi).
- \$307,000 for 2018 (total appropriation available through FY19).
 - \$143,000 is for H2O for Life
 - \$98,000 is for ISD 624 (White Bear Lake)
 - \$66,000 is for ISD 832 (Mahtomedi)

The Grow Your Own new teacher program is a competitive grant program that provides grants to school districts with more than 30 percent minority students for a Professional Educator and Licensing Standards Board (PELSB) approved nonconventional teacher residency program.

- Programs provide tuition scholarships or stipends to enable school district employees or community members to seek an education license.
- Grants may also be used to develop innovative programs that encourage secondary students to pursue teaching.
- \$1,500,000 for 2018
- \$1,500,000 for 2019

Expanded concurrent enrollment and Statewide Concurrent enrollment grants focus on providing professional development opportunities for teachers to acquire the graduate credits they need to teach concurrent enrollment courses in the high school. These additional credits are being required by the Higher Learning Commission.

- Statewide - \$375,000 for 2018 and 2019, with up to 5% for grant administration
- Expanded – \$375,000 for 2018 and 2019

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of programs in museum and education centers	3	4
Quantity	AmeriCorps service hours	707,522	588,683
Quantity	Number of children in grades 4-8 receiving individualized Minnesota Math Corps instruction.	2,333	3,192
Quantity	Number of children in grades 4-8 completing the Minnesota Math Corps program.	1,305	1,805
Result	Ratio of children who completed the Minnesota Math Corps program and met their academic goals.	50%	53%

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

Other Special Student Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	2,631	3,485	8,000	5,999	7,841	7,841	10,020	10,020
3000 - Federal	81	185	128	33				
Total	2,712	3,669	8,127	6,032	7,841	7,841	10,020	10,020
Biennial Change				7,778		1,523		5,881
Biennial % Change				122		11		42
Governor's Change from Base								4,358
Governor's % Change from Base								28
<u>Expenditures by Category</u>								
Compensation			38	36	37	39	0	0
Operating Expenses	81	185	131	45	8	6	0	0
Grants, Aids and Subsidies	2,631	3,485	7,958	5,951	7,796	7,796	10,020	10,020
Total	2,712	3,669	8,127	6,032	7,841	7,841	10,020	10,020
Total Agency Expenditures	2,712	3,669	8,127	6,032	7,841	7,841	10,020	10,020
Internal Billing Expenditures	13	28	21	1				
Expenditures Less Internal Billing	2,699	3,641	8,106	6,031	7,841	7,841	10,020	10,020
<u>Full-Time Equivalent</u>			0.38	0.21	0.35	0.35	0.00	0.00

Other Special Student Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	2,631	3,895	8,033	5,966	7,841	7,841	10,174	10,174
Balance Forward In		1		33				
Net Transfers							154	154
Cancellations		411						
Balance Forward Out	1		34					
Expenditures	2,631	3,485	8,000	5,999	7,841	7,841	10,020	10,020
Biennial Change in Expenditures				7,884		1,683		6,041
Biennial % Change in Expenditures				129		12		43
Governor's Change from Base								4,358
Governor's % Change from Base								28
Full-Time Equivalents			0.35	0.20	0.35	0.35	0.00	0.00

3000 - Federal

Receipts	81	185	128	33				
Expenditures	81	185	128	33				
Biennial Change in Expenditures				(105)		(161)		(161)
Biennial % Change in Expenditures				(40)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.03	0.01				

Program: Special Student and Teacher
Activity: Nonrecurring Grant Programs

AT A GLANCE

Nonrecurring grant programs are grants or grant programs where the funds have already been granted out and grantees are spending down the funds. No new funds have been appropriated for these grants or grant programs.

PURPOSE & CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services, as described below. These grants or grant programs support the World's Best Workforce Goals.

SERVICES PROVIDED

The *Support our Students Grant* program is designed to address shortages of student support services personnel within Minnesota schools. Student support services personnel included individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselors. Grant funds will be used to fund new positions for student support services personnel.

- \$12,133,000 in 2017, available until June 30, 2022

Seventy-seven school sites received awards in 37 school districts. Forty grants were awarded to non-metro sites and 37 to metro sites.

By position:

- Social Worker – 21 (17 full-time, four part-time)
- School Counselor – 40 (20 full-time, 20 part-time)
- School Psychologist – 6 (two full-time, four part-time)
- Chemical Dependency – 7 (two full-time, 5 part-time)
- School Nurse – 3 (two full-time, one part-time)

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.

- \$2,800,000 in 2017 is a transfer to the Office of Higher Education

The *Western Minnesota Mobile Manufacturing Lab* grant 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.

- \$900,000 in 2017
- Lakes Country Service Cooperative and Minnesota State Community & Technical College partnered to purchase, outfit, and train regional teachers on two trailers that contain welding simulators for the schools in the nine counties of EDR4.
- Minnesota State Northland Community & Technical College partnered to purchase, outfit and train educators on four trailers. Over 18 teachers received training and professional development on the equipment and how to best utilize the equipment impacting more than 800 students.

The *Student Success* grant is available to District 272, Eden Prairie, for the purpose of career and college readiness. It provides funding for coordination, counseling, academic support for middle and high school students, and summer activities and before- and after-school tutoring programs.

- \$500,000 in 2017

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.

- \$250,000 in 2017

Agricultural educator grants pay for licensed agricultural education teachers who are working in the summer with high school students on extended projects. In 2018, there were 48 programs and 73 instructors funded by this grant.

- \$250,000 in 2017

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.

- In collaboration with the governor's Workforce Development Council and the P-20 education partnership, 109 industry recognized certificates were identified for reimbursement which spanned all six available career fields and included 11 career clusters.
- During the 2016-17 school year, students collectively earned 277 Industry recognized credentials as submitted through the Certificate Incentive Revenue legislation pilot project.
- \$1,000,000 in 2017

The *Education Innovation Partners Cooperative Center* grant is a matching grant to the Education Innovation Partners Cooperative Center to provide professional development and leadership coaching to teachers and other school staff members in northeastern Minnesota.

- \$500,000 in 2017

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.

- \$385,000 in 2017

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.

- \$1,500,000 in 2017

The Sanneh Foundation grant provides funding to expand academic support and student success programs to combat disparities of academic achievement among low-income youth and students of color while also promoting pathways for teachers of color.

- The 2017 grant supports the Dreamline program that serves an estimated 975 students in St. Paul Public Schools, Bloomington Public Schools, Minneapolis Public Schools, Osseo Public Schools and St. Cloud Area Public Schools. Services will be delivered by approximately 40 Dreamline coaches, the majority of whom are from ethnically and racially diverse backgrounds.
- The 2018 grant will provide all-day, in-school and before- and after-school academic and behavioral interventions for low-performing and chronically absent students with a focus on low-income students and students of color throughout the school year and during the summer to decrease absenteeism, encourage school engagement and improve grades and graduation rates.

- \$1,500,000 in 2017; \$1,000,000 in 2018

Minnesota Center for the Book program funding provides grants to the entity designated by the Library of Congress to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the center for the book designation.

- \$50,000 in 2018; \$50,000 in 2019

Grants to the African American Registry will be used to establish partnerships with Metropolitan State University and the University of St. Thomas to improve the cultural competency of candidates seeking a first-time teaching license.

- \$100,000 in 2018; \$100,000 in 2019

Teacher Shortage Loan Forgiveness provides funds for loan forgiveness to teachers who are teaching in an identified teacher shortage area. The annual amount of teacher shortage loan forgiveness for an approved applicant shall not exceed \$1,000 or the cumulative balance of qualified education loans, whichever amount is less.

- \$500,000 in 2018 is a transfer to the Office of Higher Education

The *Alternative Teacher Preparation* grant program will be used to expand program approval to licensure areas identified in shortage areas; recruit, select and train teachers who reflect the racial or ethnic diversity of Minnesota; or establish professional development programs for teachers who have obtained licenses through alternative teacher preparation programs.

- \$750,000 in 2018 is a transfer to the Office of Higher Education

Statewide Concurrent Enrollment grants support the concurrent enrollment teacher training program developed under 2016 session laws (formerly the Northwest Regional Partnership).

- \$375,000 in 2018; \$375,000 in 2019

Expanded Concurrent Enrollment grants are for institutions offering "Introduction to Teaching" or "Introduction to Education" college-in-the-schools courses.

- \$375,000 in 2018; \$375,000 in 2019

Science, Technology, Engineering and Mathematics (STEM) grants will be awarded to schools to encourage low-income and other underserved students to participate in advance placement and international baccalaureate programs.

- \$250,000 in 2018; \$250,000 in 2019

The *Educational Stability for Students in Foster Care* is a pilot project established to provide incentives for school districts and county governments to develop partnership agreements and implement transportation plans to keep foster students enrolled in their school of origin.

- \$1,000,000 in 2018

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

- \$50,000 in 2016 and 2017

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.

- \$500,000 in 2016

The Minnesota Department of Education audits payment requests for these reimbursement based grants and processes payments to reimburse grantees for their costs associated with the work above.

RESULTS

These are one-time programs. There is no data available for them.

M.S.123B.04, subdivision 2(f);

M.S.125E.20-26;

MN Laws 1st special session 2015, chapter 3, article 2, section 70, subdivision 25;

MN Laws 1st special session 2015, chapter 3, article 6, section 13, subdivision 8;

MN Laws 2016, chapter 189, article 25, section 62, subdivision 3-18;

MN Laws 1st special session 2017, chapter 5, article 2, sect. 57, subdivision 8-9, 13, 20, 29, 32, 34-37;

Nonrecurring Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	1,172	11,490	7,729	10,524	250	250	250	250
3000 - Federal				958				
Total	1,172	11,490	7,729	11,482	250	250	250	250
Biennial Change				6,548		(18,711)		(18,711)
Biennial % Change				52		(97)		(97)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation				6				
Operating Expenses	125	1,349		4				
Grants, Aids and Subsidies	1,047	10,141	7,729	11,472	250	250	250	250
Total	1,172	11,490	7,729	11,482	250	250	250	250

Full-Time Equivalents

				0.08				
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Nonrecurring Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	1,527	24,168	2,603	400	250	250	2,067	2,067
Balance Forward In		355	15,250	10,124				
Net Transfers							1,817	1,817
Transfers Out		2,800						
Cancellations		259						
Balance Forward Out	355	9,974	10,124					
Expenditures	1,172	11,490	7,729	10,524	250	250	250	250
Biennial Change in Expenditures				5,590		(17,753)		(17,753)
Biennial % Change in Expenditures				44		(97)		(97)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts				958				
Expenditures				958				
Biennial Change in Expenditures				958		(958)		(958)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalent				0.08				

Program: Special Education

Activity: Special Education Regular

education.mn.gov/MDE/dse/sped/

AT A GLANCE

- In fiscal year (FY) 2018, 142,270 children and youth, ages birth-21, received special education services.
- In FY 2018, 123,822 K-12 students (14.3 percent of total K-12 students) received special education services.
- In FY 2018, 29,221 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.

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.

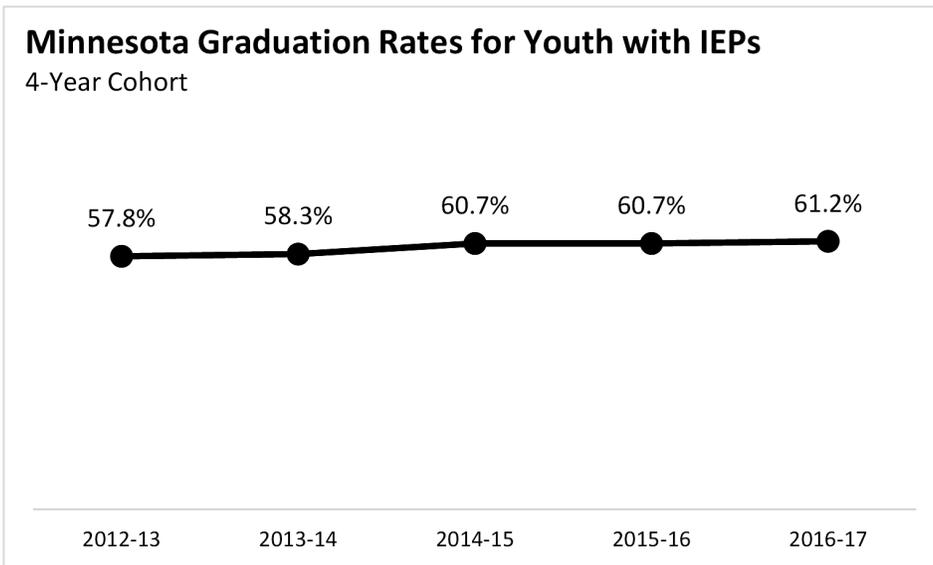
The Minnesota Department of Education (MDE) calculates and processes aid payments and provides technical support for this program.

RESULTS

As part of implementing the Every Student Succeeds Act (ESSA) plan, MDE applied changes to graduation and dropout calculations retroactively back to the 2013 school year in order to provide a trend that uses consistent data. Therefore, the graduation and dropout data reported below reflects the changes in rate calculations and is different than what was reported in the FY 2018 biennial narrative.

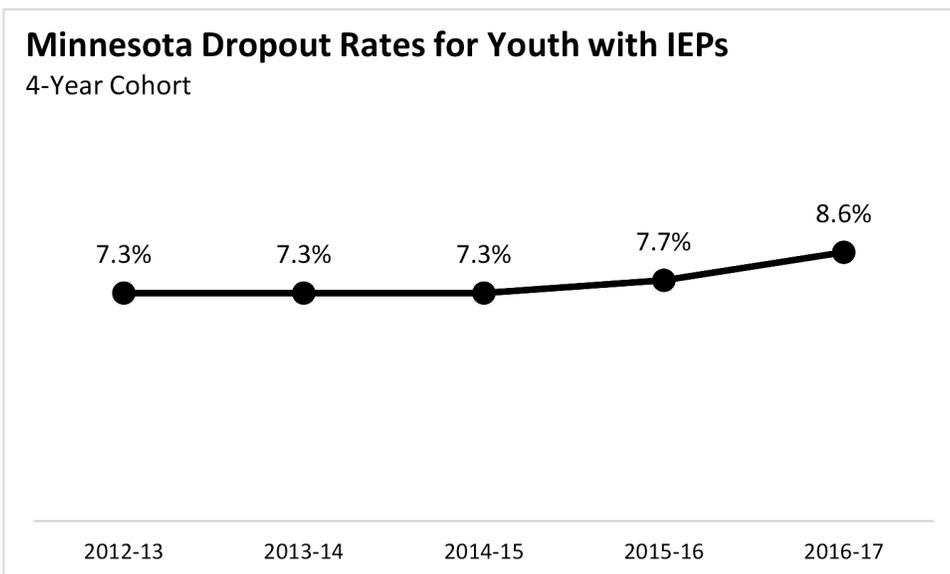
Goal: To increase the graduation rate of students with disabilities.

Measure: Graduation rate of students with disabilities.



