

STATE OF MINNESOTA

3 copies

870150

PROPOSED BIENNIAL BUDGET

1987-89

FOR

EDUCATION AIDS AND THE
DEPARTMENT OF EDUCATION



PRESENTED BY GOVERNOR RUDY PERPICH
TO THE SEVENTY-FIFTH LEGISLATURE

LEGISLATIVE REFERENCE LIBRARY
645 State Office Building
Saint Paul, Minnesota 55155

-INDEX-

	<u>SECTION</u>
Education, Department of	1
Education Aids	2

1987-89 BIENNIAL BUDGET
PROGRAM STRUCTURE

AGENCY: EDUCATION, DEPARTMENT OF

SECTION PAGE
1

PROGRAMS

ACTIVITIES

EDUCATIONAL SERVICES	BOARD OF TEACHING/PROFESSIONAL LICENSING	14
	INSTRUCTION	18
	UNIQUE POPULATIONS	22
	COMMUNITY/ADULT EDUCATION	25
	LIBRARY DEVELOPMENT	29
	CHILD NUTRITION	32
	RESEARCH & DEVELOPMENT	34
EDUCATIONAL ADMINISTRATION & FINANCE	DISTRICT FINANCE & MANAGEMENT SUPPORT	39
	EDUCATION POLICY & ADMINISTRATION	42
FARIBAULT RESIDENTIAL ACADEMIES	FARIBAULT RESIDENTIAL ACADEMIES	45

DEPARTMENT OF EDUCATION

ORGANIZATION CHART
AT 9-30-86

POSITION RECONCILIATION

AUTHORITY:	CURRENT F.Y. 87	REQUESTED FOR 6-30-89
LEGISLATIVE COMPLEMENT		
GENERAL FUND	438.00	427.30
SPECIAL REVENUE	10.50	9.50
FEDERAL	164.10	150.35
PUBLIC HEALTH FUND	1.00	1.00
LAC AUTHORIZED FEDERAL	1.50	
TOTAL PERMANENT POSITIONS	615.10	588.15
OTHER COMPLEMENT FTE	58.30	
TOTAL AUTHORIZED POSITIONS	673.40	
EMPLOYEES ON 6/30/86	601.00	

POSITION SUMMARY

Current Positions	615.2
Unfunded Positions	(53.3)
New Positions Requested	26.3
Total	588.2

BOARD OF TEACHING

Current Positions 2.0

OFFICE OF THE COMMISSIONER

Current Positions	6.0
Unfunded Positions	(2.0)
Total	4.0

STATE BOARD OF EDUCATION

Current Positions 1.0

GOVERNMENTAL RELATIONS

Current Positions 3.0

ACADEMIC EXCELLENCE

Current Positions	1.0
New Positions Requested	1.0
Total	2.0

DEPUTY COMMISSIONER

Current Positions	4.5
Unfunded Positions	(2.0)
Total	2.5

RESIDENTIAL ACADEMIES

Current Positions	202.5
Unfunded Positions	(13.0)
New Positions Requested	10.0
Total	199.5

ADMINISTRATIVE SERVICES

Current Positions	36.7
Unfunded Positions	(3.0)
New Positions Requested	2.0
Total	35.7

EMPLOYEE RELATIONS

Current Positions	7.0
Unfunded Positions	(2.0)
New Positions Requested	2.0
Total	7.0

MONITORING & COMPLIANCE

Current Positions	8.5
New Positions Requested	2.0
Total	10.5

DEVELOPMENT AND PARTNERSHIP
EFFECTIVENESS

Current Positions	80.1
Unfunded Positions	(10.3)
New Positions Requested	5.3
Total	75.1

INSTRUCTIONAL EFFECTIVENESS

Current Positions	129.0
Unfunded Positions	(14.0)
Total	115.0

MANAGEMENT EFFECTIVENESS

Current Positions	133.9
Unfunded Positions	(7.0)
New Positions Requested	4.0
Total	130.9

AGENCY PURPOSE: The purpose of the Minnesota Department of Education (MDE) is to provide leadership, service, and regulation to maintain and improve an equitable, accessible, and quality system of public education for all learners. To accomplish this purpose, the Department provides leadership by working with policymakers in initiating, designing and developing policies which lead to quality education and by seeking the resources necessary to meet the needs of all learners; gives service by providing information and technical assistance to improve the productivity and performance of students and staff, by providing opportunities for the development of potential of all learners, and by providing assistance in the management of education programs and services at the state, regional and local levels; regulates education by maintaining, interpreting and by enforcing state and federal laws and State Board of Education (SBE) rules; and increases the efficiency and effectiveness of MDE through staff development and increased office automation.

The MDE directs its activities and resources toward meeting the following goals for public education in Minnesota: public education shall be accountable for verifiable student achievement; shall provide systematized opportunities to participate in experiences which lead to personal, social, cultural and career development, and civic responsibility; shall make lifelong learning opportunities available to learners of all ages; shall allocate its resources so that effective delivery systems guarantee equity in and access to quality education; shall be responsive to the changing needs of learners in an increasingly complex society; and shall communicate its mission, achievements and impact on Minnesota's future.

In the 1988-89 biennium, specific efforts and resources will be focused on 5 SBE/MDE priority areas: assuring child, youth, family and community support; assuring professional leadership in public education; assuring increased student learning opportunities; assuring equalized funding for schools; and assuring State Board of Education/Minnesota Department of Education effectiveness. These priorities are used as a framework for the 1988-89 biennial agency budget request and for the biennial aids budget request. The current MDE level of effort and resources have been reviewed, and selected activities that pertain are grouped under these priority areas. Subsequent to the 1986-87 reduction of 33 positions and \$1,800.0, current resources have been reallocated wherever possible. The agency change level requests have been developed to focus the increases to support these areas, and to permit a significant increase in activities to be targeted at accomplishing gains in 1988-89 in these priority areas.

OPERATION AND CLIENTELE: The MDE is organized into 3 divisions. The Division of Instructional Effectiveness provides leadership and assistance to school districts in educational programs and services for elementary and secondary learners as well as implements laws and rules that apply to local instructional programs and curriculum services. This division also assures the availability of appropriate educational programs for unique learner needs for handicapped, educationally disadvantaged, migrant and limited English proficient students. School accreditation, integration of technology, and educational effectiveness are also managed in this division.

OPERATION AND CLIENTELE: (Contd.)