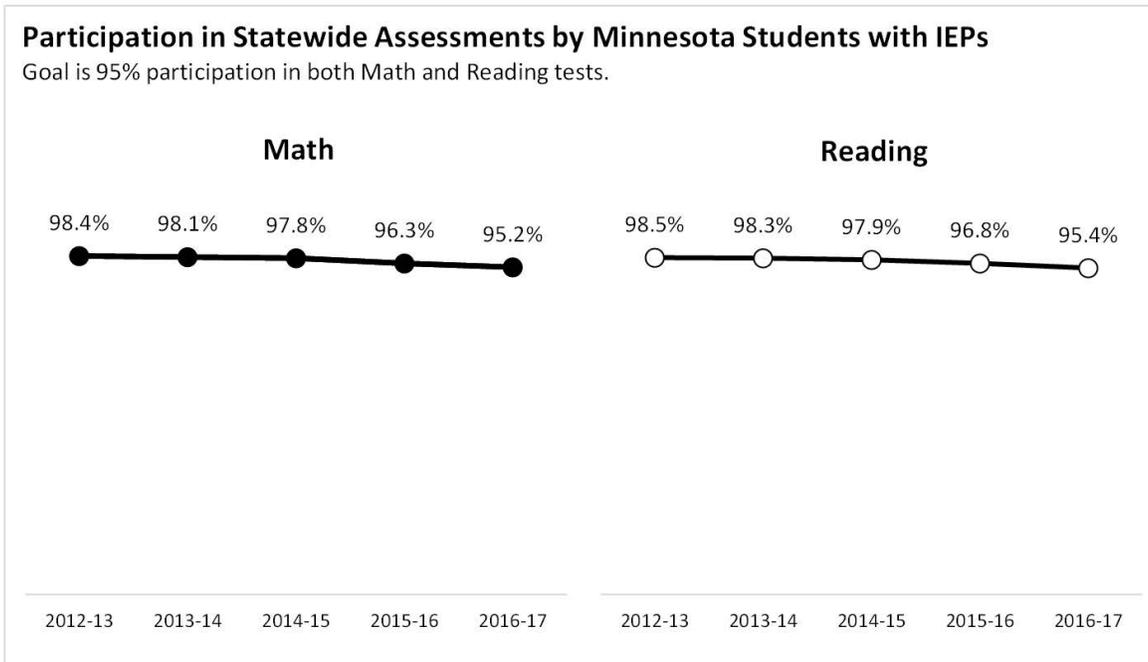
Goal: To decrease the dropout rate of students with disabilities.

Measure: Dropout rate of students with disabilities.



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

Measure: Participation and performance rates on statewide assessments (Minnesota Comprehensive Assessment [MCA] and the Minnesota Test of Academic Skills [MTAS]).



Proficiency Rates for Students with IEPs on the Minnesota Statewide

Math and Reading Assessments.

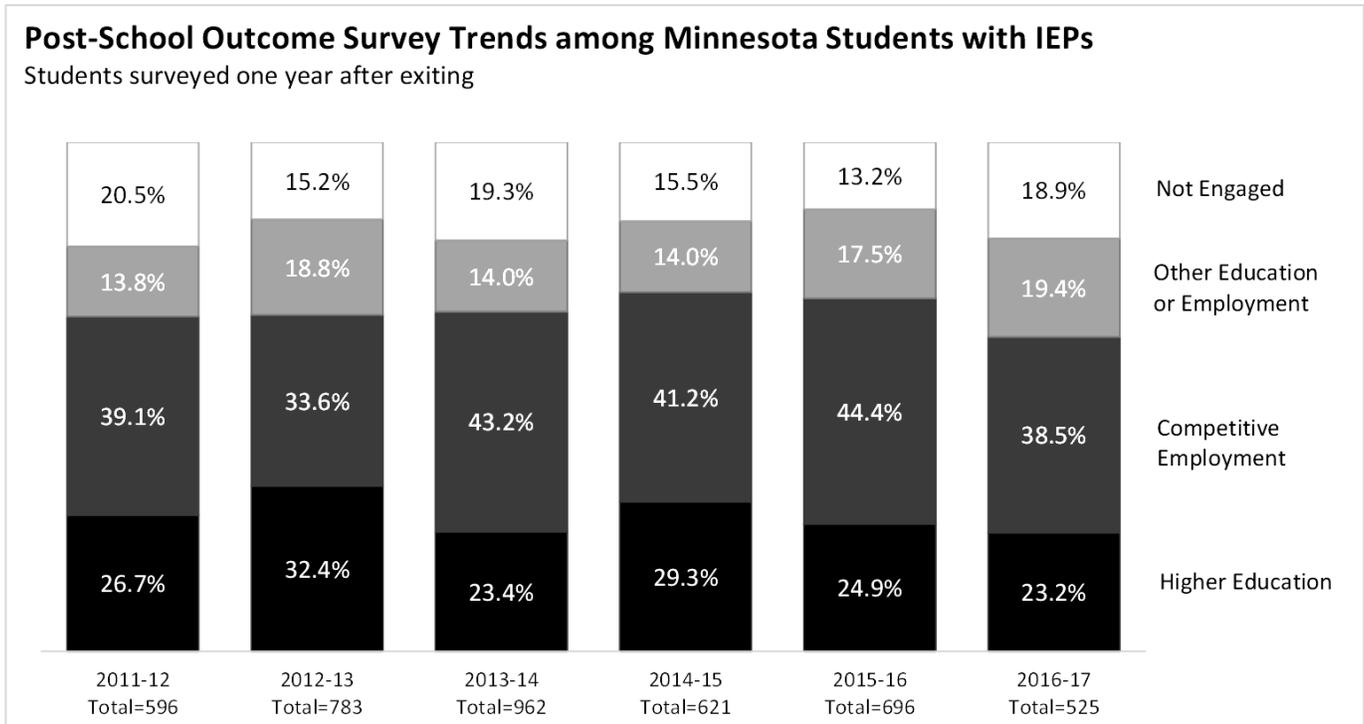
Only students with valid scores are included in the table below.

	Math		Reading	
	2015-16	2016-17	2015-16	2016-17
Grade 3	45.6%	43.8%	33.6%	32.9%
Grade 4	42.8%	41.9%	32.8%	32.2%
Grade 5	30.3%	29.8%	36.8%	36.7%
Grade 6	26.0%	26.6%	29.1%	30.4%
Grade 7	22.9%	21.6%	25.5%	24.7%
Grade 8	23.7%	24.1%	26.1%	26.2%
High School*	15.8%	15.5%	26.2%	27.2%

*Math is assessed in Grade 11; Reading is assessed in Grade 10

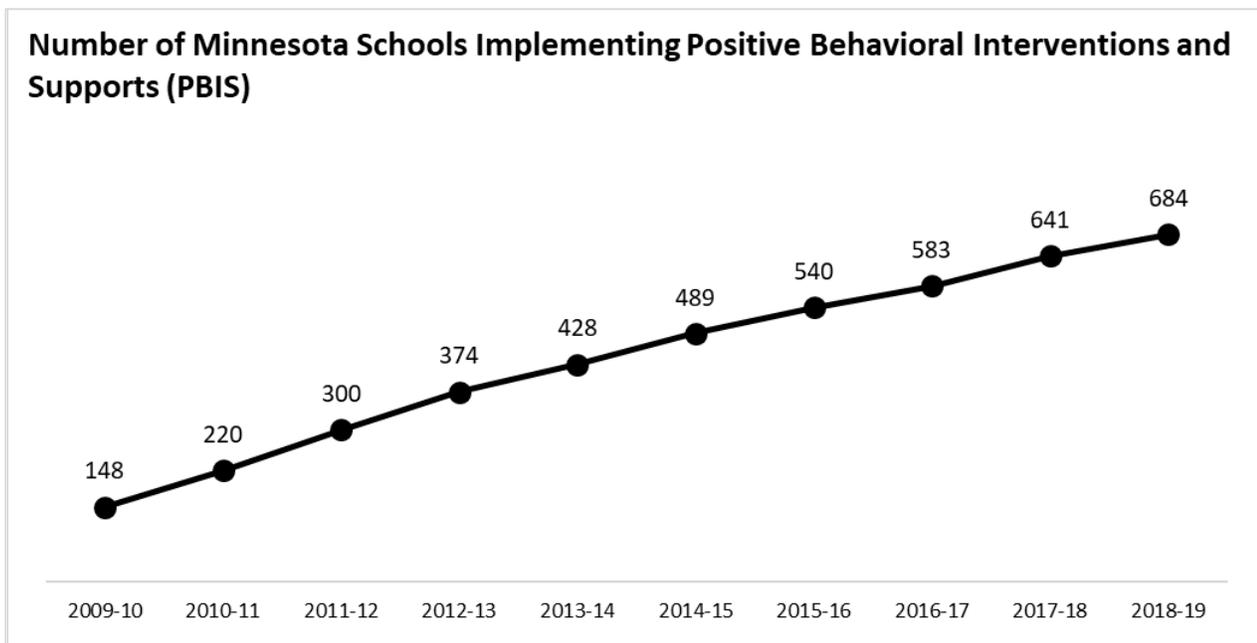
Goal: To increase postsecondary education and employment outcomes for students with disabilities.

Measure: The Post-School Outcome Survey results are based on a sample of special education students interviewed each year regarding their post-high-school education and employment experiences one year after exiting high school. The data reported below are a percent participation rate per category. Because not all students sampled respond to the survey the total of responses will not add to 100 percent.



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.



M.S.125A.02; M.S.125A.03; M.S.125A.75; M.S.122A.726; 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)

Special Education - Regular

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	1,180,965	1,281,372	1,342,297	1,513,013	1,592,153	1,706,195	1,619,065	1,773,125
3000 - Federal	163,427	176,217	163,535	172,015	177,176	182,491	177,176	182,491
Total	1,344,392	1,457,589	1,505,832	1,685,028	1,769,329	1,888,686	1,796,241	1,955,616
Biennial Change				388,880		467,155		560,997
Biennial % Change				14		15		18
Governor's Change from Base								93,842
Governor's % Change from Base								3
<u>Expenditures by Category</u>								
Operating Expenses				0				
Grants, Aids and Subsidies	1,344,392	1,457,589	1,505,829	1,685,028	1,769,329	1,888,686	1,796,241	1,955,616
Other Financial Transaction		0	3					
Total	1,344,392	1,457,589	1,505,832	1,685,028	1,769,329	1,888,686	1,796,241	1,955,616

Special Education - Regular

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	1,190,519	1,291,227	1,390,039	1,493,231	1,605,966	1,720,304	1,636,666	1,792,334
District Revenue	1,190,519	1,291,227	1,390,039	1,493,231	1,605,966	1,720,304	1,636,666	1,792,334
Direct Appropriation	1,183,619	1,258,250	1,342,297	1,513,013	1,592,153	1,706,195	1,619,065	1,773,125
Current Year	1,043,116	1,134,400	1,185,894	1,308,868	1,407,790	1,508,019	1,434,702	1,571,162
Prior Year	137,932	146,971	156,403	204,145	184,363	198,176	184,363	201,963
Transfers In		23,551						
Cancellations	2,654	429						
Expenditures	1,180,965	1,281,372	1,342,297	1,513,013	1,592,153	1,706,195	1,619,065	1,773,125
Biennial Change in Expenditures				392,973		443,038		536,880
Biennial % Change in Expenditures				16		16		19
Governor's Change from Base								93,842
Governor's % Change from Base								3
3000 - Federal								
Receipts	163,427	176,217	163,535	172,015	177,176	182,491	177,176	182,491
Expenditures	163,427	176,217	163,535	172,015	177,176	182,491	177,176	182,491
Biennial Change in Expenditures				(4,093)		24,117		24,117
Biennial % Change in Expenditures				(1)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Education

Activity: Other Federal Special Education Programs

education.mn.gov/MDE/dse/schfin/sped/

helpmegrowmn.org/HMG/index.htm

AT A GLANCE

- Deaf-blindness is the categorical area of special education with the lowest percentage of students (0.07 percent).
- In 2017, census data from the Deaf-Blind Project indicated that 375 special education students had both vision and hearing loss reported as disabilities.
- 17,445 children ages 3-5 with disabilities were counted as being served through Individualized Education Programs on December 1, 2017, and more than half of these children participate in regular early childhood programs and receive special education services in those settings.
- In 2015, the U.S. Department of Education's Office of Special Education and Rehabilitative Services awarded the Minnesota Department of Education (MDE) a Five-Year State Personnel Development Grant (SPDG) to support State Systemic Improvement Plan (SSIP) implementation. Current SSIP partner districts include Duluth, Minneapolis, Osseo and St. Paul.
- In the 2017-18 school year, 20 local education agencies participated in the Employment Capacity Building Cohort (ECBC) with 179 students with developmental cognitive disabilities entering into competitive integrated employment.
- In the 2017-18 school year, eight Minnesota businesses participated as Project SEARCH sites hosting 58 student interns with developmental cognitive disabilities.

PURPOSE & CONTEXT

This budget activity currently consists of five programs: The Minnesota Deaf Blind Technical Assistance Project (DB Project), the Preschool Special Education Part B program, the State Systemic Improvement Plan (SSIP), the Employment Capacity Building Cohorts (ECBC), and Project SEARCH.

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 Preschool Special Education Part B program provides individualized education services to preschool children with disabilities.

The SSIP is a comprehensive, multi-year plan that focuses on improving results for children and youth with disabilities.

The ECBC is a training and technical assistance program provided for school districts to improve their employment practices for students with developmental cognitive disabilities.

Project SEARCH provides educational internships for students with intellectual/developmental cognitive disabilities through workplace immersion at participating business sites with the goal of obtaining competitive integrated employment within four to 11 months after completion of their internship experience.

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 (DB 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.

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.
- 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; and
 - Connects children and families to appropriate local programs and monitors local implementation.

State Systemic Improvement Plan (SSIP) goals and partnerships:

- Increase the 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 Employment Capacity Building Cohorts (ECBC)

The Employment Capacity Building Cohorts (ECBC) provides training and technical assistance to school districts in their efforts to learn and change employment practices for students with developmental cognitive disabilities in their school districts and associated counties. Districts partner with their local vocational rehabilitation supervisors and counselors, as well as county level supervisors and case-managers from disability services.

Project SEARCH

Project SEARCH is an internationally recognized evidence-based, one-year internship program for students with intellectual/developmental cognitive disabilities, ages 18-21, in their last year of high school. The Project SEARCH Transition Program is a program that provides educational experiences for these students through workplace immersion at participating business sites. Students receive skill-based training in independent living and employability skills. The goal of Project SEARCH's is that student interns obtain competitive integrated employment within four to 11 months after completion of their internship experience.

RESULTS

Deaf Blind Project

Type of Measure	Name of Measure	2016	2017
Quantity	Unduplicated Child Count where deaf/blind is listed as the primary disability	96	103
Quantity	Number of deaf/blind interveners completing training cohort.	32	38
Quality	Percentage of the participants of intervener training for deaf-blind, who report enhancement of their understanding of deaf-blindness and best practices which affect their current practice.	90%	92%

Preschool Education Part B Program

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years (FFY) 2014-16.

Child Outcomes	FFY 2014	FFY 2015	FFY 2016
Children will demonstrate positive relationships			
(A) Greater than expected progress	69.6%	69.8%	68.4%
(B) Exited Part C within age expectations	55.3%	55.5%	54.2%
Children will acquire and use knowledge and skills			
(A) Greater than expected progress	72.5%	72.0%	70.3%
(C) Exited Part C within age expectations	55.0%	54.7%	52.8%
Children will take action to meet needs			
(A) Greater than expected progress	71.0%	70.7%	69.1%
(B) Exited Part C within age expectations	64.3%	64.9%	63.5%

State Systematic Improvement Plan

As part of implementing the ESSA plan, MDE applied changes to graduation calculations retroactively back to the 2013 school year in order to provide a trend over time that uses consistent data. Therefore, the SIMR graduation data reported below reflects the changes in rate calculations and is different than what was reported in the FY 2018 biennial narrative.