The Division of Development and Partnership Effectiveness provides leadership and assistance to school districts and other agencies that serve learners of all ages as they develop new approaches to learning and provide support services which maximize the opportunity for learning. Activities within this division assure availability of appropriate educational programs for Indian students, licensed private vocational education, and approved postsecondary/adult education for eligible veterans. Services are provided to assure that educational opportunities are provided in an equitable manner to all learners and that local school boards have access to their share of federal block grant funds for programs of their choice, to resources for secondary vocational education, and to state venture fund grants. This division also manages learner support systems which provide service to districts in emerging students needs beyond the regular education program including dealing with Acquired Immune Deficiency Syndrome (AIDS), child care standards, and the "at risk" child.

The Division of Management Effectiveness provides technical assistance and leadership to local school districts and public libraries in the development of noninstructional services necessary to support their effective management. This Division provides educational decision makers with useful educational statistics and assures optimal financial management and the proper preparation and assignment of qualified professional staff in Minnesota public schools. In addition, the Division assists in providing financial resources to school districts, pupil transportation, adequate school facilities and child nutrition, effective organizational structures and useful library services for all Minnesotans. This division also manages the Elementary, Secondary, Vocational (ESV) Computer Council and education data systems.

The Policy and Administration program includes activities necessary to lead, assist, and manage MDE staff to direct and support their state-wide responsibilities for public education in Minnesota and includes the following functions: the State Board of Education; Office of the Commissioner; Deputy and Assistant Commissioners; Office of Governmental Relations; Employee Relations; Administrative Services; the Monitoring Office; and the Residential Academies in Faribault.

The Department of Education serves Minnesota citizens through 435 school districts, approximately 39 secondary vocational cooperative centers, 23 special education cooperative centers, 9 educational cooperative service units, 7 elementary and secondary vocational computer regions and numerous organizations at all levels of government.

The Department's service and leadership activities are focused on a much broader population than the public schools' student enrollment of about 697,130. The Department licenses and regulates 90 private vocational schools, 310 agencies providing post-secondary education for veterans. The Department serves 90,100 nonpublic students through various programs. Leadership, information, and technical assistance are provided for libraries in cities, counties, and regions. The Department also operates the Library for the Blind and Physically Handicapped. Adults receive services through community education and adult basic education programs.

AGENCY: EDUCATION, DEPARTMENT OF
(Continuation)

1987-89 Biennial Budget

INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
SAME Level Request	\$55,481.5	\$55,481.5	
Agency-Wide CHANGE Requests			
State Board of Education/ Minnesota Department of Education Effectiveness	1,006.0	150.0	6
Computer System	2,622.0	217.1	7
Subtotal	<u>3,628.0</u>	<u>367.1</u>	
Educational Services			
Child, Youth, Family and Community Support	453.4	225.3	12
Student Learning Opportunities	2,992.0	-0-	13
Professional Leadership in Education	82.0	-0-	17
Council on Youth	-0-	130.0	21
Subtotal	<u>3,527.4</u>	<u>355.3</u>	
Faribault Residential Academies			
Child, Family and Community Support; District-Based Effectiveness Programs and Program Refinement and Enhancement	<u>948.6</u>	<u>-0-</u>	48
AGENCY TOTAL	<u>\$63,585.5</u>	<u>\$56,203.9</u>	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
EDUCATIONAL SERVICES	13,196.8	13,549.3	13,884.3	13,902.7	2,301.2	16,203.9	14,175.2	13,919.7	2,232.4	16,152.1	14,102.5
EDUC ADMIN & FINANCE	7,152.2	7,239.6	7,319.5	7,318.3	1,625.1	8,943.4	7,451.3	7,327.0	996.7	8,323.7	7,461.1
FARIBAULT RESIDENT ACAD	6,215.9	6,322.4	6,315.0	6,515.9	504.3	7,020.2	6,515.9	6,497.9	444.3	6,942.2	6,497.9
TOTAL	26,564.9	27,111.3	27,518.8	27,736.9	4,430.6	32,167.5	28,142.4	27,744.6	3,673.4	31,418.0	28,061.5
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	24,515.8	25,097.2	25,457.3	25,675.4	3,298.6	28,974.0	26,080.9	25,683.1	2,344.4	28,027.5	26,000.0
LOCAL ASSISTANCE	443.2	494.1	479.7	479.7	702.0	1,181.7	479.7	479.7	699.0	1,178.7	479.7
AIDS TO INDS.	1,605.9	1,520.0	1,581.8	1,581.8	430.0	2,011.8	1,581.8	1,581.8	630.0	2,211.8	1,581.8
TOTAL EXPENDITURES	26,564.9	27,111.3	27,518.8	27,736.9	4,430.6	32,167.5	28,142.4	27,744.6	3,673.4	31,418.0	28,061.5
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	18,832.0	18,889.7	19,057.7	19,771.7	4,430.6	24,202.3	20,177.2	19,779.6	3,673.4	23,453.0	20,096.5
PUBLIC HEALTH		37.4	60.0	60.0		60.0	60.0	60.0		60.0	60.0
TRUNK HIGHWAY	15.0	20.2	20.7	20.7		20.7	20.7	20.7		20.7	20.7
DEDICATED APPROPRIATIONS:											
GENERAL	451.2	472.7	444.4	127.0		127.0	127.0	126.8		126.8	126.8
SPECIAL REVENUE	387.6	378.8	462.4	462.4		462.4	462.4	462.4		462.4	462.4
AGENCY	735.1	822.2	827.3	804.0		804.0	804.0	804.0		804.0	804.0
GIFTS AND DEPOSITS	31.6	38.3	47.7	28.0		28.0	28.0	28.0		28.0	28.0
ENDOWMENT	6.4	2.5	3.5	3.5		3.5	3.5	3.5		3.5	3.5
FEDERAL	6,106.0	6,449.5	6,595.1	6,459.6		6,459.6	6,459.6	6,459.6		6,459.6	6,459.6
TOTAL FINANCING	26,564.9	27,111.3	27,518.8	27,736.9	4,430.6	32,167.5	28,142.4	27,744.6	3,673.4	31,418.0	28,061.5
POSITIONS BY FUND:											
GENERAL	459.7	448.0	438.0	405.0	23.0	428.0	412.0	405.0	22.3	427.3	410.3
PUBLIC HEALTH		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
SPECIAL REVENUE	10.5	9.5	9.5	8.5		8.5	8.5	8.5		8.5	8.5
MAX EFFORT SCH LOAN	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	167.1	166.2	165.7	151.4		151.4	154.4	150.4		150.4	153.4
TOTAL POSITIONS	638.3	625.7	615.2	566.9	23.0	589.9	576.9	565.9	22.3	588.2	574.2

CHANGE REQUEST

1987-89 Biennial Budget

☒ Agency ☐ Program ☐ Activity
BOARD OF TEACHING/PROFESSIONAL LICENSING, LIBRARY DEVELOPMENT, EDUCATION
ACTIVITY: POLICY AND ADMINISTRATION, DISTRICT FINANCE AND MANAGEMENT SUPPORT
PROGRAM: EDUCATIONAL SERVICES, EDUCATIONAL ADMINISTRATION AND FINANCE
AGENCY: EDUCATION, DEPARTMENT OF

Request Title: State Board of Education/Minnesota Department of Education Effectiveness				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$517.2	3.0	\$488.8	3.0
Governor's Recommendation				
General Fund	\$75.0	2.0	\$75.0	2.0
Federal Fund	-0-	1.0	-0-	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: A change level increase of \$517.2 in F.Y. 1988 and \$488.8 in F.Y. 1989 and 3 positions are requested to provide adequate internal operating support for the Minnesota Department of Education (MDE), expanded staff development for MDE staff, and funding to provide for the cost of increased State Board activity so that Board members can be more fully informed and proactive in their policy development function. The 3 positions requested are to transfer 3 positions from Federal to State complement to be consistent with state funding replacing federal support. This increase also provides for adequate funds to maintain office space and internal administrative support to MDE staff in the face of the reductions and restrictions on the amount that can be paid under Education General Administration Regulations (EDGAR) by the federal government to the State.

Additionally, this request includes an increase in the areas of data processing, personnel licensing and financial and administrative management services to replace funds that followed Vocational Education when its governance structure was separated from the MDE.

DESCRIPTION/BACKGROUND: This change request addresses objectives related to increasing the effectiveness of the State Board of Education (SBE) and the Minnesota Department of Education. With the increasing demand for educational reform and improvement, which has resulted since 1982 in the enactment or expansion of over 20 new program areas or services to be administered from the state level, there is a growing awareness that policy makers and state level leaders need increased information and opportunities for interaction.

DESCRIPTION/BACKGROUND: (Contd.)

This request provides for the state assuming increased responsibility for certain operating costs incurred by federal programs administered by the state. This is the result of a general shift of responsibility from the federal to the state level and federal rule changes that have ensued.

In addition, this change level reflects termination on June 30, 1987, of the joint services agreement between the MDE and the newly created Vocational Education Board. This will result in a reduction of revenue to MDE as Vocational Education secures support services from other sources.

RATIONALE: As the total education system restructures and assimilates effective responses to change, it is critical that the SBE and MDE leadership be supported in their effort to gain information and to expand expertise so that the viability of the state policy and executive levels continues. It is essential in our governance structure that SBE/MDE play an effective role and participate with local schools, the Legislature, and other partners in the continuing process to improve the level of excellence in public education. Increased capability of all participants strengthens the quality of the whole change process in which our state and local level educators are now engaged.

GOVERNOR'S RECOMMENDATION: The Governor recommends funding in the amount of \$150.0 for the biennium to partially offset the impact on the department of changes made by the federal government in the indirect cost recovery policies. The Governor recommends a state complement of 2 and an increase in federal complement of 1.

CHANGE REQUEST

1987-89 Biennial Budget

☒ Agency ☐ Program ☐ Activity

LIBRARY DEVELOPMENT, DISTRICT FINANCE AND MANAGEMENT SUPPORT, EDUCATION

ACTIVITY: POLICY AND ADMINISTRATION

PROGRAM: EDUCATIONAL SERVICES, EDUCATIONAL ADMINISTRATION AND FINANCE

AGENCY: EDUCATION, DEPARTMENT OF

Request Title: Computer System

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$1,693.8	3.0	\$928.2	3.0
Governor's Recommendation				
General Fund	\$108.0	-0-	\$109.1	-0-

Request requires statutory change: ☐ Yes ☒ No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: Three positions and \$1,693.8 for F.Y. 1988 and \$928.2 for F.Y. 1989 are requested to expand the computer system capacity of the Minnesota Department of Education (MDE) to be commensurate with current needs of the clientele. Included is an increase in the mainframe system space leased by Education Data Systems. This is needed to maintain the level of service required to pay school aids, calculate levies and certify licensure. Also included is increased computer system capacity for the Minnesota Department of Education statewide library program to support MDE services at the level of automation used by the field that MDE serves. The conversion of the MDE library card catalog to the Project for Automated Library Systems (PALS) online database is included. This request reflects MDE as fiscal host for this conversion activity which includes a total of 14 state agencies' library facilities. This increase also supports the office automation of MDE in a continuing effort to improve its capacity to respond to information needs, participate in the computerized information systems of other state agencies and clientele agencies, and prevent duplication of effort on individual microcomputers by interconnecting Department microcomputers, word processors, and mainframe computers.

DESCRIPTION/BACKGROUND: The MDE currently operates 40 computerized systems that annually pay \$1.764 billion in school aids, calculate \$1.108 billion in levies, certify licensure of 50,000 assigned teachers, and support state and federal reporting that manage Minnesota's educational enterprise. This change request includes expansion of leased computer services that will maintain the current level of services and allow for some development of more detailed, interrelated staff, student, and financial data to provide both fiscal and program data for increased accountability.

DESCRIPTION/BACKGROUND: (Contd.)

Because of the special needs of blind and physically handicapped persons, current manual library procedures are extremely labor intensive. A computerized system will effectively handle many operations, including registration files of library users, request lists from users, check-out and check-in of materials borrowed, and production of mailing labels for sending items to users. This increase includes equipment, software, temporary staff to create this database, and annual operating costs are for system maintenance. Also included are the costs of the basic equipment needs, shelving for the ongoing influx of materials supplied by the Library of Congress and cassette duplication equipment.

Currently, each state government/agency library has a separate card catalog of their materials. In response to a 1986 legislative mandate to examine alternatives, it has been determined that state government libraries should use the PALS online library catalog. Joining the PALS system would create 1 catalog for all state government libraries, that can be searched from terminals in state offices and agency field offices. Costs are for installation of PALS, equipment, creation of the database, operation of the catalog, and temporary staff to implement the project and to enter catalog information into the PALS database for MDE and the 14 other state agency libraries.

At this time, the Department relies on a Burroughs mainframe computer for its data processing support, a variety of microcomputers for analysis and word processing functions and the centralized word processing section for volume word processing. There is presently no means of sharing information electronically among these devices. While the demand for current, accurate, and comparable information has increased, staffing levels have decreased in the current biennium. This causes greater reliance on technological support to maintain productivity. This change request includes a local area network (LAN) as a means of connecting individual computers to maximize access to databases and minimize duplication of software, databases and effort.