To show the differences between the old and new graduation calculations, the State Identified Measurable Result (SIMR) data for the past three years are shown with both the old calculation and the new calculation. The current year SIMR data are also shown, using the new calculation.

MDE's SIMR is to increase six-year graduation rates for American Indian and Black students with disabilities by at least 1 percent per year over the next five years.

State Identified Measurable Result—Targets and Data

<i>Year</i>	<i>School Year</i>	<i>Target</i>	<i>Old Graduation Data</i>	<i>New Graduation Data</i>
FFY 2013— <i>Baseline</i>	2013-14	53.28%	53.28% <i>(old baseline)</i>	53.1% <i>(new baseline)</i>
FFY 2014	2014-15	53.30%	54.99%	53.8%
FFY 2015	2015-16	54.00%	56.65%	56.8%
FFY 2016	2016-17	55.00%	**	57.0%
FFY 2017	2017-18	56.00%	**	
FFY 2018	2018-19	57.00%	**	

**will no longer be used or reported

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2016
NEW Calculation

<i>Race/Ethnicity Group</i>	<i>Total Special Education Students in Six-year Cohort</i>	<i>Total Special Education Students Graduating</i>	<i>Percent of Special Education Graduates</i>	<i>Total Special Education Students Not Graduating in 2016</i>
American Indian	321	165	51.4%	156
Black	1,291	750	58.1%	541
American Indian and Black	1,612	915	56.8%	697
All Race/Ethnic Groups Combined	9,534	6,769	71.0%	2,765

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2017
NEW Calculation

<i>Race/Ethnicity Group</i>	<i>Total Special Education Students in Six-year Cohort</i>	<i>Total Special Education Students Graduating</i>	<i>Percent of Special Education Graduates</i>	<i>Total Special Education Students Not Graduating in 2017</i>
American Indian	330	168	50.9%	162
Black	1,315	769	58.5%	546
American Indian and Black	1,645	937	57.0%	708
All Race/Ethnic Groups Combined	9,781	7,042	72.0%	2,739

ECBC

In the fall of 2017, 20 local education agencies continued or were new to the ECBC. In the same year, 179 students with developmental cognitive disabilities entered into competitive, integrated employment.

Project SEARCH

In 2017-18, eight Minnesota businesses participated as Project SEARCH sites and hosted a total of 58 interns.

M.S.125A.01, subdivision 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

Other Federal Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
3000 - Federal	1,000	785	253	204	204	204	204	204
Total	1,000	785	253	204	204	204	204	204
Biennial Change				(1,328)		(49)		(49)
Biennial % Change				(74)		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses	5							
Grants, Aids and Subsidies	995	785	253	204	204	204	204	204
Total	1,000	785	253	204	204	204	204	204
Total Agency Expenditures	1,000	785	253	204	204	204	204	204
Internal Billing Expenditures	5							
Expenditures Less Internal Billing	995	785	253	204	204	204	204	204

Other Federal Special Education Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
3000 - Federal								
Receipts	1,000	785	253	204	204	204	204	204
Expenditures	1,000	785	253	204	204	204	204	204
Biennial Change in Expenditures				(1,328)		(49)		(49)
Biennial % Change in Expenditures				(74)		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Special Education

Activity: Other State Special Education Programs

education.mn.gov/MDE/dse/schfin/sped/

AT A GLANCE

- 254 students with disabilities were placed in care and treatment facilities in fiscal year (FY) 2017.
- 104 students without disabilities were placed in care and treatment programs in FY 2017.
- In FY 2017, the average length of stay in a foster facility for care and treatment for students both with and without disabilities was 58 school days, at an average cost of \$4,826.68 per stay.
- 15,088 early childhood special education (ECSE) (birth-4) children served in the Homebased Services program in FY 2017.
- In FY 2017, Minnesota courts placed zero non-Minnesota students with Individual Education Programs (IEP) into care and treatment facilities.
- In FY 2017, court action placed 120 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 budget activity. 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 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. Children with disabilities are eligible for this program 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 for this program if no district of residence can be determined because:
 - Parental rights have been terminated by court order.
- 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 (WBWF) 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 WBWF 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 special education costs out of their general fund.
- This program contributes to the WBWF 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 WBWF goal of all students graduating from high school.

The Staff Development Grants for Cooperative Units are staff development grants to intermediate school districts and other cooperative units providing instruction to students in a federal instruction setting of level four or higher. The grants must be used for enhanced 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 WBWF goals.

SERVICES PROVIDED

The Children with Disabilities program ensures a free and appropriate education for eligible children.

- \$1,597,000 for FY 2017
- \$1,830,000 for FY 2018
- 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 (MDE) 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 5 who have disabilities.

- \$508,000 for FY 2017
- \$532,000 for FY 2018
- 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.

- \$46,000 for FY 2018
- \$47,000 for FY 2019
- 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 2018

- \$250,000 for FY 2019
- 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 non-licensed classroom aides.
- Funding available in FY 2017, FY 2018, and FY 2019.

RESULTS

The number of children under age 5 identified as having disabilities and receiving special education services increased from 11,411 in FY 2015 to 15,088 in FY 2017. 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 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) with disabilities in placement.	56.47	35.83	70.11	78.61
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) without disabilities in placement.	10.23	12.23	13.38	19.65
Quantity	Homebased Services - Number of children under age five receiving special education services.	13,725	14,111	14,580	15,088
Quantity	Partial-year students aggregated to determine average daily membership (ADM) placed out-of-state for care and treatment.	65.9	63.91	71.03	42.45

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 2013 Placement/ FY 2014 Aid</i>	<i>FY 2014 Placement/ FY 2015 Aid</i>	<i>FY 2015 Placement/ FY 2016 Aid</i>	<i>FY 2016 Placement/ FY 2017 Aid</i>	<i>FY 2017 Placement/ FY 2018 Aid</i>
Quantity	Number of Eligible Students in Court Placement	0	2	2	2	0
Quantity	Partial-year students aggregated to determine the Number of Eligible Full-Year Students (ADM) in Court Placement	0	.29	1.06	0.41	0

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)

Other State Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	2,097	3,571	3,684	2,561	2,085	2,288	2,085	2,288
Total	2,097	3,571	3,684	2,561	2,085	2,288	2,085	2,288
Biennial Change				577		(1,872)		(1,872)
Biennial % Change				10		(30)		(30)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	2,097	3,571	3,684	2,561	2,085	2,288	2,085	2,288
Total	2,097	3,571	3,684	2,561	2,085	2,288	2,085	2,288

Other State Special Education Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	442	387	402	406	424	444	424	444
District Revenue	442	387	402	406	424	444	424	444
Direct Appropriation	2,029	6,667	2,401	1,901	2,085	2,288	2,085	2,288
Current Year	400	369	364	366	382	400	382	400
Prior Year	35	42	17	38	40	42	40	42
Balance Forward In			2,595	660				
Transfers In	182	111						
Transfers Out			621					
Cancellations	114	602	31					
Balance Forward Out		2,605	660					
Expenditures	2,097	3,571	3,684	2,561	2,085	2,288	2,085	2,288
Biennial Change in Expenditures				577		(1,872)		(1,872)
Biennial % Change in Expenditures				10		(30)		(30)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology

Activity: Debt Service Equalization

AT A GLANCE

- In fiscal year (FY) 2019, 231 districts have regular debt service equalization revenue.
- In FY 2019, 34 districts will receive regular debt service equalization aid.
- In FY 2019, 2.8 percent of eligible regular debt service revenue is state aid.
- In FY 2019, two districts will receive natural-disaster debt service equalization aid.

PURPOSE & CONTEXT

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. 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 beginning in FY 2017 to districts that suffered a natural disaster.

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 owners' tax burdens.

SERVICES PROVIDED

The regular Debt Service Equalization program under Minnesota Statutes, section 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 5 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.
 - To be eligible for debt service equalization, the bonds must have been sold by July 1 of the calendar year the levy is certified. In addition, debt service for repayment of bonds issued after July 1, 1992 must be for construction projects that have received a positive review and comment according to section 123B.71, and have a bond schedule approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and debt service for repayment of bonds issued after July 1, 1997, must be for facilities whose primary purpose is to serve students in kindergarten through grade 12.
 - 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 Minnesota Statutes, section 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>FY 2017</i>	<i>FY 2019</i>
Quality	Percentage of districts ineligible for Tier 1 debt service equalization because tax base exceeds statutory Tier 1 equalizing factor	87%	88%
Quantity	Districts receiving regular debt service equalization aid	44	34

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

Debt Service Equalization

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	20,349	22,924	24,907	23,137	20,684	20,363	20,684	20,363
Total	20,349	22,924	24,907	23,137	20,684	20,363	20,684	20,363
Biennial Change				4,772		(6,997)		(6,997)
Biennial % Change				11		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	20,349	22,924	24,907	23,137	20,684	20,363	20,684	20,363
Total	20,349	22,924	24,907	23,137	20,684	20,363	20,684	20,363

Debt Service Equalization

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	20,059	23,244	25,092	22,920	20,435	20,355	20,435	20,355
District Revenue	20,059	23,244	25,092	22,920	20,435	20,355	20,435	20,355
Direct Appropriation	20,349	22,926	24,908	23,137	20,684	20,363	20,684	20,363
Current Year	18,054	20,919	22,583	20,628	18,392	19,061	18,392	19,061
Prior Year	2,295	2,005	2,324	2,509	2,292	2,043	2,292	2,043
Transfers Out			1					
Cancellations	0	2						
Expenditures	20,349	22,924	24,907	23,137	20,684	20,363	20,684	20,363
Biennial Change in Expenditures				4,772		(6,997)		(6,997)
Biennial % Change in Expenditures				11		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology

Activity: Telecommunications Access

education.mn.gov/MDE/dse/schfin/fac/

AT A GLANCE

- In fiscal year (FY) 2018, school districts combined into 18 telecommunications clusters, and three individual school districts received telecommunications access aid.
- Demand from districts in FY 2018 totaled \$8.95 million.
- Aid is capped at \$3.75 million per year. As a result, the aid for FY 2018 was prorated at approximately 42 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.

MDE calculates and processes aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2018</i>
Quantity	Number of public school districts receiving aid	307	313
Quantity	Number of charter schools receiving aid	8	11
Quantity	Number of nonpublic schools receiving aid	3	1

M.S.125B.26

Telecommunications Access

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750
Total	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750
Biennial Change				(500)		0		0
Biennial % Change				(6)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750
Total	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750

Telecommunications Access

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750
Balance Forward In			0					
Cancellations		0						
Balance Forward Out			0					
Expenditures	3,750	4,250	3,750	3,750	3,750	3,750	3,750	3,750
Biennial Change in Expenditures				(500)		0		0
Biennial % Change in Expenditures				(6)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology

Activity: Long-Term Facilities Maintenance

education.mn.gov/MDE/dse/schfin/fac/ltfm/

AT A GLANCE

- This program began in fiscal year (FY) 2017.
- This program replaces the Alternative Facilities, Deferred Maintenance, and Health & Safety revenue programs that were funded through FY 2016.
- In taxes payable 2018, there were 335 district and secondary cooperative 10-year facility plans approved for FY 2019 revenue.

PURPOSE & CONTEXT

Students need a healthy, safe, accessible, and well-maintained place to learn; and likewise, for school and district 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 to 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, 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, 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 prekindergarten program under Minnesota Statutes, section 124D.151, may include costs approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

The Minnesota Department of Education (MDE) reviews and approves 10-year facility plans that have been approved by the school board and submitted for commissioner approval. MDE calculates state aids and property tax levies for this program.

RESULTS

<i>Districts</i>	<i>FY 2016 (Previous Programs)</i>	<i>FY 2017 (Long-Term Facilities Maintenance)</i>
Alternative Facility Districts (revenue per adjusted pupil unit)	\$503	\$478
All Other Districts (revenue per adjusted pupil unit)	\$261	\$310

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019 Charter</i>	<i>FY 2019 District</i>	<i>FY 2019 Total</i>
Quantity	Districts, Intermediates, Cooperatives and charter schools receiving revenue for approved 10-year plans	164	329	493
Quantity	Districts and Charter Schools receiving state aid	164	246	410
Quantity	State aid as a percentage of revenue	100%	20.4%	21.8%

M.S.123B.595

Long-Term Facilities Maintenance Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	23,522	54,588	80,238	102,823	105,144	107,850	105,315	108,042
Total	23,522	54,588	80,238	102,823	105,144	107,850	105,315	108,042
Biennial Change				104,951		29,933		30,296
Biennial % Change				134		16		17
Governor's Change from Base								363
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	23,522	54,588	80,238	102,823	105,144	107,850	105,315	108,042
Total	23,522	54,588	80,238	102,823	105,144	107,850	105,315	108,042

Long-Term Facilities Maintenance Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	23,450	58,071	83,068	104,642	105,200	108,144	105,389	108,336
District Revenue	23,450	58,071	83,068	104,642	105,200	108,144	105,389	108,336
Direct Appropriation	23,398	52,901	80,238	102,823	105,144	107,850	105,315	108,042
Current Year	21,120	52,258	74,423	94,178	94,680	97,330	94,851	97,504
Prior Year	2,403	2,330	5,815	8,645	10,464	10,520	10,464	10,538
Transfers In	125	1,786						
Transfers Out		99						
Cancellations	1	0						
Expenditures	23,522	54,588	80,238	102,823	105,144	107,850	105,315	108,042
Biennial Change in Expenditures				104,951		29,933		30,296
Biennial % Change in Expenditures				134		16		17
Governor's Change from Base								363
Governor's % Change from Base								0

Program: Facilities and Technology

Activity: Special Facilities and Technology Opportunities

AT A GLANCE

- The Innovative Technology Cooperative Grant was appropriated for fiscal year (FY) 2016 and FY 2017.
- The Broadband Expansion Grant was a one-time grant appropriated for FY 2017.
- Early Repayment Incentive grants are paid annually for FY 2017 through FY 2021 to seven districts that retired their state capital loans in 2016. The total aid will be \$11,750,000.
- Maximum Effort Loan Aid is paid annually for FY 2018 through FY 2022 to 10 school districts that had state capital loans outstanding as of June 30, 2016. The total aid will be approximately \$16.3 million.

PURPOSE & CONTEXT

The Innovative Technology Cooperative Grant was a one-time grant to the Innovative Technology Cooperative for professional development related to technology.

The Broadband Expansion Grant was a one-time grant designed to support wireless off-campus learning for students.

The Early Repayment Incentive Grant provided an incentive for districts to retire their state capital loans by November 30, 2016. With the retirement of the capital loan, however, school districts lose the ability to issue a form of debt known as “one-day bonds” that fund various capital projects. Early Repayment Incentive Grants offset the loss of “one-day bond” funding with a dollar amount specified in law for each district.

The Maximum Effort Loan Aid provides property tax relief to offset the amount of interest paid on state maximum effort loans between December 1, 1990, and June 30, 2016, and capital loans between June 30, 2017, and June 30, 2021, by the 10 qualifying districts.

SERVICES PROVIDED

The Innovative Technology Cooperative Grant allowed districts to provide technology coaches in the schools and provide regional professional development in the schools in the cooperative in the Grand Rapids region.

- \$150,000 in FY 2016
- \$150,000 in FY 2017

The Broadband Expansion Grants provided funding for school districts to purchase student devices allowing them to remotely access school-based learning programs or purchase “hotspots” for their school buses so that students who have long bus routes could continue their learning during their bus rides home.

- \$500,000 in FY 2017

The Early Repayment Incentive Grant payments may be expended for any school-related purpose. The annual amounts by district are as follows:

- \$150,000 ISD 36, Kelliher
- \$180,000 ISD 95, Cromwell
- \$495,000 ISD 299, Caledonia
- \$220,000 ISD 306, Laporte
- \$150,000 ISD 362, Littlefork

- \$650,000 ISD 682, Roseau
- \$505,000 ISD 2580 East Central

MDE administers all aspects of the grant programs. 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>FY 2015</i>	<i>FY 2017</i>
Quantity	Number of districts with capital loan at end of fiscal year	12	4
Quantity	Repayment of capital loan principal as a percent of total capital loan principal balance at beginning of fiscal year*	0%	40%

* Calculated as the percent of outstanding principal paid off during the two fiscal years.

M.S.123A.215

Special Facilities & Technology Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	150	2,500	5,603	5,607	5,641	5,641	11,410	17,172
Total	150	2,500	5,603	5,607	5,641	5,641	11,410	17,172
Biennial Change				8,560		72		17,372
Biennial % Change				323		1		155
Governor's Change from Base								17,300
Governor's % Change from Base								153
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	150	2,500	5,603	5,607	5,641	5,641	11,410	17,172
Total	150	2,500	5,603	5,607	5,641	5,641	11,410	17,172

Special Facilities & Technology Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement							5,769	10,890
District Revenue							5,769	10,890
Direct Appropriation	150	2,500	2,350	2,350	2,350	2,350	8,119	13,881
Open Appropriation			3,253	3,257	3,291	3,291	3,291	3,291
Current Year							6,410	12,099
Prior Year								641
Expenditures	150	2,500	5,603	5,607	5,641	5,641	11,410	17,172
Biennial Change in Expenditures				8,560		72		17,372
Biennial % Change in Expenditures				323		1		155
Governor's Change from Base								17,300
Governor's % Change from Base								153

Program: Facilities and Technology

Activity: Miscellaneous Facilities Levies (information only)

AT A GLANCE

For property taxes payable in calendar year 2018:

- Building/land lease levies were \$82.42 million.
- Capital projects levies were \$99.08 million.
- There were no cooperative building repair levies.
- There were no disabled access levies.
- Specific legislation levies were \$25,000.

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 pupil unit 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>Pay 2016</i>	<i>Pay 2018</i>
Quantity	Number of districts levying for building leases	220	233
Quantity	Number of districts levying for capital projects	41	51
Quantity	Number of districts levying for disabled access	0	0

M.S. 126C.40, subdivision 1; M.S. 123B.63; M.S. 126C.40, subdivision 3; M.S. 123B.58;

MN Laws 2001 First Special Session, Chapter 5, Article 3, Section 87

Program: Nutrition

Activity: School Lunch

education.mn.gov/MDE/dse/FNS/SNP/index.htm

AT A GLANCE

- More than 100 million lunches (including snacks) served in federal fiscal year (FY) 2017.
- Commodities equaling \$33,951,534 received by 680 schools in federal FY 2017.

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 (WBWF) 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 afterschool care programs receive access to a nutritious snack.

- School lunch menus are planned and served according to federal meal-pattern guidelines.
- Students from families with incomes under 185 percent of federal poverty guidelines receive meals at no cost to household.
- 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.

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.
- Cyber-Linked Interactive Child Nutrition System (CLICS), an interactive website which allows schools to meet their application, commodity, and claim requirements online.

Reimbursement Rates: FY 2017:

	State:	Federal:
free lunch	\$0.125	\$3.16
reduced price	\$0.525	\$2.76
fully paid	\$0.125	\$0.30 or .32*

*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 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Percent of lunches sold that are free or reduced price	47.7%	49%	49%
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	275	270	185

M.S. 124D.111; National School Lunch Act (7 CFR 210).

School Lunch

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	15,776	15,786	15,670	15,990	16,215	16,484	16,306	16,575
3000 - Federal	166,507	171,438	171,834	177,047	177,124	177,136	177,124	177,136
Total	182,283	187,224	187,504	193,037	193,339	193,620	193,430	193,711
Biennial Change				11,034		6,418		6,600
Biennial % Change				3		2		2
Governor's Change from Base								182
Governor's % Change from Base								0

Expenditures by Category

Compensation			13					
Operating Expenses	0		3					
Grants, Aids and Subsidies	182,187	187,099	187,406	192,955	193,271	193,552	193,362	193,643
Other Financial Transaction	96	125	82	82	68	68	68	68
Total	182,283	187,224	187,504	193,037	193,339	193,620	193,430	193,711

Total Agency Expenditures	182,283	187,224	187,504	193,037	193,339	193,620	193,430	193,711
Internal Billing Expenditures	0		3					
Expenditures Less Internal Billing	182,283	187,224	187,501	193,037	193,339	193,620	193,430	193,711

Full-Time Equivalent

			0.01					
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School Lunch

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	16,251	16,234	16,769	15,990	16,215	16,484	16,306	16,575
Transfers Out			1,099					
Cancellations	475	448						
Expenditures	15,776	15,786	15,670	15,990	16,215	16,484	16,306	16,575
Biennial Change in Expenditures				98		1,039		1,221
Biennial % Change in Expenditures				0		3		4
Governor's Change from Base								182
Governor's % Change from Base								1
3000 - Federal								
Receipts	166,507	171,438	171,834	177,047	177,124	177,136	177,124	177,136
Expenditures	166,507	171,438	171,834	177,047	177,124	177,136	177,124	177,136
Biennial Change in Expenditures				10,936		5,379		5,379
Biennial % Change in Expenditures				3		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.01					

Program: Nutrition
Activity: School Breakfast

education.mn.gov/MDE/dse/fns/snp

AT A GLANCE

In federal fiscal year (FY) 2017:

- Over 37 million breakfasts were served.
- 680 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 (USDA) provides funding for the School Breakfast Program (SBP), which is augmented with state funding.

These programs support the World’s Best Workforce (WBWF) 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.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) is a website that allows schools to meet their application and claims requirements online.

Reimbursement rates: FY 2017

	State:	Federal:
Free breakfast	\$0	\$1.75 or \$2.09**
Reduced price	\$.30	\$1.45 or \$1.79**
Fully paid	\$.55 or \$1.30*	\$0.30

*All Kindergarten students receive free, fully paid breakfasts.

**Severe-need sites receive a higher reimbursement.

The Minnesota Department of Education (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

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Percent of school breakfasts served that are free or reduced price	69.9%	70%	70%
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	275	185	185

M.S. 124D.1158; M.S. 124D.117
National School Lunch Act (7 CFR 220)

School Breakfast

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	8,696	9,540	10,053	10,660	11,073	11,534	11,310	11,771
3000 - Federal	50,421	52,415	53,875	53,313	53,300	53,300	53,300	53,300
Total	59,117	61,955	63,928	63,973	64,373	64,834	64,610	65,071
Biennial Change				6,829		1,306		1,780
Biennial % Change				6		1		1
Governor's Change from Base								474
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	59,081	61,908	63,896	63,932	64,342	64,803	64,579	65,040
Other Financial Transaction	36	47	32	41	31	31	31	31
Total	59,117	61,955	63,928	63,973	64,373	64,834	64,610	65,071

School Breakfast

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	9,457	9,869	10,694	10,660	11,073	11,534	11,310	11,771
Transfers Out			641					
Cancellations	761	329						
Expenditures	8,696	9,540	10,053	10,660	11,073	11,534	11,310	11,771
Biennial Change in Expenditures				2,477		1,894		2,368
Biennial % Change in Expenditures				14		9		11
Governor's Change from Base								474
Governor's % Change from Base								2
3000 - Federal								
Receipts	50,421	52,415	53,875	53,313	53,300	53,300	53,300	53,300
Expenditures	50,421	52,415	53,875	53,313	53,300	53,300	53,300	53,300
Biennial Change in Expenditures				4,352		(588)		(588)
Biennial % Change in Expenditures				4		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Summer Food Service Replacement

AT A GLANCE

- Approximately 3.1 million meals were served during the summer of 2017.
- \$9,669,116 was reimbursed to the 904 enrolled organizations that served meals.
- \$149,954 of the total reimbursement was state funding.

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 (WBWF) 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. Nutritional meals and snacks improve children's health.

Reimbursement rates: Federal FY 2017:

<i>Federal</i>	
breakfast	\$2.1875* or \$2.1450
lunch/supper	\$3.8325* or \$3.7700
snack	\$ 0.9075* or \$ 0.8875

*reimbursement for rural or self-prep sites

State funding is allocated in proportion to the total number of meals served by each sponsor, approximately \$0.02 per meal.

The Minnesota Department of Education (MDE):

- Reaches out to schools, anti-hunger and youth serving 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 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of sponsors	189	195	204
Quantity	Number of sites	774	839	931

Note: Sponsors, such as a nonprofit, school, or other local government entity, are organizations that take on the administrative responsibility of managing the program at the local level. Program sites refer to the location of the meals being served.

M.S. 124D.119
National School Lunch Act (7 CFR 225)

Summer Food

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	149	150	150	150	150	150	150	150
3000 - Federal	8,781	8,922	9,698	10,796	10,875	10,825	10,875	10,825
Total	8,930	9,072	9,848	10,946	11,025	10,975	11,025	10,975
Biennial Change				2,791		1,206		1,206
Biennial % Change				16		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	8,912	9,061	9,835	10,932	11,020	10,975	11,020	10,975
Other Financial Transaction	18	12	13	14	5		5	
Total	8,930	9,072	9,848	10,946	11,025	10,975	11,025	10,975

Summer Food

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	150	150	150	150	150	150	150	150
Cancellations	1	0						
Expenditures	149	150	150	150	150	150	150	150
Biennial Change in Expenditures				1		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts	8,781	8,922	9,698	10,796	10,875	10,825	10,875	10,825
Expenditures	8,781	8,922	9,698	10,796	10,875	10,825	10,875	10,825
Biennial Change in Expenditures				2,790		1,206		1,206
Biennial % Change in Expenditures				16		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Commodities

AT A GLANCE

- Minnesota schools receive an estimated 23 million pounds of commodity foods each year.

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 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 23.25 cents (July 2017) 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 those foods.

The Minnesota Department of Education (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>FY 2016</i>	<i>FY 2017</i>
Quantity	Total dollar amount of commodities received by schools	\$30,988,840	\$33,951,534

M.S. 124D.1195

Commodities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue	4,450	4,396	3,632	4,587	2,005	5	2,005	5
3000 - Federal	1,369	1,490	1,831	1,680	1,680	1,680	1,680	1,680
Total	5,819	5,886	5,463	6,267	3,685	1,685	3,685	1,685
Biennial Change				25		(6,360)		(6,360)
Biennial % Change				0		(54)		(54)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	5,813	5,881	5,457	6,260	3,680	1,680	3,680	1,680
Other Financial Transaction	6	5	6	7	5	5	5	5
Total	5,819	5,886	5,463	6,267	3,685	1,685	3,685	1,685

Commodities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,778	2,189	1,604	1,582				
Receipts	4,860	3,811	3,610	3,005	2,005	5	2,005	5
Balance Forward Out	2,189	1,604	1,581					
Expenditures	4,450	4,396	3,632	4,587	2,005	5	2,005	5
Biennial Change in Expenditures				(627)		(6,209)		(6,209)
Biennial % Change in Expenditures				(7)		(76)		(76)
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	1,369	1,490	1,831	1,680	1,680	1,680	1,680	1,680
Expenditures	1,369	1,490	1,831	1,680	1,680	1,680	1,680	1,680
Biennial Change in Expenditures				652		(151)		(151)
Biennial % Change in Expenditures				23		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition

Activity: Child and Adult Care Food

AT A GLANCE

In federal fiscal year (FY) 2017:

- 7,282 family child care homes, 909 child care centers, 44 adult care centers, and 13 emergency shelters participated in the Child and Adult Care Food Program (CACFP).
- 47.7 million meals and snacks were served.

PURPOSE & CONTEXT

CACFP helps ensure that children and youth, those receiving emergency shelter services, chronically disabled adults, and senior citizens receiving licensed organized care, have access to nutritious meals.

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. The United States Department of Agriculture (USDA) administers CACFP through the Minnesota Department of Education (MDE).

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. (Reimbursement rates are for federal FY 2017.)

	<i>Free</i>	<i>Reduced-Price</i>	<i>Paid</i>
Breakfast	\$1.71	\$1.41	\$0.29
Lunch/supper	\$3.16	\$2.76	\$0.30
Snack	\$0.86	\$.43	\$.07

- Federal administrative reimbursements to family child care homes is defined by poverty level in geographic area served. Tier 1 sites are reimbursed at a higher rate as a result of serving more families that qualify for free or reduced price meals.

	<i>Tier 1</i>	<i>Tier 2</i>
Breakfast	\$1.31	\$.48
Lunch/supper	\$2.46	\$1.49
Snack	\$0.73	\$.20

The Minnesota Department of Education (MDE):

- Assists in meeting program requirements.
- Conducts administrative reviews.
- Provides technical assistance, workshops on nutrition and program regulations, and provides resource materials.
- Processes meal reimbursement claims.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Total value of meals served, all settings (in dollars)	\$56,185,258	\$47,752,732	\$47,692,558
Quantity	Number of participating child care centers	311	800	909
Quantity	Number of participating family day care homes	8,729	7,686	7,282
Quantity	Number of participating adult day care centers	20	31	44
Quantity	Number of participating emergency shelters	13	13	13

Child Nutrition Act and National School Lunch Act (7 CFR 226)

Child & Adult Care Food

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
3000 - Federal	62,946	63,571	66,150	67,300	67,300	67,300	67,300	67,300
6000 - Miscellaneous Agency	2		1	5	4	4	4	4
Total	62,948	63,571	66,151	67,305	67,304	67,304	67,304	67,304
Biennial Change				6,937		1,152		1,152
Biennial % Change				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses	2	0	1					
Grants, Aids and Subsidies	62,810	63,441	65,995	67,145	67,094	67,094	67,094	67,094
Other Financial Transaction	136	130	155	160	210	210	210	210
Total	62,948	63,571	66,151	67,305	67,304	67,304	67,304	67,304

Child & Adult Care Food

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
3000 - Federal								
Receipts	62,946	63,571	66,150	67,300	67,300	67,300	67,300	67,300
Expenditures	62,946	63,571	66,150	67,300	67,300	67,300	67,300	67,300
Biennial Change in Expenditures				6,933		1,150		1,150
Biennial % Change in Expenditures				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

6000 - Miscellaneous Agency

Balance Forward In	0	0	1	1				
Receipts	2	1	2	4	4	4	4	4
Balance Forward Out	0	1	1					
Expenditures	2		1	5	4	4	4	4
Biennial Change in Expenditures				4		2		2
Biennial % Change in Expenditures						28		28
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Kindergarten Milk

AT A GLANCE

- 3,695,173 half pints of milk were subsidized in fiscal year (FY) 2017 by the Special Milk Program (SMP).
- 3,786,335 half pints were subsidized in FY 2016 through the Minnesota Kindergarten Milk Program (MKMP).