RATIONALE: This change level increase will support MDE in its effort to serve clientele with a level of computerization equivalent to that in use by the client groups and other agencies and support the balancing of loss of staff with increased technological capacity so that the level of productivity can be maintained and increased.

Use of the Minnesota Library for the Blind and Physically Handicapped (MLBPH) has increased 27% since 1980, with no increase in staff. Service to users has slowed and there are backlogs of materials waiting to be discharged and shelved. An automated system will result in faster service to the library's 9,100 readers and in greater staff productivity and permit service to an increasing number of users.

Use of PALS will support efficient operation of state government libraries. It will facilitate interlibrary and cooperative loan among state government libraries, and between these libraries and the libraries in state universities and community colleges. Included in this request are the initiation costs to install use of the system for the following libraries: Attorney General's Office, Energy and Economic Development,

CHANGE REQUEST

1987-89 Biennial Budget

☒ Agency ☐ Program ☐ Activity

(Continuation) LIBRARY DEVELOPMENT, DISTRICT FINANCE AND

ACTIVITY: MANAGEMENT SUPPORT, EDUCATION POLICY AND ADMINISTRATION

PROGRAM: EDUCATIONAL SERVICES, EDUCATIONAL ADMINISTRATION AND FINANCE

AGENCY: EDUCATION, DEPARTMENT OF

RATIONALE: (Contd.)

Health, Human Resources, Interagency Resource and Information Center, Jobs and Training, Legislative Reference Library, Library Development and Services, Natural Resources, Pollution Control, Revenue, State Law Library, Transportation, and Zoological Garden.

GOVERNOR'S RECOMMENDATION: The Governor recommends the funding requested by the department for the lease of its mainframe computer system. Since the department's request was received, competitive bids have made the recommended amount of \$217.1 sufficient to meet the department's objectives.

Fiscal Summary for Federal Block Grant
and Other Federal Funds
Dollars in Thousands (137,522 = 137.5)

		Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Agency: <u>Education</u>	<u>Grant Use</u>					
Federal Grant Title: <u>Education Consolidation</u>	I. <u>Financial Assistance</u>					
<u>& Improvement Act of 1981, Chapter 2</u>	<u>to Individuals or</u>					
State Legal Authority: <u>M. S. 4.07</u>	<u>Political Subdivisions</u>					
	Special Projects	130.1	169.9	153.0	150.0	150.0
	Subtotal	130.1	169.9	153.0	150.0	150.0
Anticipated Receipt Dates	II. <u>State Agency Operations</u>					
July 1 Each Year	Instruction	212.0	292.3	412.4	315.4	315.4
	Unique Populations	124.2	212.8	177.3	168.3	168.3
Grant Objectives	Community/Adult Education	12.9	34.4	34.5	34.5	34.5
To administer the Block Grant program and strengthen the leadership capabilities of the Department of Education.	Research and Development	233.4	225.5	240.9	265.4	265.4
	District Finance and Management Support	140.4	140.4	220.7	225.9	225.9
	Education Policy and Administration	388.1	431.1	438.3	408.3	408.3
Federally (& State) Permitted Uses & Use Restrictions	Indirect Costs	208.6	188.3	221.0	204.2	204.2
Support any activity which strengthens the leadership capability of the Department of Education.	Subtotal	1,319.6	1,524.8	1,745.1	1,622.0	1,622.0
	Total \$ This Grant	1,449.7	1,694.7	1,898.1	1,772.0	1,772.0
	Required State Match					
	Required Local Match					
Allocation Recommended by Agency	Agency Complement (FTE)					
The Block Grant allocation for Minnesota is \$8,002.1 in F.Y. 1987. Of that amount, not less than 80% (\$6,401.6 - refer to the separate state aids budget for detail) must flow through to school districts on a formula basis. Up to 20% (\$1,600.4) may be retained by the Department of Education for use in program administration and improving leader- ship of the Department. Federal regulations permit unspent balances to be carried over for expenditure in following years. Future expen- diture levels will reflect carry-over and anticipate constant federal funding during the biennium.	funded by this Grant	30.4	39.2	40.1	35.2	35.2

The Department with consultation from the Block Grant Advisory Committee typically allots \$150.0 of the administration money to fund competitive school district projects and allocates the balance (approximately 18%) to support Department functions. Recommended Block Grant allotments follow.

PROGRAM: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: This program provides leadership, technical assistance and general support services to the Minnesota educational community to promote the development and implementation of special programs and modification in both general and vocational education and to assure that learners with unique needs are provided appropriate opportunities to excel. Leadership is provided to assure for each Minnesota resident equal access to learning experiences that meet standards for instructional content, design and effectiveness and learner support systems. This program also maintains oversight of the education profession for the citizens of Minnesota. It provides the leadership and assistance necessary to afford learning and growth opportunities beyond the scope of regular school programming. It also provides the leadership to encourage the strengthening of library and information services for all Minnesotans, it provides planning and direction to vocational student organizations and it provides the leadership and assistance necessary to improve both program participation and the quality of school food service.

OPERATIONS: This program provides services and assistance to the Minnesota educational community which are designed to both improve the educational system and assure equal access and opportunity to participate to all learners. Many of the services and activities of this program are specifically designed to help the Minnesota educational community better meet the needs of populations that often have unique needs in educational activities. This population includes American Indians, families with limited English proficiency, migrant families, social-economically disadvantaged families, handicapped people, racial/ethnic minorities and women.

School age children, preschool children and adults are provided an opportunity to participate in activities that will help them more effectively utilize existing services and resources to become more self-reliant, improve the quality of their lives or better their community. While there is emphasis on programs and activities that are relevant to the entire educational community, there is special emphasis on programs and activities to improve the rural school district. This includes assisting staff in local school districts to plan, develop, implement and evaluate learner experiences and the system of learner support that assists all learners and the development of cooperative programs for sharing resources among and between other school districts as well as other agencies and the business community.