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.

MKMP is funded by state aid at 20 cents per half pint.

SMP is funded by the U.S. Department of Agriculture at 20 cents per half pint.

Schools that participate in SMP may also participate in MKMP, allowing participating districts to be reimbursed up to 40 cents per half pint of milk served to children.

SERVICES PROVIDED

Both programs are supported financially and administratively through:

- Federal and state reimbursements for half pints of milk served.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) – a website that allows participants to meet their application and claims requirements online.

The 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 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	275	270	185

M.S. 124D.118

National School Lunch Act (7 CFR 215)

Kindergarten Milk

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	758	736	690	691	691	691	691	691
3000 - Federal	721	717	745	743	743	743	743	743
Total	1,479	1,452	1,435	1,434	1,434	1,434	1,434	1,434
Biennial Change				(62)		(1)		(1)
Biennial % Change				(2)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1,479	1,452	1,435	1,434	1,434	1,434	1,434	1,434
Total	1,479	1,452	1,435	1,434	1,434	1,434	1,434	1,434

Kindergarten Milk

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	788	758	758	691	691	691	691	691
Transfers Out			68					
Cancellations	30	22						
Expenditures	758	736	690	691	691	691	691	691
Biennial Change in Expenditures				(113)		1		1
Biennial % Change in Expenditures				(8)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal								
Receipts	721	717	745	743	743	743	743	743
Expenditures	721	717	745	743	743	743	743	743
Biennial Change in Expenditures				50		(2)		(2)
Biennial % Change in Expenditures				4		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Basic Support and Federal Grants

education.mn.gov/MDE/dse/Lib/sls/Reg/

AT A GLANCE

- Public library services are available in all 87 counties.
- 12 regional public library systems support 355 public libraries.
- Public libraries shared over 1.2 million items to other libraries through interlibrary loan, which expanded the reach of local collections.
- In 2017, over 3.8 million Minnesotans had a library card, and public libraries were visited 233 million times.

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 World's Best Workforce goals through free, high-quality early learning opportunities and homework support, including extensive book and magazine collections available through interlibrary loan to students. Ninety-four 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 (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 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>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of Minnesotans attending library programs including story times, summer reading programs, digital literacy and job search	1,563,445	1,640,866
Quantity	Circulation of downloadable books, movies and music	5,302,898	5,679,032
Quantity	Number of weekly open hours	735,157	743,577

M.S. 134.31; M.S. 134.32; M.S. 134.34; M.S. 134.355

Basic Support & Federal Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	13,570	13,570	13,570	13,570	13,570	13,570	13,570	13,570
2301 - Arts & Cultural Heritage	2,106	2,134	2,469	2,597				
3000 - Federal	28	1	108	125	126	127	126	127
Total	15,704	15,705	16,146	16,292	13,696	13,697	13,696	13,697
Biennial Change				1,029		(5,045)		(5,045)
Biennial % Change				3		(16)		(16)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	22	1	53	56	58	60	58	60
Operating Expenses	6	0	55	69	68	67	68	67
Grants, Aids and Subsidies	15,676	15,704	16,039	16,167	13,570	13,570	13,570	13,570
Total	15,704	15,705	16,146	16,292	13,696	13,697	13,696	13,697

Total Agency Expenditures	15,704	15,705	16,146	16,292	13,696	13,697	13,696	13,697
Internal Billing Expenditures	5	0	46	49	48	47	48	47
Expenditures Less Internal Billing	15,700	15,705	16,100	16,243	13,648	13,650	13,648	13,650

Full-Time Equivalent

	0.21	0.01	0.50	0.51	0.50	0.50	0.50	0.50
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Basic Support & Federal Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	13,570	13,570	13,570	13,570	13,570	13,570	13,570	13,570
District Revenue	13,570	13,570	13,570	13,570	13,570	13,570	13,570	13,570
Direct Appropriation	13,570	13,570	13,570	13,570	13,570	13,570	13,570	13,570
Current Year	12,213	12,213	12,213	12,213	12,213	12,213	12,213	12,213
Prior Year	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357
Cancellations			0					
Expenditures	13,570	13,570	13,570	13,570	13,570	13,570	13,570	13,570
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2301 - Arts & Cultural Heritage

Balance Forward In			66	97				
Direct Appropriation	2,200	2,200	2,500	2,500	0	0	0	0
Balance Forward Out	94	66	97					
Expenditures	2,106	2,134	2,469	2,597				
Biennial Change in Expenditures				826		(5,066)		(5,066)
Biennial % Change in Expenditures				19		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Receipts	28	1	108	125	126	127	126	127
Expenditures	28	1	108	125	126	127	126	127
Biennial Change in Expenditures				204		20		20
Biennial % Change in Expenditures				702		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.21	0.01	0.50	0.51	0.50	0.50	0.50	0.50

Program: Libraries

Activity: Multi-county Multi-type

education.mn.gov/MDE/dse/Lib/sls/Mult/

AT A GLANCE

- Seven multi-county, multi-type library systems serve approximately 1,800 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 goals 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>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of multicounty multi-type member libraries.	1,642	1,829
Quantity	Number of scholarships awarded to library staff for participation in professional development and continuing education.	132	102
Quantity	Attendance at multi-county, multi-type sponsored professional-development activities.	1,310	1,121

MS 134.351; MS 134.353; MS 134.354

Multicounty Multitype

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300

Multicounty Multitype

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
District Revenue	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Direct Appropriation	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Current Year	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Prior Year	130	130	130	130	130	130	130	130
Cancellations	0							
Expenditures	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Electronic Library for Minnesota (ELM)

www.elm4you.org/

AT A GLANCE

- ELM provides access to millions of articles, books, images, test preparation and other information at no cost to users.
- 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 Internet Protocol (IP) addresses, including home computers, libraries and government agencies.

ELM supports all five of the World’s Best Workforce goals.

SERVICES PROVIDED

This program:

- Offers free and equitable online access to millions of magazine, journal, newspaper, and encyclopedia articles, e-books, 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 IP addresses 24 hours a day, seven days a week.
- Support digital literacy and workforce development efforts.

The Minnesota Department of Education (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>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of ELM searches conducted by Minnesotans	60.9 million	67.6 million
Quantity	Number of LearningExpress Library user sessions	21,481	22,625

MN Laws 2015 1st special session, ch 3, art.8, sec.4, subd.4

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900

Electronic Library Minnesota

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	900	900	900	900	900	900	900	900
Expenditures	900	900	900	900	900	900	900	900
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Regional Library Telecom Aid (RLTA)

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.
- 341 public library sites benefit from the aid program.
- Statewide, average available bandwidth purchased with program funds grew from 76.7 MB in 2015 to 203.7 MB in 2017.
- 99.6 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 e-books 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 (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 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>FY 2016</i>	<i>FY 2017</i>
Quantity	Internet and wireless sessions in public libraries	6,921,334	10,923,529
Quantity	Percentage of public libraries with internet speeds above 20 megabits per second (Mbps)	71% download 64% upload	83% download 68% upload
Quantity	Number of internet devices in public libraries	6,702	6,702

M.S. 134.355

Regional Library Telecommunication

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	1,999	2,089	2,070	2,300	2,300	2,300	2,300	2,300
Total	1,999	2,089	2,070	2,300	2,300	2,300	2,300	2,300
Biennial Change				282		230		230
Biennial % Change				7		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1,999	2,089	2,070	2,300	2,300	2,300	2,300	2,300
Total	1,999	2,089	2,070	2,300	2,300	2,300	2,300	2,300

Regional Library Telecommunication

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	1,950	1,909	2,300	2,300	2,300	2,300	2,300	2,300
District Revenue	1,950	1,909	2,300	2,300	2,300	2,300	2,300	2,300
Direct Appropriation	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Current Year	1,770	1,909	2,070	2,070	2,070	2,070	2,070	2,070
Prior Year	230	180		230	230	230	230	230
Cancellations	301	211	230					
Expenditures	1,999	2,089	2,070	2,300	2,300	2,300	2,300	2,300
Biennial Change in Expenditures				282		230		230
Biennial % Change in Expenditures				7		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Early Childhood Family Education (ECFE)

education.mn.gov/MDE/fam/elsprog/ECFE/

AT A GLANCE

In fiscal year (FY) 2017:

- 96,593 children and 99,529 parents participated in ECFE, including classes and activities.
- 19,945 referrals were made to ECFE from other community programs.
- 14,215 home visits were conducted.

PURPOSE & CONTEXT

The purpose of the program is to provide parenting education to support children's learning and development. All families with children prenatal to kindergarten are eligible for services. School districts with pre-K through third grade initiatives may continue to serve families up to 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

ECFE provides programming and services to educate parents and other relatives about the physical, cognitive, social, and emotional development of children, and to enhance the skills of parents and other relatives in providing for their children's learning and development. Each year, programs must: 1) conduct a community needs assessment that identifies new and underserved populations; 2) identifies child and family risk factors, particularly those that impact children's learning and development; and, 3) assesses family and parenting education needs in the community. Programs are required to provide programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment.

ECFE programs usually include all of the following:

- Parenting education groups.
- Structured learning activities requiring interaction between children and their parents or relatives.
- Structured learning activities for children that promote children's development and positive interaction with peers.
- Home visits.
- In-person visits to parents of newborns.
- Outreach, including 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 3. They should encourage parents to involve 4- and 5-year-old children in school readiness programs and other public and nonpublic early learning programs.

ECFE programs must include learning experiences for children, parents, and other relatives that promote children's early literacy and, where practicable, their native language skills and activities for children that require substantial involvement of the children's parents or other relatives.

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 5 who lived in the district as of October 1 of the previous school year, whichever is greater.

It is common for other state-funded programs to work collaboratively with ECFE. MDE calculates and processes payments and provides technical support for these programs as well:

- Adult Basic Education (ABE), which provides family literacy programs.
- 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. Families are eligible for up to 60 home visits per year for two years.
- The Home Visiting program is a parent education component of ECFE programs that is designed to reach isolated or at-risk families. Starting in FY 2018, local Home Visiting levies are supplemented with state aid.
- School Readiness and Voluntary Prekindergarten provides family engagement and parenting education.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Parents participating in regular parent/child weekly sessions.*	75,914	71,932	75,136	74,302
Quantity	Referrals from ECFE to community resources and partner organizations.	18,638	17,575	18,367	18,014
Quantity	Class offerings for parents.	10,159	9,899	10,623	10,495

* Includes total number of parents/relatives that participated in classes during the fiscal year. Some parents participate in more than one class during the year.

M.S. 124D.13

Early Child Family Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	28,347	30,015	31,227	33,691	32,687	32,927	34,123	35,524
2403 - Gift		0						
Total	28,347	30,015	31,227	33,691	32,687	32,927	34,123	35,524
Biennial Change				6,556		696		4,729
Biennial % Change				11		1		7
Governor's Change from Base								4,033
Governor's % Change from Base								6

Expenditures by Category

Compensation	47	45	45	45	45	45	45	45
Operating Expenses	2	3	3	4	4	4	4	4
Grants, Aids and Subsidies	28,298	29,967	31,179	33,642	32,638	32,878	34,074	35,475
Total	28,347	30,015	31,227	33,691	32,687	32,927	34,123	35,524

Full-Time Equivalent

	0.43	0.38	0.38	0.36	0.36	0.36	0.36	0.36
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Early Child Family Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	28,038	29,038	30,415	31,534	31,761	32,003	33,357	34,711
District Revenue	28,038	29,038	30,415	31,534	31,761	32,003	33,357	34,711
Direct Appropriation	28,347	31,323	31,881	32,371	32,687	32,927	34,123	35,524
Current Year	25,235	26,135	27,375	28,382	28,586	28,803	30,022	31,240
Prior Year	2,713	2,803	2,904	3,040	3,152	3,175	3,152	3,335
Balance Forward In			1,320	1,320				
Transfers Out			653					
Cancellations	0	8	1					
Balance Forward Out		1,300	1,320					
Expenditures	28,347	30,015	31,227	33,691	32,687	32,927	34,123	35,524
Biennial Change in Expenditures				6,556		696		4,729
Biennial % Change in Expenditures				11		1		7
Governor's Change from Base								4,033
Governor's % Change from Base								6
Full-Time Equivalent	0.43	0.38	0.38	0.36	0.36	0.36	0.36	0.36

2403 - Gift

Balance Forward In		0						
Expenditures		0						
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Early Childhood and Family Support

Activity: School Readiness

education.mn.gov/MDE/dse/early/read/

AT A GLANCE

In fiscal year (FY) 2017:

- The estimated population of 3- and 4-year-olds in Minnesota was 147,932.
- 21,537 children and 23,938 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 3 years to kindergarten entrance with high needs.

SERVICES PROVIDED

School Readiness programs are designed by communities in order to meet their unique needs. Most school-based programs have classes that are half-day 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 (ECFE).
- Fully inclusive, integrated classrooms with early childhood special education.
- Coordination of referrals and follow-up to early childhood screening, which is required.
- Staff development and consultation for family child care providers.
- Head Start and family literacy/English learner programs.
- Partnering with other programs to provide full-day programming and wrap-around services.

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 4-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

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015*</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Percentage of preschoolers served:				
	3-year-olds	9.6%	7%	7%	8%
	4-year-olds	26.3%	20%	22.4%	21.2%

* Note: Starting in 2015, data is now pulled from Early Education Student, a new student identification process for children registered in School Readiness. Early Education Student is a newer system with revised reporting thresholds. Comparisons to other systems reporting is not appropriate.

M.S. 124D.15; M.S.124D.16

School Readiness

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683
Total	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683
Biennial Change				12,276		0		0
Biennial % Change				22		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683
Total	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683

School Readiness

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	23,558	33,683	33,683	33,683	33,683	33,683	33,683	33,683
District Revenue	23,558	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Direct Appropriation	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683
Current Year	21,203	30,315	30,315	30,315	30,315	30,315	30,315	30,315
Prior Year	1,217	2,355	3,368	3,368	3,368	3,368	3,368	3,368
Expenditures	22,420	32,670	33,683	33,683	33,683	33,683	33,683	33,683
Biennial Change in Expenditures				12,276		0		0
Biennial % Change in Expenditures				22		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Kindergarten Entry Profile (KEP) *(previously Kindergarten Readiness)*

education.mn.gov/MDE/dse/kind/KEP/index.htm

AT A GLANCE

- The Kindergarten Entry Profile (KEP) is a standards-based assessment system that offers districts a menu of comprehensive, developmentally appropriate assessment tools that help teachers and administrators understand what students know and are able to do at the start of kindergarten in order to support their success in kindergarten and beyond.
- Participation in the KEP is voluntary.
- In fiscal year (FY) 2017, just over 7 percent of all kindergartners participated in the KEP.

PURPOSE & CONTEXT

The 2013 Race to the Top-Early Learning Challenge grant (RTT-ELC) provided the state with an opportunity to improve on the state's pre-existing kindergarten entry assessment model (the School Readiness Study), resulting in a new model: the Kindergarten Entry Profile (KEP). Entering its third full implementation year (the first three years were pilot years), the KEP reflects advances in our understanding of child development, neuroscience, and the importance of early childhood assessment in systems reform.

The KEP is a standards-based assessment system; each of the approved assessment tools are aligned to Minnesota's early learning standards (the [Early Childhood Indicators of Progress](#), or ECIPs). The ECIPs are a shared set of developmentally appropriate expectations for children ages birth to kindergarten and define the foundational skills necessary to build toward the Minnesota K-12 Academic Standards and college and career readiness.

The Minnesota Department of Education (MDE) produces an annual KEP report that includes data for kindergartners from those districts volunteering to participate in the KEP, even though districts are able to choose from a menu of four different assessment tools. The report embraces a well-rounded view of education by presenting data by each of the domains of learning: approaches to learning; the arts; language, literacy, and communications; mathematics; physical and movement development; scientific thinking; social and emotional development; and social systems. Reporting data by ECIP domain also makes the data more actionable and valuable to teachers and administrators.

SERVICES PROVIDED

KEP approved assessment tools undergo a rigorous review to ensure that each assessment is valid and reliable to use with kindergartners, aligned to the ECIPs and Minnesota Academic Standards, represent a whole-child view of development and education, cover all eight domains of learning, provide real-time formative data that can be used to individualize instruction, and rely on authentic assessment.

No more than 10 percent of kindergartners in the state are able to participate due to budgetary constraints. MDE provides training to teachers and administrators in their chosen tool and reimburses participants for the costs of the assessment tool at the state-negotiated rate.

The KEP assessment tools produce data can be used to:

- 1) Provide teachers and other educators with a holistic view of a child’s strengths and areas of growth based on their own unique identities, experiences, and development.
- 2) Inform, in real-time, practice and programming (e.g. instruction, lesson plans, curriculum, professional development, resources and supports).
- 3) Build coherence in pre-K to third grade teaching and learning (e.g. strengthening transitions to kindergarten and professional development).
- 4) Inform educators/administrators/policy makers how well incoming kindergarteners meet age expectations in the following eight domains of learning:
 - approaches to learning; the arts;
 - language, literacy, and communications;
 - mathematics;
 - physical and movement development;
 - scientific thinking;
 - social and emotional development; and
 - social systems
- 5) Guide local community and school district efforts to ensure their World’s Best Workforce Goal #1: All Children are Ready for School is appropriately identified, measured and reported to stakeholders.

RESULTS

Teachers and administrators are building their capacity to implement standards-based assessment, which includes discussions centered on which students need more support based on their assessment data. KEP trainings have brought prekindergarten and kindergarten teachers together, enabling them to engage in conversations centered on shared expectations of student outcomes, aligning instruction and curriculum across grades/ages, and strengthening transitions to kindergarten.

Though efforts have been made to obtain a representative sample of kindergartners, the voluntary nature of the KEP does not produce a representative sample of kindergartners across the state. Because it is not representative of the general population, generalizations regarding the data should not be made (i.e., these numbers should not be taken as an accurate portrayal of the percentage of students meeting or exceeding age expectations statewide) and results should not be compared from year to year. Participants, however, may be able to compare their results from year to year and make generalizations about their district/charter school.

For detailed results of the KEP for FY 2017, please read the [Transforming the School Readiness Study into the KEP Initiative](#).

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
Status	KEP Pilot or Regular	Pilot [†]	Pilot [†]	Pilot [†]	Full	Full
Quantity	Percentage of kindergarteners participating in the KEP	1.6%	1.2%	3.1%	5.8%	7.3%

M.S. 124D.162

†: During the three KEP pilot years (FY2014 – FY2016) participation in the KEP was relatively small, ranging from 0.7 percent to 1.1 percent of kindergartners statewide. This was not a concern, though, given the pilot status of the KEP.

Kindergarten Entry Profile

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	281	103	243	319	281	281	281	281
Total	281	103	243	319	281	281	281	281
Biennial Change				178		0		0
Biennial % Change				46		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	110	73	148	211	212	212	212	212
Operating Expenses	171	30	95	108	69	69	69	69
Total	281	103	243	319	281	281	281	281
<u>Full-Time Equivalents</u>								
	1.56	0.76	1.34	1.30	1.85	1.85	1.85	1.85

Kindergarten Entry Profile

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	281	281	281	281	281	281	281	281
Balance Forward In		11		38				
Transfers Out		150						
Cancellations		39						
Balance Forward Out			38					
Expenditures	281	103	243	319	281	281	281	281
Biennial Change in Expenditures				178		0		0
Biennial % Change in Expenditures				46		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.56	0.76	1.34	1.30	1.85	1.85	1.85	1.85

Program: Early Childhood and Family Support

Activity: Access to Quality Early Learning

AT A GLANCE

- Approximately 18 percent of the eligible 3- and 4-year-olds in the state are served by the Early Learning Education Scholarship program, with a maximum award of \$7,500.
- While children ages 0-2 were eligible if the child of a teen parent or a sibling of a scholar, in fiscal year (FY) 2018, Early Learning Scholarships were expanded to serve children 0-2 years of age in foster care, in child protective services, or those who have experienced homelessness in the last 24 months.
- Early learning scholarships can be layered with other funding streams. Fifteen percent of scholarships in FY16 and FY17 were used with Child Care Assistance.

PURPOSE & CONTEXT

The Early Learning Scholarship program supports access to the state's early care and education system for young children. Since scholarships can only be used at early learning programs that participate in Parent Aware, Minnesota's Quality Rating and Improvement System (QRIS), they serve as an incentive to be rated. Early Learning Scholarships, as a funding source, are intended to support improvement in school readiness outcomes for Minnesota children with high needs, by increasing access to high-quality early care and education programs.

These two activities assist in the improvement of high-quality early care and education programs and providing financial assistance to families to attend programs identified as high quality. Early learning program quality is based on Parent Aware, Minnesota's tiered quality rating and improvement system.

SERVICES PROVIDED

Passed in a 2011 special session, \$4 million was authorized beginning in FY 2013. For FY 2014, the state expanded the state-funded Early Learning Scholarship program with a \$23 million appropriation. That program has grown to \$70.2 million in fiscal year's 2018 and 2019 with the base set to increase to \$70,709,000 in FY 2020. State-funded Early Learning Scholarships were available to eligible children statewide since FY 2016 with a maximum scholarship for children attending a Four-Star Parent Aware rated program of \$7,500. Children receive scholarships for a 12-month period and may renew their scholarship until they are eligible for kindergarten.

Early Learning Scholarship program has two pathways:

- Pathway I scholarships are awarded directly to eligible families.
 - 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.
 - Participating programs receive funding to provide scholarships to a specified number of eligible children to cover the cost of the program.

Efforts for Parent Aware and state-funded early learning scholarships ran parallel to the Race to the Top Early-Learning Challenge (RTT-ELC) federal grant. The RTT-ELC grant supported the expansion of the Parent Aware program statewide over four years and ended December 31, 2016. In order to support the continuation of Parent Aware beyond RTT-ELC, the Legislature allocated \$3.5 million dollars to MDE for the 2018-19 biennium to transfer to the Department of Human Services to support the implementation of Parent Aware.

The Minnesota Department of Education (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>	2015	2016	2017	2018
Quantity	Number of early care and education programs participating in Parent Aware.	1,892	2,343	2,684	2,610
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.	74%	71%	77%	79%
Quantity	Number of high-needs children attending a 3- or 4-Star Parent Aware rated public education program.	24,818	26,748	28,851	28,851
Quantity	Number of children receiving a scholarship	8,225	11,219	15,079	17,091

Parent Aware data on quantity and quality for FY 2015 and FY 2016 comes from the Minnesota Race to the Top – Early Learning Challenge, Annual Performance Report 2015 and the final 2016 report.

Parent Aware data on quantity and quality for FY2017 and FY2018 was provided by the Fast Facts page of Develop, the [Minnesota Quality Improvement and Registry tool](#).

Quantity data for children with high needs attending a 3- or 4-star rated program comes from the Early Learning Scholarship Pathway II applications from school and Head Start programs.

Scholarship data comes from final data from each fiscal year.

CFDA 84.412; M.S. 124D.16

Access to Quality Early Learning

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	43,184	59,263	69,258	69,260	69,759	69,759	0	0
2001 - Other Misc Special Revenue							69,759	69,759
3000 - Federal	2,238	725		3,314	3,314		3,314	
Total	45,422	59,988	69,258	72,574	73,073	69,759	73,073	69,759
Biennial Change				36,422		1,000		1,000
Biennial % Change				35		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation				2	2		2	
Operating Expenses				3,312	3,312		3,312	
Grants, Aids and Subsidies	45,250	59,670	67,526	67,528	68,027	68,027	68,027	68,027
Other Financial Transaction	172	318	1,731	1,732	1,732	1,732	1,732	1,732
Total	45,422	59,988	69,258	72,574	73,073	69,759	73,073	69,759

Full-Time Equivalents

					0.05	0.05
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Access to Quality Early Learning

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	43,184	58,934	69,259	69,259	69,759	69,759	69,759	69,759
Balance Forward In		529		1				
Net Transfers							69,759	69,759
Transfers In		5						
Cancellations		205						
Balance Forward Out			1					
Expenditures	43,184	59,263	69,258	69,260	69,759	69,759	0	0
Biennial Change in Expenditures				36,071		1,000		(138,518)
Biennial % Change in Expenditures				35		1		(100)
Governor's Change from Base								(139,518)
Governor's % Change from Base								(100)
2001 - Other Misc Special Revenue								
Transfers In							69,759	69,759
Expenditures							69,759	69,759
Biennial Change in Expenditures				0		0		139,518
Biennial % Change in Expenditures								
Governor's Change from Base								139,518
Governor's % Change from Base								
3000 - Federal								
Receipts	2,238	725		3,314	3,314		3,314	
Expenditures	2,238	725		3,314	3,314		3,314	
Biennial Change in Expenditures				351		0		0
Biennial % Change in Expenditures				12				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents					0.05		0.05	

Program: Early Childhood and Family Support
Activity: Health and Developmental Screening

education.mn.gov/MDE/dse/early/scr/index.htm

AT A GLANCE

- In fiscal year (FY) 2017, a total of 60,465 children were screened by school districts. Outcomes included:
 - 7,044 children referred to the school readiness program.
 - 3,752 families referred to early childhood family education.
 - 1,601 children referred to Head Start.
 - 395 parents referred to adult education/literacy.
 - 5,149 referred to special education.
 - 4,281 children received interpreter services during screening.

PURPOSE & CONTEXT

The 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, targeting children between 3 and 4 years of age. Districts receive state aid for every child screened prior to starting kindergarten, or within 30 days after first entering kindergarten. Charter schools may elect to apply to provide a screening program.

This program supports the World's Best Workforce goal of helping to ensure that all children are ready for school and supports a reduction in the achievement gap, so that children receive the necessary health and educational interventions needed prior to kindergarten enrollment.

SERVICES PROVIDED

A screening program must include the following components:

- Outreach to inform each resident family about the availability of the program.
- Developmental screening.
- Hearing and vision screening.
- Immunization review.
- The child's height and weight.
- Identification of risk factors that may influence learning.
- Identification of health care coverage and referral to an appropriate provider.
- An interview with the parent about the child.
- Referral and follow up for assessment, diagnosis, and treatment when potential needs are identified.

A district may also offer additional health screening components such as nutritional, physical and dental assessments; review of family circumstances that might affect development; blood pressure; laboratory tests; and, health history.

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.

The Minnesota Department of Education (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>FY 2016</i>	<i>FY 2017</i>
Quality	Percentage of all Minnesota 3-year-old children receiving health and developmental screening.	36%	38%
Quality	Percentage of districts providing interpreter assistance for diverse populations to access screening.	43%	54%
Quantity	Referrals for further assistance made for children identified as having possible health and/or development problems or needs.	14,171	14,980

M.S.121A.16; M.S.121A.17; M.S.121A.19

Health & Developmental Screening

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	3,477	3,572	3,606	3,632	3,639	3,625	3,639	3,625
Total	3,477	3,572	3,606	3,632	3,639	3,625	3,639	3,625
Biennial Change				189		26		26
Biennial % Change				3		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	3,477	3,572	3,606	3,632	3,639	3,625	3,639	3,625
Total	3,477	3,572	3,606	3,632	3,639	3,625	3,639	3,625

Health & Developmental Screening

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	3,558	3,584	3,608	3,635	3,639	3,624	3,639	3,624
District Revenue	3,558	3,584	3,608	3,635	3,639	3,624	3,639	3,624
Direct Appropriation	3,477	3,573	3,606	3,632	3,639	3,625	3,639	3,625
Current Year	3,139	3,225	3,248	3,272	3,276	3,262	3,276	3,262
Prior Year	338	348	358	360	363	363	363	363
Cancellations		1						
Expenditures	3,477	3,572	3,606	3,632	3,639	3,625	3,639	3,625
Biennial Change in Expenditures				189		26		26
Biennial % Change in Expenditures				3		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Head Start

eclkc.ohs.acf.hhs.gov/hslc

AT A GLANCE

- 32 Head Start and Early Head Start grantees served 14,147 children and families in fiscal year (FY) 2018.
- 15 percent of Head Start and 11.6 percent of Early Head Start children had a diagnosed disability in FY 2017.¹
- 1,376 homeless children received services in FY 2017.¹

PURPOSE & CONTEXT

Head Start and Early Head Start are federal programs that support the comprehensive development and promote school readiness of children from birth to age 5 from low-income families. Head Start and Early Head Start services include early learning, health and family well-being.

Minnesota supplements federal Head Start funds with state funds. With the additional state funding, Head Start and Early Head Start programs are able to expand services and access to educational opportunities for additional children, thus preparing children and families experiencing multiple risk factors for kindergarten. Head Start and Early Head Start supports families and children with high needs 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 and Early Head Start provide a comprehensive program to children and families including:

- Health/dental and nutrition.
- Education.
- Parent engagement.
- Social services and family supports-assistance with housing, medical insurance, heating and food.

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 46 home visits of 1.5 hours each, and at least 22 group socializations distributed over the course of the program year.
- Many programs offer full-day, full-year services, through partnerships with child care and school-based programs.

Minnesota Department of Education (MDE):

- Houses the state's Head Start Collaboration Office. The Head Start Collaboration Director facilitates partnerships among Head Start agencies and entities to carry out activities designed to benefit low-income children from birth to school entry, providing a structure and a process for the Office of Head Start (OHS) to work and partner with state agencies and local entities. The Head Start Collaboration Office works with state and community partners to leverage common interests around young children and their families to formulate, implement, and improve state and local policy and practices.

- Provides support to Head Start agencies across the state in the implementation of Parent Aware, Minnesota’s Quality Rating and Improvement System, as well as other state agencies’ early learning services initiatives.
- 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>FY2015-2016²</i>	<i>FY 2016-2017²</i>
Results	Percentage of children who met developmental targets upon exiting Head Start	3 year olds 85% 4 year olds 82%	3 year olds 84% 4 year olds 78%
Quantity	Number of children assessed upon exiting Head Start	3 year olds (n=1659) 4 year olds (n=2339)	3 year olds (n=1438) 4 year olds (n=1796)

¹ FY 2017 Data retrieved from the Office of Head Start Program Information Report (PIR)

² Outcome data is available on children served by 14 Minnesota Head Start programs that used the Teaching Strategies Gold assessment and have set development targets for enrolled 3-and 4-year-olds during the FY2015-2016 and FY 2016-2017 school year. These programs have adopted developmental targets for the assessment at these age levels.