EXPLANATION OF BUDGET REQUEST: Four CHANGE items are requested for this program. Three positions and \$276.8 in F.Y. 1988 and 1.3 positions and \$176.6 for F.Y. 1989 is requested for Child, Youth, Family and Community Support. Four positions and \$1,397.5 in F.Y. 1988 and \$1,594.5 in F.Y. 1989 is requested to expand and maintain Learning Opportunities. The following 2 change items for this program are addressed at the agency level. Two positions and \$434.6 for F.Y. 1988 and \$269.0 for F.Y. 1987 is requested for computerized library systems. One position and \$151.3 each year of the biennium is requested for State Board of Education/Minnesota Department of Education Effectiveness.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$455.3 for the biennium to support the department's program of AIDS education, continued administrative support due to the changes being made by the federal government in indirect cost recovery policy, and also for the transfer of the Council on Youth from the Department of Human Services to the Department of Education.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS SAME	CHANGE	TOTAL	GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS SAME	CHANGE	TOTAL	GOV. RECOMMEND F.Y. 1989
EXPENDITURES BY ACTIVITY:											
BRD TEACHING-PERS LICENS	809.4	849.5	905.8	846.4	118.1	964.5	846.4	848.5	118.1	966.6	848.5
INSTRUCTION	4,360.7	4,647.4	4,503.4	4,594.0	301.3	4,895.3	4,816.5	4,599.2	211.6	4,810.8	4,732.0
UNIQUE POPULATIONS	4,898.8	4,879.6	5,039.8	5,038.2	1,282.0	6,320.2	5,038.2	5,046.5	1,479.0	6,525.5	5,046.5
COMMUNITY-ADULT EDUC	637.4	722.1	724.9	732.4	10.5	742.9	732.4	732.6		732.6	732.6
LIBRARY DEVELOPMENT	929.6	991.4	1,070.7	1,032.4	508.8	1,541.2	1,082.4	1,033.1	343.2	1,376.3	1,083.1
CHILD NUTRITION	1,065.4	1,072.7	1,239.1	1,283.5		1,283.5	1,283.5	1,282.9		1,282.9	1,282.9
RESEARCH & DEVELOPMENT	495.5	386.6	400.6	375.8	80.5	456.3	375.8	376.9	80.5	457.4	376.9
TOTAL	13,196.8	13,549.3	13,884.3	13,902.7	2,301.2	16,203.9	14,175.2	13,919.7	2,232.4	16,152.1	14,102.5
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	11,147.7	11,535.2	11,822.8	11,841.2	1,169.2	13,010.4	12,113.7	11,858.2	903.4	12,761.6	12,041.0
LOCAL ASSISTANCE	443.2	494.1	479.7	479.7	702.0	1,181.7	479.7	479.7	699.0	1,178.7	479.7
AIDS TO INDS.	1,605.9	1,520.0	1,581.8	1,581.8	430.0	2,011.8	1,581.8	1,581.8	630.0	2,211.8	1,581.8
TOTAL EXPENDITURES	13,196.8	13,549.3	13,884.3	13,902.7	2,301.2	16,203.9	14,175.2	13,919.7	2,232.4	16,152.1	14,102.5
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	8,521.0	8,443.7	8,351.3	8,635.5	2,301.2	10,936.7	8,908.0	8,652.7	2,232.4	10,885.1	8,835.5
PUBLIC HEALTH		37.4	60.0	60.0		60.0	60.0	60.0		60.0	60.0
TRUNK HIGHWAY	15.0	20.2	20.7	20.7		20.7	20.7	20.7		20.7	20.7
DEDICATED APPROPRIATIONS:											
GENERAL	112.1	184.3	197.9	116.0		116.0	116.0	115.8		115.8	115.8
SPECIAL REVENUE	387.6	378.8	462.4	462.4		462.4	462.4	462.4		462.4	462.4
AGENCY		30.7	23.3								
GIFTS AND DEPOSITS	28.6	23.3	39.7	20.0		20.0	20.0	20.0		20.0	20.0
FEDERAL	4,132.5	4,430.9	4,729.0	4,588.1		4,588.1	4,588.1	4,588.1		4,588.1	4,588.1
TOTAL FINANCING	13,196.8	13,549.3	13,884.3	13,902.7	2,301.2	16,203.9	14,175.2	13,919.7	2,232.4	16,152.1	14,102.5
POSITIONS BY FUND:											
GENERAL	162.5	160.5	160.5	145.0	11.0	156.0	151.0	145.0	9.3	154.3	149.3
PUBLIC HEALTH		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
SPECIAL REVENUE	10.5	9.5	9.5	8.5		8.5	8.5	8.5		8.5	8.5
FEDERAL	109.9	112.1	111.6	104.8		104.8	106.8	104.8		104.8	106.8
TOTAL POSITIONS	282.9	283.1	282.6	259.3	11.0	270.3	267.3	259.3	9.3	268.6	265.6

CHANGE REQUEST

☐ Agency ☒ Program ☐ Activity

1987-89 Biennial Budget

ACTIVITY: INSTRUCTION, COMMUNITY/ADULT EDUCATION
PROGRAM: EDUCATIONAL SERVICES
AGENCY: EDUCATION, DEPARTMENT OF

Request Title: Child, Youth, Family and Community Support				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$276.8	3.0	\$176.6	1.3
Governor's Recommendation				
General Fund	\$157.5	3.0	\$67.8	1.3
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected:				

DESCRIPTION/BACKGROUND: (Contd.)

To draw on existing expertise and resources, various MDE activities and programs with services that are directed to similar needs, populations, or curriculum areas have been selected as the base for expanded services through this change level request. This request will assure adequate capacity in the Department of Education to support the schools in their effort to serve these arising student needs.

RATIONALE: To provide a school-community environment that supports optimal learning for its school children, there must be the capacity to meet various emerging needs that interfere with the learning process. State leadership and coordination as well as school community partnerships are necessary to provide a comprehensive and coordinated response to such needs. Such a network at the state and local level permits effective communication of information and use of shared resources.

Students, teachers, administrators, and local school boards will receive information, training, assistance and guidance for program standards and policymaking through this increase that will support the MDE priority to strengthen child, youth, family and community support and the State Board of Education goal to increase awareness of the growing problems of educating the "at risk" child.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$225.3 to assist the department in meeting its objectives in the area of AIDS education.

STATEMENT OF REQUEST/OBJECTIVE: An increase of \$276.8 and 3 positions in F.Y. 1988 and \$176.6 and 1.3 positions in F.Y. 1989 are requested to support expansion in the Minnesota Department of Education (MDE) services to young children and to students needing support services beyond the basic K-12 education offerings of the public schools. These additional resources will support MDE's leadership and service to school districts in the development of K-3 programs statewide, in assuring appropriate standards in public school daycare, and in providing appropriate and comprehensive information to school children about health and wellness and Acquired Immune Deficiency Syndrome (AIDS).

DESCRIPTION/BACKGROUND: In recent years, the public schools have expanded various aspects of service in recognition of needs in the learner population and the fact that these unmet needs have a negative effect on optimal learning and the learning environment. The sudden advent of AIDS cases in school-age children and among school employees forced an immediate response to prevent serious disruption in school settings. Now services from MDE are needed to provide information and instructional resources so that schools can develop policies and programs to routinely deal with the issues and activities that the presence of AIDS provokes. In addition, the range of health problems facing today's society including the school-age population leads to the need for comprehensive and preventative health education curriculum in the schools statewide and appropriate leadership from MDE in this effort. Recent trends show a prevailing and renewed interest in the quality of education in the early elementary grades. In addition, child care services have been established across our state in public schools as extended day programs.

CHANGE REQUEST

☐ Agency ☒ Program ☐ Activity

1987-89 Biennial Budget

ACTIVITY: INSTRUCTION, UNIQUE POPULATIONS, AND RESEARCH AND DEVELOPMENT

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION, DEPARTMENT OF

DESCRIPTION/BACKGROUND: (Contd.)

This MDE priority to increase learning opportunities for all students includes increasing the leadership capacity of MDE to assist rural school districts to develop a full array of offerings and services for learners in rural settings. Since its inception in 1984, the Academic Excellence program has defined and developed services to implement the intent of its enabling legislation. Also included in this request is an increase in staff for this program so that services that recognize and support examples of excellence in education are effectively delivered.

RATIONALE: Consistent with the goal of providing equal offerings to all Minnesota Learners, it is critical to expand services in response to currently defined needs for increased opportunities for under-served clientele groups in the population as they are recognized. The students, teachers, and communities will benefit directly from increased services and the overall system of public education will be strengthened. Once again Minnesota has the opportunity to lead in the nation by developing more comprehensive education services for Indian students and by addressing the critical issues of rural schools in a state where sparsity is a key factor in many school districts. An appropriate level of recognition and support of examples of excellence in education will communicate value for achieving excellence and promote sharing of excellent programs statewide.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude funding at this time. The Governor does recommend continuation of 2 federal complements for Indian Education.

Request Title: Student Learning Opportunities

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$1,397.5	4.0	\$1,594.5	4.0
Governor's Recommendation				
General Fund	-0-	-0-	-0-	-0-
Federal Fund	-0-	2.0	-0-	2.0

Request requires statutory change: ☐ Yes ☒ No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: A change level increase of \$1,397.5 in F.Y. 1988 and \$1,594.5 in F.Y. 1989 and 4 positions are requested to increase the Minnesota Department of Education's (MDE's) capacity to respond to the recognized needs of various groups of learners in the state so that learning opportunities for these students are expanded and the appropriate learning opportunities that are available to all of Minnesota learners are increased. Also included is increased staff support for the Academic Excellence program. This request includes the transfer of 2 positions from federal to state complement to ensure continued services in Indian Education.

DESCRIPTION/BACKGROUND: Programs serving elementary, secondary and postsecondary Indian students in Minnesota will be expanded to meet the level of need as defined and documented in the current biennium. In F.Y. 1986, 1,568 American Indian students received assistance from the Indian Scholarship program; 467 eligible applicants who had been admitted to postsecondary schools were denied scholarship assistance because funds were exhausted. The State Board's 1988-89 goals include adopting a comprehensive plan for significant improvement of the public education of American Indian students. This increase also provides program funds to extend the counseling, remedial and tutorial services of the Indian postsecondary preparation program from serving 25% of eligible 7-12 grade students to serving all those eligible. This program's purpose is to reduce secondary school dropouts.

ACTIVITY: BOARD OF TEACHING/PROFESSIONAL LICENSING
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION:

Board of Teaching

The Minnesota Board of Teaching provides leadership and regulation of the education profession. The Board works to establish and maintain standards and rules for the preparation and performance of public school teachers. Through monitoring continuing education and professional service, the Board assures that the teachers in every school maintain high standards of performance and educational conduct.

Today approximately 48,000 licensed teachers are serving in Minnesota public and private schools in over 45 academic and special areas. Others are being prepared in 26 approved teacher preparation institutions in this state.

The Board of Teaching has established a broad base for the formulation and implementation of licensure rules. Proposals for rule creation, revision, or supplementation, truly reflect the needs of society and the profession. This continued refinement of standards in education and professional practice is reflected in the classrooms across the state.

The Board maintains a long-standing system for continued professional growth for teachers which assures that persons recommended for relicensure have indeed met the requirements and are judged to be properly prepared to continue to teach in this state. Through established policies and rules governing the approval of teacher education preparation programs, the Board assures quality preservice teacher education for all candidates for teaching licensure in Minnesota.

The Code of Ethics for Minnesota Teachers which is established by rule of the Board of Teaching, exists to assure that teachers in the public schools maintain high standards of ethical conduct.

The Board of Teaching continues to provide leadership in teacher education improvement issues such as research and development for teacher preparation programs and the assessment of teaching skills.

The Board of Teaching establishes and maintains standards of initial licensure and continuing occupational ability for education personnel in Minnesota schools by:
1) assuring sound and relevant programs of preservice teacher preparation, 2) promoting needed in-service and continuing education, 3) establishing and revising standards of teacher preparation and licensure in approximately 45 academic and special areas, 4) monitoring licensure program implementation in 26 teacher preparation institutions approved by the Board, 5) maintaining oversight of 587 continuing education/relicensure committees, 6) suspending or revoking for cause any license issued by the Board,

ACTIVITY GENERATES NON-DEDICATED REVENUE <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
Board of Teaching	\$ 785.3	\$ 837.0	\$ 849.6	\$ 792.0	\$ 810.0
Professional Licensing	\$ 124.1	\$ 133.4	\$ 131.9	\$ 125.5	\$ 127.5

ACTIVITY DESCRIPTION: (Contd.)

7) receiving complaints relative to the grounds set forth in M.S. 125.09 and the Code of Ethics, 8) conducting investigations and processes complaints related to licensed personnel, 9) processing appeals resulting from denial of licensure, 10) scheduling contested case hearings.

Personnel Licensing and Placement

To assure the proper preparation and assignment of qualified professional staff in Minnesota public schools licenses are issued to approximately 22,000 qualified teachers and administrators per year under authority of the Board of Education and Board of Teaching.

Professional assignment information is collected annually regarding approximately 47,000 licensed teachers and administrators, including secondary vocational and support personnel. Renewal notices and assignment violation information are provided annually to 435 school districts. This information is used by districts to properly assign staff to positions for which licensure is held.

The State Education Placement Bureau produces bi-weekly vacancy lists and establishes credentials for 1,500 licensed and qualified registrants annually. School districts are assisted in hiring qualified personnel, and educators are assisted in securing positions for which they are licensed. The vast majority of Minnesota school districts use this service in securing licensed staff for vacancies involving regular and unique teaching combinations.

Continuing education/relicensure systems are maintained for secondary vocational and nonvocational teachers, supervisors, and administrators according to rules of the Board of Teaching and the Board of Education. Service is provided to 587 local continuing education/relicensure committees to assist local committees in assuring that licensed personnel have met requirements for continued professional growth.