M.S.119A.50 -545; U.S.C.9840 et seq.

Head Start

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	25,100	25,073	25,100	25,100	25,100	25,100	25,100	25,100
Total	25,100	25,073	25,100	25,100	25,100	25,100	25,100	25,100
Biennial Change				27		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	25,100	25,073	25,100	22,542	22,542	22,542	22,542	22,542
Other Financial Transaction				2,558	2,558	2,558	2,558	2,558
Total	25,100	25,073	25,100	25,100	25,100	25,100	25,100	25,100

Head Start

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100
Cancellations		27						
Expenditures	25,100	25,073	25,100	25,100	25,100	25,100	25,100	25,100
Biennial Change in Expenditures				27		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								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 a. Greater than expected progress b. Exited Part C within age expectations	57.7% 48.5%	54.1% 49.8%	51.2% 50.0%
Children will acquire and use knowledge and skills a. Greater than expected progress b. Exited Part C within age expectations	61.2% 45.1%	60.2% 44.1%	60.3% 44.5%
Children will take action to meet needs a. Greater than expected progress b. Exited Part C within age expectations	67.7% 49.7%	61.9% 51.3%	62.0% 51.5%

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

Infant & Toddler Intervention

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
3000 - Federal	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300
Total	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300
Biennial Change				(380)		160		160
Biennial % Change				(3)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation		95						
Operating Expenses	471	820	5					
Grants, Aids and Subsidies	5,537	5,899	6,283	6,152	6,300	6,300	6,300	6,300
Other Financial Transaction	(1)							
Total	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300

Total Agency Expenditures	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300
Internal Billing Expenditures	38	93	5					
Expenditures Less Internal Billing	5,969	6,720	6,283	6,152	6,300	6,300	6,300	6,300

Full-Time Equivalent

	0.09	0.88	0.05		0.05	0.05	0.05	0.05
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Infant & Toddler Intervention

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
3000 - Federal								
Receipts	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300
Expenditures	6,007	6,813	6,288	6,152	6,300	6,300	6,300	6,300
Biennial Change in Expenditures				(380)		160		160
Biennial % Change in Expenditures				(3)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.09	0.88	0.05		0.05	0.05	0.05	0.05

Program: Early Childhood and Family Support

Activity: Preschool Special Education

helpmegrowmn.org/HMG/index.htm

AT A GLANCE

- 17,445 children ages 3-5 with disabilities were counted as being served through Individual Education Programs on December 1, 2017.
- 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 (FFY) 2014-16. 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.

Child Outcomes	FFY 2014	FFY 2015	FFY 2016
Children will demonstrate positive relationships			
a. Greater than expected progress	69.6%	69.8%	68.4%
b. Exited Part C within age expectations	55.3%	55.5%	54.2%
Children will acquire and use knowledge and skills			
a. Greater than expected progress	72.5%	72.0%	70.3%
b. Exited Part C within age expectations	55.0%	54.7%	52.8%
Children will take action to meet needs			
a. Greater than expected progress	71.0%	70.7%	69.1%
b. Exited Part C within age expectations	64.3%	64.9%	63.5%

M.S. 125A.01-03

Part B/Section 619 of the Individuals with Disabilities Education Act

Preschool Special Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
3000 - Federal	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101
Total	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101
Biennial Change				(425)		1,222		1,222
Biennial % Change				(4)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101
Total	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101

Preschool Special Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
3000 - Federal								
Balance Forward In		0						
Receipts	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101
Balance Forward Out	0							
Expenditures	5,302	6,103	5,058	5,922	6,101	6,101	6,101	6,101
Biennial Change in Expenditures				(425)		1,222		1,222
Biennial % Change in Expenditures				(4)		11		11
Governor's Change from Base								0
Governor's % Change from Base								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 fiscal year (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. Grantees include Northfield Health Community, Jones Family foundation, and United Way of Central Minnesota.
- The Legislature allocated funding to the Minnesota Department of Education for the 2018-19 biennium, for transfer 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 receive annual grants that fund efforts 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 grant 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 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 \$1.3 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 FY 2017 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 each receive \$160,000 in FY 2018 and FY 2019 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—United Way of Central Minnesota.

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 of \$3.5 million for FY 2018-19 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

Final Results for **St. Cloud Early Learning Pilot** (based on The TS GOLD assessment from fall 2016 to spring 2017)

Area of Development	% of Children Below Growth Range	% of Children Meeting or Exceeding Growth
Social-emotional	3%	97%
Physical	6%	94%
Language	28%	72%
Cognitive	2%	98%
Literacy	3%	97%
Mathematics	4%	96%

Education Partnership Pilot Grants

United Way of Central Minnesota Highlights:

- Results not available at this time

Jones Family Foundation Highlights:

- 20 additional local early childhood preschool educators were trained by a certified Pyramid Model trainer.
- In the Fall of 2017, 83 percent of children were identified as ready for kindergarten, up from 82 percent in 2016.
- 62 community mentors were trained with mentoring skills to work with high school students.
- Prekindergarten through grade 12 teachers worked to align math curriculum.
- 15,000 meals were served to Red Wing youth during the summer of 2017.

Northfield Healthy Community Initiative Highlights:

- Please go to [Benchmarks Northfield Promise](#) to see progress made on their 10 benchmarks.

Type of Measure	Name of Measure (For Northside Achievement Zone)	2013 year-end	2014 year-end	FY 2015*	2016	2017
Quantity	Number of families enrolled in the Northside Achievement Zone	548	739	873	1,231	966
Quantity	Number of scholars enrolled	1,390	1,735	1,867	2,443	2,104

Type of Measure	Name of Measure (For Northside Achievement Zone)	2013	2014	2015	2015-16	2016-17	2017-18
Results	MCA 3 rd -5 th grade reading proficiency for students	19%	19%	20%	23%	27%	30%
Results	MCA 3 rd -5 th grade math proficiency for students	34%	30%	27%	29%	29%	32%

Type of Measure	Name of Measure (For St. Paul Promise Neighborhood Freedom Schools)	2012	2013	2014	2015	2016	2017
Results	Number of students participating in the St. Paul Promise Neighborhood Freedom Schools	224	325	353	431	428	563
Results	Percentage of students who were consistent participants in the St. Paul Promise Neighborhood Freedom School	87%	83%	91%	93%	92%	93%
Results	Number of Freedom School Sites	1	2	1	2	2	2

Type of Measure	Name of Measure (For Parent Awareness)	2013	2014	2015	2016	2017	2018
Quantity	Number of early care and education programs participating in Parent Aware	575	1,467	1,892	2,343	2684	2610
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating**	84%	76%	74%	71%	77%	79%
Quantity	Number of high-needs children attending a 3- or 4-Star Parent-Aware rated public education programs	7,401	21,489	24,818	26,748	28,851	28,851
Quantity	Number of children receiving a scholarship***	509	5,869	8,225	11,219	15,079	17,091

*Report was changed from year-end to fiscal year in FY 2015.

**All Parent Aware data comes from the DEVELOP Fast Facts 2017/2018.

***Scholarship data comes from final data from each fiscal year.

Special Family Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	2,901	3,381	3,074	3,086	3,080	3,080	3,080	3,080
Total	2,901	3,381	3,074	3,086	3,080	3,080	3,080	3,080
Biennial Change				(122)		0		0
Biennial % Change				(2)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	2,901	3,381	3,074	3,086	3,080	3,080	3,080	3,080
Total	2,901	3,381	3,074	3,086	3,080	3,080	3,080	3,080

Special Family Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	4,101	7,681	4,830	4,830	4,830	4,830	4,830	4,830
Balance Forward In				6				
Transfers Out	1,200	4,300	1,750	1,750	1,750	1,750	1,750	1,750
Balance Forward Out			6					
Expenditures	2,901	3,381	3,074	3,086	3,080	3,080	3,080	3,080
Biennial Change in Expenditures				(122)		0		0
Biennial % Change in Expenditures				(2)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

Activity: Community Education

AT A GLANCE

- Every Minnesota school district operates a community education program.
- For fiscal year (FY) 2017, school districts received \$29.5 million in general community education revenue, \$5.3 million in youth service program revenue, and \$5 million in after-school enrichment revenue.
- For FY 2017, the state share of community education revenue was \$500,000 and the local property tax share was \$39.3 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:

- Programs for 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.

The Minnesota Department of Education (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>FY 2015</i>	<i>FY 2017</i>
Quantity	Number of districts submitting general annual report	292	308

M.S.124D.18–20

Community Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	790	554	477	410	330	257	330	257
Total	790	554	477	410	330	257	330	257
Biennial Change				(457)		(300)		(300)
Biennial % Change				(34)		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	790	554	477	410	330	257	330	257
Total	790	554	477	410	330	257	330	257

Community Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	758	533	471	403	322	250	322	250
District Revenue	758	533	471	403	322	250	322	250
Direct Appropriation	790	555	483	410	330	257	330	257
Current Year	683	480	424	363	290	225	290	225
Prior Year	107	75	53	47	40	32	40	32
Transfers Out			6					
Cancellations	0	1						
Expenditures	790	554	477	410	330	257	330	257
Biennial Change in Expenditures				(457)		(300)		(300)
Biennial % Change in Expenditures				(34)		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

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 \$30,000 or 50 percent of 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 for more than two decades. 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.

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.

The Minnesota Department of Education (MDE) calculates and processes aid payments to districts and determines their property tax levy for this program.

RESULTS

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.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY16</i>	<i>FY17</i>
Quantity	# of districts participating in program	37	63
Quantity	# of Metropolitan districts participating in program	13	28

M.S.124D.56

Adults with Disabilities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<i>Expenditures by Fund</i>								
1000 - General	696	693	706	710	710	710	710	710
Total	696	693	706	710	710	710	710	710
Biennial Change				27		4		4
Biennial % Change				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	696	693	706	710	710	710	710	710
Total	696	693	706	710	710	710	710	710

Adults with Disabilities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Entitlement	697	691	710	710	710	710	710	710
District Revenue	697	691	710	710	710	710	710	710
Direct Appropriation	710	710	710	710	710	710	710	710
Current Year	628	624	639	639	639	639	639	639
Prior Year	68	69	67	71	71	71	71	71
Cancellations	14	17	4					
Expenditures	696	693	706	710	710	710	710	710
Biennial Change in Expenditures				27		4		4
Biennial % Change in Expenditures				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

Activity: Hearing Impaired Adults

education.mn.gov/MDE/dse/sped/cat/dhh/index.htm

AT A GLANCE

- In 2017, eight sites submitted qualified requests for funds under this program.
- Demand exceeded the \$70,000 appropriation in three of the previous five 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.

The Minnesota Department of Education (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 2015</i>	<i>FY 2017</i>
Quantity	Number of educational programs for which interpreter and note-taker services costs were reimbursed.	107	137

M.S. 124D.57

Hearing Impaired Adults

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	46	44	70	70	70	70	70	70
Total	46	44	70	70	70	70	70	70
Biennial Change				50		0		0
Biennial % Change				56		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	46	44	70	70	70	70	70	70
Total	46	44	70	70	70	70	70	70

Hearing Impaired Adults

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	70	70	70	70	70	70	70	70
Cancellations	24	26						
Expenditures	46	44	70	70	70	70	70	70
Biennial Change in Expenditures				50		0		0
Biennial % Change in Expenditures				56		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

Activity: School Age Care

AT A GLANCE

- School age care revenue was funded totally by local property tax levy in fiscal year (FY) 2017 (\$0 state aid).
- The total levy for FY 2017 was \$15.7 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 economic 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.

The 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 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Quantity	Number of districts with school age care expenditures	154	157	157

M.S.124D.19; M.S.124D.22

School Age Care

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General				1	1	1	1	1
Total				1	1	1	1	1
Biennial Change				1		1		1
Biennial % Change								
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies				1	1	1	1	1
Total				1	1	1	1	1
Total Agency Expenditures				1	1	1	1	1
Expenditures Less Internal Billing				1	1	1	1	1

School Age Care

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	1	1	1	1	1	1	1	1
Transfers Out			1					
Cancellations	1	1						
Expenditures				1	1	1	1	1
Biennial Change in Expenditures				1		1		1
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning

Activity: Adult Basic Education (ABE)

education.mn.gov/MDE/fam/abe/

AT A GLANCE

- 1,071 licensed teachers and 2,109 volunteers served over 61,822 students in fiscal year (FY) 2018.
- Of all enrollees, 53 percent were English learners, 8 percent had never attended school, 26 percent were unemployed and 17 percent were in correctional facilities.

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.

SERVICES PROVIDED

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 more than 300 sites 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 share resources.

The Minnesota Department of Education provides technical support, calculates aid entitlements, and pays aid to districts and consortia.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2013</i>	<i>FY 2016</i>
Quantity	Clients who obtained a high school diploma or GED	3,932	1,782
Quantity	Clients who entered postsecondary education	2,971	8,562
Quality	Clients who were unemployed at program entry who obtained employment	42%	49%
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

Adult Basic Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	48,211	49,419	48,643	48,713	50,106	51,620	50,106	51,620
3000 - Federal	5,050	4,561	5,384	5,566	5,733	5,905	5,733	5,905
Total	53,261	53,981	54,028	54,279	55,839	57,525	55,839	57,525
Biennial Change				1,065		5,057		5,057
Biennial % Change				1		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	53,261	53,981	54,028	54,279	55,839	57,525	55,839	57,525
Total	53,261	53,981	54,028	54,279	55,839	57,525	55,839	57,525

Adult Basic Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Entitlement	48,224	48,613	48,696	48,686	50,106	51,621	50,106	51,621
District Revenue	48,224	48,613	48,696	48,686	50,106	51,621	50,106	51,621
Direct Appropriation	48,231	49,562	50,010	48,686	50,106	51,620	50,106	51,620
Current Year	43,429	43,836	43,827	43,817	45,238	46,595	45,238	46,595
Prior Year	4,782	4,795	4,777	4,869	4,868	5,025	4,868	5,025
Balance Forward In			67	27				
Transfers Out			1,302					
Cancellations	20	131	104					
Balance Forward Out		12	27					
Expenditures	48,211	49,419	48,643	48,713	50,106	51,620	50,106	51,620
Biennial Change in Expenditures				(274)		4,370		4,370
Biennial % Change in Expenditures				(0)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	5,050	4,561	5,384	5,566	5,733	5,905	5,733	5,905
Expenditures	5,050	4,561	5,384	5,566	5,733	5,905	5,733	5,905
Biennial Change in Expenditures				1,339		688		688
Biennial % Change in Expenditures				14		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning

Activity: General Education Development (GED) Tests

education.mn.gov/MDE/dse/abe/ged/

AT A GLANCE

- 63 GED testing centers, including 10 at state correctional facilities.
- In fiscal year (FY) 2016, 5,397 examinees took at least one GED test; 3,452 examinees completed all the modules.
- In 2009, individuals with a GED earned about \$4,100 more per year than individuals who did not have a GED or diploma.
- Individuals earning a GED are eligible to receive federal financial aid, including Pell Grants, if they 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. Six percent of Minnesotans aged 25-64 lack a high school diploma or its equivalent.