A system is maintained for institutional approval and teacher and administrative preparation program approval to ensure that rules of the Board of Education and Board of Teaching are met. Two to 3 colleges and universities are reviewed annually for accreditation and licensure programs offered by 5 to 6 institutions are audited. These systems assure that quality programs of teacher preparation are maintained.

Assistance is provided to the Board of Teaching and Board of Education by reviewing and providing recommendations on proposed rules and revisions of existing rules. Consultative services and technical assistance are provided to the Boards regarding teacher education, licensure and relicensure matters.

ACTIVITY: BOARD OF TEACHING/PROFESSIONAL LICENSING 1987-89 Biennial Budget
(Continuation)
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

CHANGE REQUEST: F.Y. 1988 F.Y. 1989 Type
Replacement of funds lost as a result of \$77.1 \$77.1 Agency-wide
termination of services agreement with
State Board of Vocational Technical
Education. See CHANGE request sheet
following the Agency fiscal summary
sheet.
Funds to support teacher education \$41.0 \$41.0 Activity Specific
position. See CHANGE request sheet
following the fiscal sheet for this
activity.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Board of Teaching				
Number of licensure fields reviewed and studied	6	4	4	4
Number of colleges and universities accredited (10-year cycle)	2	4	3	3
Number of licensure programs approved (5-year cycle)	65	70	70	95
Number of meetings, workshops, conferences sponsored/attended related to continuing education	6	6	18	6
Number of licensure investigations and appeals	40	40	40	40
Personnel Licensing and Placement				
Licenses issued	22,835	23,000	23,000	23,000
Assignment Information Collected	46,500	46,500	46,500	46,500
Placement Bureau Registrants	1,500	1,500	1,550	1,600
Placement Bureau Lists Distributed	26	26	26	26
Local Committees Served	587	587	587	587
Administrative Continuing Education Clock Hour Programs	350	350	375	400
School Districts Served (assignments, placement, etc.)	435	434	432	430
Vocational Committee Reviews	69	95	65	65
Colleges and Universities Reviewed (10 Year cycle)	2	4	3	3
Licensure Programs Audited (5-Year cycle)	65	70	70	95

RECENT BUDGET HISTORY:

The Board of Teaching generates nondedicated revenue from teacher licensure fees set by the Board. This revenue together with Board of Education nondedicated revenue from licensure fees, supports the operations of the Board of Teaching. It also supports the activities of the School Personnel Licensing Section of the Department of Education which issues, as required by statute, all licenses granted under the authority of the Board of Teaching. The budget requests of the Board of Teaching and the Personnel Licensing Section of the Department of Education are directly related to the costs incurred in the licensing process. The Board is requesting the same level of funding for F.Y. 1988 and F.Y. 1989. The Personnel Licensing section is requesting a change level for a teacher education position.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BRD TEACHING-PERS LICENS

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	809.4	849.5	905.8	846.4	118.1	964.5	846.4	848.5	118.1	966.6	848.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	809.4	849.5	905.8	846.4	118.1	964.5	846.4	848.5	118.1	966.6	848.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	594.5	630.7	683.6	691.7	41.0	732.7	691.7	689.4	41.0	730.4	689.4
EXPENSES & CONTRAC. SERV	194.5	212.8	211.7	144.2	77.1	221.3	144.2	148.6	77.1	225.7	148.6
SUPPLIES & MATERIALS	2.7	6.0	5.5	5.5		5.5	5.5	5.5		5.5	5.5
EQUIPMENT	17.7		5.0	5.0		5.0	5.0	5.0		5.0	5.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	809.4	849.5	905.8	846.4	118.1	964.5	846.4	848.5	118.1	966.6	848.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	732.3	742.4	798.7	816.4	118.1	934.5	816.4	818.5	118.1	936.6	818.5
DEDICATED APPROPRIATIONS:											
GENERAL	77.1	107.1	107.1	30.0		30.0	30.0	30.0		30.0	30.0
TOTAL FINANCING	809.4	849.5	905.8	846.4	118.1	964.5	846.4	848.5	118.1	966.6	848.5
POSITIONS BY FUND											
GENERAL	20.0	20.0	20.0	20.0	1.0	21.0	20.0	20.0	1.0	21.0	20.0
TOTAL POSITIONS	20.0	20.0	20.0	20.0	1.0	21.0	20.0	20.0	1.0	21.0	20.0

CHANGE REQUEST

☐ Agency ☐ Program ☒ Activity

1987-89 Biennial Budget

ACTIVITY: BOARD OF TEACHING/PROFESSIONAL LICENSING
PROGRAM: EDUCATIONAL SERVICES
AGENCY: EDUCATION, DEPARTMENT OF

Request Title: Professional Leadership in Education				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$41.0	1.0	\$41.0	1.0
Governor's Recommendation				
General Fund	-0-	-0-	-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE: This staff expertise and capacity is necessary for the MDE to have significant participation in the effort to improve teaching in the overall priority to improve public education. The Board of Teaching, the State Board of Education, teacher training institutions, teachers and ultimately learners will benefit from a thorough and comprehensive review of the teaching component in the restructuring of public education. All parties must participate fully and all expertise and information be accessed if this aspect of our education system is to be adequately reviewed and revised.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude funding at this time.

STATEMENT OF REQUEST/OBJECTIVE: An increase of \$41.0 for each year of the 1988-89 biennium and 1 position is requested to strengthen the involvement of the Minnesota Department of Education (MDE) in its role in the preparation of teachers by increasing the MDE's capacity to serve the Board of Teaching and the Board of Education. This position will give the MDE the capacity to contribute appropriately to the recent initiatives in teacher education including the development and maintenance of a system for the examination of teachers as required by statute. Based on the revenue generated by personnel licensure fee collection during the 1986-87 biennium, it is projected that this \$41.0 increase will be recaptured for deposit into the general fund.

DESCRIPTION/BACKGROUND: Recent initiatives in restructuring public education and the concern for improvement toward excellence, has generated several proposals and initiatives in teacher education to which MDE must respond and participate as one of the key factors with higher education teacher training institutions and teachers. Among these recent initiatives for revitalizing teacher education are: developing teacher examinations; evaluating teacher education curriculum outcomes, developing State Board of Education competency-based licensure for school administrators, and designing and improving alternative teacher education programs.