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 of Minnesota’s postsecondary institutions, and serves as the evidence of “ability to benefit” required in order to receive a Pell Grant.

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.

- For FY 2017, the GED testing allocation was \$125,000.
- The GED testing allocation pays \$10 per sub-test (up to \$40 per test battery) of students' GED testing fees.

The Minnesota Department of Education (MDE) processes reimbursement payments to GED Testing Service so that tests are offered at discounted rates.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2012</i>	<i>FY 2017</i>
Quantity	Test subsidies provided	12,500	7,096
Quality	Percentage of GED candidates completing the full battery who passed*	81.1%	82.5%

* There were five GED tests in FY 2012 and four GED tests in FY 2017.

M.S. 124D.55

General Education Development Tests

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	125	245	125	125	125	125	125	125
Total	125	245	125	125	125	125	125	125
Biennial Change				(120)		0		0
Biennial % Change				(32)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses	125	245	125	125	125	125	125	125
Total	125	245	125	125	125	125	125	125

General Education Development Tests

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation	125	245	125	125	125	125	125	125
Expenditures	125	245	125	125	125	125	125	125
Biennial Change in Expenditures				(120)		0		0
Biennial % Change in Expenditures				(32)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Agriculture 10.536	Child & Adult Care Food Program Training The overall goal of this project is for the selected applicant to plan, develop, design, promote, and ultimately execute and evaluate a training program that uses a tiered approach to equip State agencies with the knowledge and skills necessary to train their CACFP program operators (including CACFP institutions such as sponsoring organizations and/or independent centers as well as CACFP facilities including child care centers and day care homes) to effectively operate the CACFP at the local-level.		0	49	50	0		0.04
Agriculture 10.541	Child Nutrition-Technology Innovation Grant To allow State agencies that administer the Child Nutrition Programs (CNPs) to apply for grant funding 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 CNPs at the State and Local Educational Agency (LEA) or Sponsor Organization (SO) levels.		216	941	969	33		0.70
Agriculture 10.547	Professional Standards for School Nutrition Employees The Healthy Hunger-Free Kids Act (HHFKA) of 2010, Section 306, directed the United States Department of Agriculture to establish minimum national professional standards for all school nutrition employees who manage and operate the National School Lunch and School Breakfast Programs. These new standards will ensure that school nutrition personnel have the training and tools they need to plan, purchase and prepare safe, nutritious and enjoyable school meals. The rule institutes minimum hiring standards for the selection of State and local school nutrition program directors; and requires all personnel in these programs to complete annual continuing education/training. The standards are effective July 1, 2015. The principal benefit of this rule is to ensure that key school nutrition personnel are meeting minimum professional standards in order to adequately perform the duties and responsibilities of their positions. The purpose of this Request for Applications (RFA) is to: Provide awards, on a competitive basis, to State agencies administering National School Lunch Program (NSLP) and School Breakfast Program (SBP), to develop and implement trainings to support the Professional Standards rule, Describe which entities are eligible to apply for grant funds, Describe the requirements for submitting a successful application, and Describe how applications will be reviewed and selected.		26	0	0	0		
Agriculture 10.553	Food & Nutrition Services-Breakfast To assist States in implementing a nutritious nonprofit breakfast service for school children, through meal reimbursements and food donations.		53,875	53,313	53,300	53,300	Match	
Agriculture 10.555	Food & Nutrition Services-Lunch To assist States, through cash grants and food donations, in providing a nutritious nonprofit lunch service for school children and to encourage the domestic consumption of nutritious agricultural commodities.		168,874	173,455	173,400	173,400	Match	
Agriculture 10.556	Food & Nutrition Services-Special Milk To provide subsidies to schools and institutions to encourage the consumption of fluid milk by children.		745	743	743	743	Match	

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
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.		1,831	1,680	1,680	1,680		
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.		1,209	1,494	1,494	1,494		9.03
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.		61,206	61,500	61,500	61,500		
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.		4,944	5,800	5,800	5,800		
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.		347	248	359	359		2.24
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 & at other approved times, when schools are out of session or closed for vacation.		894	926	925	925	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 & at other approved times, when schools are out of session or closed for vacation.		8,804	9,870	9,950	9,900		
Agriculture 10.560	Food & Nutrition Services-State Admin Expense To provide each State agency with funds for its administrative expenses in supervising and giving technical assistance to local schools, school districts and institutions in their conduct of Child Nutrition Programs. State agencies that administer the distribution of USDA Foods to schools and child or adult care institutions are also provided with State Administrative Expense (SAE) funds.		5,015	5,674	5,674	5,674	Match	32.47

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Agriculture 10.574	Food & Nutrition Services-Team Nutrition Training Grants Team Nutrition is an initiative of the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) to support their Child Nutrition Programs through training and technical assistance for foodservice, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity. Team Nutrition Training Grants for Healthy School Meals have been identified in USDA's national Strategic Plan for Training and Technical Assistance as one of the anchor delivery systems for supporting the implementation of USDA's nutrition requirements and the Dietary Guidelines for Americans in Child Nutrition programs. Team Nutrition's goal is to improve children's lifelong eating & physical activity habits by using the principles of the Dietary Guidelines for Americans & the USDA Food Guidance System.		157	187	192	198		1.00
Agriculture 10.579	Child Nutrition Discretionary Grants Limited Availability National School Lunch Program (NSLP) Equipment Assistance Grants are awarded via a competitive grant process to school food authorities giving priority to high need schools where 50% or more of the enrolled students are eligible for free or reduced meals. Direct Certification Improvement Grants awarded to assist State agencies in improving their direct certification processes and rates. Admin Review Training grants awarded to State agencies to conduct additional administrative reviews of selected local educational agencies and to provide funding for state agencies to be used for oversight and training of admin personnel on application, certification, verification, meal counting, and meal claiming procedures.		332	397	409	421		
Agriculture 10.582	Food & Nutrition Services-Fresh Fruits & Vegetables To assist States, through cash grants, in providing free fresh fruits and vegetables to elementary schools with high percentages of children who receive free or reduced price meals through the National School Lunch Program.		2,676	3,261	3,395	3,395		1.00
Agriculture 10.589	Direct Certification Performance Award Direct Certification Performance Awards are designed to encourage States to ensure that all eligible children living in households receiving benefits under the Supplemental Nutrition Assistance program (SNAP) are directly certified for free school meals. Each year for three years, USDA may award a total of up to 15 States for exemplary performance in their direct certification efforts with SNAP.		0	89	89	89		
	Agriculture Total		311,151	319,627	319,929	318,911		46.48
Labor 17.266	DEED WIA Incentive To develop increased workforce system strategies to connect services among system providers.		8	0	0	0		
Labor 17.283	DEED WIF SubGrant		51	365	0	0		
	Labor Total		59	365	0	0		
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.		2,803	2,922	3,025	3,132	Match & MOE	7.74
	Institute of Museum & Library Services Total		2,803	2,922	3,025	3,132		7.74

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Education 84.002	Adult Basic Education To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and integrated English literacy-civics education programs. Participation in these programs is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent and who are not enrolled or required to be enrolled in a secondary school under State law. See 20 USC 9202(1).		6,214	6,553	6,753	6,952	Match & MOE	5.42
Education 84.010	Title 1 To help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.		149,968	168,934	171,985	172,985		12.58
Education 84.011	Migrant Education To assist States in ensuring that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet.		2,652	2,714	2,789	2,871		1.23
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.		1,002	938	966	996		0.01
Education 84.027	Special Education—Children with Disabilities To provide grants to States to assist them in providing special education and related services to all children with disabilities.		185,569	196,939	202,939	209,074	MOE	78.38
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.		7,028	7,578	7,805	8,039	Match & MOE	6.91
Education 84.144	Migrant Education - Coordination Program To provide financial incentives to State Educational Agencies (SEAs) to 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.		38	0	0	0		
Education 84.173	Early Childhood – Special Education Preschool Grants Part B To provide grants to States to assist them in providing 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.		7,104	8,117	8,483	8,617	MOE	4.08
Education 84.181	Early Childhood – Special Education-Grants for Infants and Families Part C To provide grants to States to assist them to 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.		7,932	7,816	8,216	8,272	MOE	3.88
Education 84.184	School Climate Transformation (SCT) Grant Program-- State Educational Agency Grants To improve students' safety and well-being during and after the school day.		0	586	570	554		1.50

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Education 84.196	Education for Homeless Children and Youth To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States to: (1) establish or designate an Office of Coordinator for Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies (LEAs) to support the education of those children.		983	1,066	944	944		1.17
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.		128	33	0	0		0.01
Education 84.282	Charter Schools The program supports startup of new charter schools and the replication and expansion of high-quality charter schools. Charter schools increase educational options for parents and students and, in exchange for stricter academic accountability, are exempt from many statutory and regulatory requirements. Funds also support State efforts to improve charter schools' access to facilities.		7,778	14,499	11,778	11,790		2.06
Education 84.287	21st Century Community Learning Centers To provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student academic achievement standards in core academic subjects, such as reading and math; to offer students a broad array of enrichment activities that reinforce and complement their regular academic programs; and to offer literacy and other educational services to the families of participating children.		13,407	13,787	13,642	14,032		3.71
Education 84.323	Special Education – State Personnel Development To assist State educational agencies in reforming and improving their systems for personnel preparation and professional development in early intervention, educational and transition services, to improve results for children with disabilities. As used in this program, personnel means special education teachers, regular education teachers, principals, administrators, related services personnel, paraprofessionals, and early intervention personnel serving infants, toddlers, preschoolers, or children with disabilities, except where a particular category of personnel, such as related services personnel, is identified.		1,305	1,111	1,182	1,215		1.26
Education 84.326	Deaf & Blind - Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance (TA), supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research.		253	204	204	204		

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
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.		316	353	358	358		0.11
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.		9,257	9,861	10,418	10,440	MOE	2.48
Education 84.365	Asian American and Pacific Islander Data Disaggregation Initiative Part D 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.		394	489	500	503	MOE	0.94
Education 84.366	Math & Science Partnerships To improve the academic achievement of students in mathematics and science.		1,219	297	0	0		0.11
Education 84.367	Title II Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) To provide grants to State Educational Agencies (SEAs), and, through the SEAs, to Local Educational Agencies (LEAs) in order to increase student academic achievement consistent with challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders. (Under the antecedent program, State agencies for higher education also were eligible grantees. State agencies for higher education are no longer eligible grantees.) NOTE: The program was reauthorized by P.L. 114-95. The provisions listed here reflect changes made to the program and are applicable for awards made with FY 2017 and subsequent year funds.		28,092	28,602	29,485	30,363		9.43
Education 84.368	Competitive Grants for State Assessments (DIAMOND), Part A Starting with federal fiscal year 2017, the purpose is to support efforts to: (1) improve the quality, validity, and reliability of State academic assessments; (2) measure student academic achievement through the use of multiple measures from multiple sources; (3) develop or improve models to measure and assess student progress or growth; (4) develop or improve assessments for English learners, including assessments of English language proficiency or assessments of academic content in languages other than English; (5) develop or improve assessments for children with disabilities, including alternate assessments aligned to alternate academic achievement standards; and (6) develop and use comprehensive assessment instruments, such as performance- and technology-based assessments, computer adaptive assessments, or extended performance task assessments that improve assessment ability to measure critical thinking, writing and problem solving skills.		1,155	463	0	0		0.01

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Education 84.369	<p>State Assessments</p> <p>The purpose of this program is: to pay the costs of developing the standards and high-quality assessments required by Title I of the ESEA. Once a State has put in place those standards and assessments, it may use program funds to pay for the administration of the assessments and for other activities related to ensuring that the State's schools and LEAs are held accountable for results and helping students attain challenging academic standards linked to college- and career-readiness. Such activities may include, among other things, developing standards and assessments in subjects other than those required by Title I, refining State assessments to ensure continued alignment with standards, expanding the range of testing accommodations for students with disabilities and for English Learner students, developing multiple measures to ensure the validity and reliability of State assessments, and using academic assessment instruments such as performance and technology-based assessments or computer adaptive assessments to better reflect the kind of complex work students do in an effective classroom and the real world.</p>		5,666	7,686	7,800	7,734		11.82
Education 84.371	<p>Striving Readers Comprehensive Literacy (SRCL) Program</p> <p>The objective of the Striving Readers/Comprehensive Literacy Development program is to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through grade 12, including English learner and students with disabilities.</p>		83	10,152	10,204	1,010		2.22
Education 84.372	<p>Statewide Longitudinal Data Systems</p> <p>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.</p>		2,123	3,201	1,000	0		3.19
Education 84.377	<p>School Improvement Grants</p> <p>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.</p>		15,205	5,497	5,401	0		1.36
Education 84.412	<p>Race to the Top Early Learning</p> <p>To improve the quality of early childhood programs and to close the achievement gap for high-need children.</p>		1	0	0	0		
Education 84.419	<p>Preschool Development Grant-Pay for Success Feasibility Pilot</p> <p>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.</p>		250	124	0	0		0.06
Education 84.424	<p>Student Support and Academic Enrichment (SSAE) Grants</p> <p>To improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.</p>		2,024	6,656	12,615	12,634		0.73

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Education 84.938	Temporary Emergency Impact Aid for Displaced Students To assist in meeting the educational needs of individuals affected by a 2017 Presidentially declared major disaster or emergency related to the consequences of Hurricanes Harvey, Irma, and Maria and the 2017 California wildfires.		0	979	8	0		0.08
	Education Total		457,146	505,235	516,045	509,587		154.74
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.		342	27	0	0		0.47
Health & Human Services 93.434	Preschool Development Grant Birth Through Five In summary, the PDG B-5 grants will support States in their efforts to analyze the current landscape of their ECE mixed delivery system and implement changes to the system that maximize the availability of high-quality early childhood care and education options for low-income and disadvantaged families across providers and partners, improve the quality of care, streamline administrative infrastructure, and improve State-level early childhood care and education funding efficiencies.		0	3,314	3,314	0	Match	
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.		132	127	132	138	Match	0.69
Health & Human Services 93.981	CDC Improving Student Health & Academic Achievement thru Nutrition, Physical Activity & Mgmt of Chronic Conditions in Schools This program supports evidence-based strategies and activities to reduce the risk of children and adolescents developing chronic disease in the future, manage chronic conditions prevalent in student populations (asthma, diabetes, epilepsy, food allergies, oral health) and improve academic success. Long-term outcomes include: (1) increasing the number of students who consume nutritious food and beverages, (2) increasing the number of students who participate in daily physical activity, and (3) reducing chronic health issues among students and improving health outcomes in schools.		0	365	376	387		0.86
	Health & Human Services Total		474	3,833	3,822	525		2.02
	MDE Total Federal Funds		771,633	831,982	842,821	832,155		210.98

MDE Federal Funds Summary Narrative

Federal Funds make up 8% of Minnesota Department of Education's (MDE) budget and are projected to be \$833 and \$843 million for State fiscal years 2019 and 2020 respectively. Title and Special Education funding are showing slight increases that are 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 Special Education, English Language Acquisition, and Food and Nutrition Services. 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. Adult Basic Education (ABE) and Carl Perkins also require a state match for the state to receive federal funds.