ACTIVITY: INSTRUCTION
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: Staff employed in this activity work to: a) assure for each Minnesota resident equal access to learning experiences that meet standards for instructional content, design, and effectiveness and for learner support systems; b) promote, lead, and assist staff in public and nonpublic schools as they plan, develop, implement, and evaluate learning experiences and the system of learner supports that assist all learners; c) provide recognition, programs, honors, and awards to promote academic excellence in Minnesota schools in partnership between the public and private sectors. These efforts are carried out under the organizational system titled, Coordinated Model For Educational Improvement. This is a newly developed system that incorporates the 8 functions that makeup the educational enterprise. A separate model for each function has been developed that addresses existing requirements and suggests research-based practices that allow more thorough coordination of the parts.

Specifically, the sections included are: The Academic Excellence Foundation; Assessment and Program Evaluation Section; Curriculum Services Section; Instructional Design Section; Learner Support Systems Section; Secondary Vocational Education Section. These sections employ general and vocational subject area specialists, support specialists such as counselors and school nurses, and media, technology, and assessment specialists.

GRANTS AND AIDS

The following grant and aid is administered by this Activity.

Student Organization Center

Statutory Reference - Laws 1985, First Special Session, Chapter II, Section 2, Subd. 2 and Chapter 12, Article 6, Section 28, Subd. 20.

The Student Organization Center provides leadership and administration to the following secondary and postsecondary vocational student organizations.

Distributive Education Clubs of America (DECA), Future Farmers of America and Environmental Agribusiness, Resources, Technologies, Horticulture Association of America (FFA/EARTH), Future Homemakers of America (FHA), Home Economics and Related Training (HEART), Health Occupations Students of America (HOSA), Minnesota Office Education Association (MOEA), and Vocational Industrial Clubs of America (VICA).

It is responsible for planning and directing all vocational student organization activities. It serves as liaison between local chapters, state associations, national associations, and the Minnesota Department of Education (MDE). The Center's functions also include the development and dissemination of materials used to operate local chapters; collecting and processing membership dues; maintaining records; training state officers; managing regional and state conferences; and communicating effectively with students, teachers, and administrators at the local, state, and national level.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION: (Contd.)

The Dakota County Area Vocational Technical Institute (AVTI) acts as fiscal agent for the Center.

The Activity Statistics tables below include statistics regarding the grant and aid.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
--	------------------	------------------	------------------	------------------

WORKSHOPS AND TECHNICAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCY (LEA) STAFF

Workshops and seminars provided	1,642	1,395	1,395	1,395
Participants attending workshops and seminars	75,150	65,330	65,330	65,330
Technical assistance provided (phone-letter-visitation)	344,500	246,400	246,400	246,400

STUDENTS IN SPECIFIC PROGRAMS

Percent of 3 1/2-4 year olds in early childhood screening	90	80	70	70
Number/percent 10-12 grade students in standard vocational programs	99,343/57	99,660/57	96,079/57	90,322/57
Vocational programs for the handicapped, single parents, and incarcerated youth	2,075	3,550	3,925	3,950
Students tested in statewide assessment	40,000	40,000	40,000	40,000

STUDENT ORGANIZATION CENTERS

Students participating	49,200	48,833	47,078	44,257
State Appropriation (MDE)	\$190.6	\$198.3	\$198.3	\$198.3
Vocational Education Federal Funds	69.0	78.0	80.0	82.0
Total	\$259.6	\$276.3	\$278.3	\$280.0

LEAs/SCHOOLS INVOLVED IN SPECIFIC PROGRAMS

Districts/Educational Cooperative Services Units (ECSUs) receiving teachers from other countries	7	13	17	17
Districts with teachers in other countries	2	6	9	12
Districts with Comprehensive Arts Planning Programs (CAPP)	7	14	14	21

ACTIVITY: INSTRUCTION
 (Continuation)
 Program: EDUCATIONAL SERVICES
 Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
LEAs/SCHOOLS INVOLVED IN SPECIFIC PROGRAMS (Contd.)				
Districts with tobacco use and prevention program	356	412	435	435
Private schools and Area Vocational Technical Institutes (AVTIs) with tobacco use and prevention programs	132	150	160	170
Quarterly average number of districts with students in Postsecondary Enrollment Option program	243	255	265	275
Districts with Drug Education Program	426	426	426	426
ORIGINAL RESOURCE DOCUMENTS DISTRIBUTED				
Acquired Immune Deficiency Syndrome (AIDS) counseling, school health services, learners at risk, whole child initiative, etc.	35	35	35	35
Coordinated Model for Educational Improvement	10	10	10	10
Instructional materials: electronic data bases, software evaluations, thinking skills, gifted and talented programs, etc.	9	9	9	9
Curriculum materials: kindergarten, program guidelines, specific subject area materials, etc.	32	32	31	30
Commercial materials for which rights to copy were purchased for distribution to Local Educational Agencies (LEAs)	41	47	50	55

EFFECTIVENESS MEASURES:

PERCENT OF DISTRICTS UTILIZING SPECIFIC PROGRAMS/SERVICES

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Secondary Vocational Program	97%	96%	96%	96%
Optional Local Assessment Program	40%	46%	46%	46%
Item Bank testing	3%	35%	46%	57%
Received Planning, Evaluation, and Report (PER) technical assistance	97%	90%	85%	80%
Submitted PER reports	97%	98%	99%	100%

EFFECTIVENESS MEASURES: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
SUBJECT AREA DEVELOPMENT				
Percent of disciplines for which recent research completed	0%	0%	21%	42%
Percent of disciplines for which model outcomes developed	18%	39%	61%	82%
Percent of disciplines for which test item bank operational	0%	14%	25%	36%
PERCENT OF SCHOOLS IN SPECIFIC PROGRAM				
Education Effectiveness training	8%	15%	22%	29%
Participate in Academic Excellence Foundation (AEF) Program	31%	46%	59%	66%
PROGRAM EVALUATION VARIABLES				
Percent of North Central Accreditation (NCA) schools in compliance	86%	89%	89%	89%
Percent of Vocational Programs evaluated	99%	90%	76%	76%
<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>	
Support costs to refine and expand Early Childhood Family Education	\$55.0	\$55.0	Program-wide	
Support costs for Health Education Specialist	\$53.8	\$53.8	Program-wide	
Staff and funds to support AIDS education and training	\$157.5	\$67.8	Program-wide	
Staff and funds to refine and expand Minnesota Academic Excellence Foundation program	\$35.0	\$35.0	Program-wide	
See CHANGE request sheet following the Educational Services Program fiscal page.				

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INSTRUCTION

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,198.8	4,448.4	4,305.1	4,395.7	301.3	4,697.0	4,618.2	4,400.9	211.6	4,612.5	4,533.7
LOCAL ASSISTANCE	161.9	199.0	198.3	198.3		198.3	198.3	198.3		198.3	198.3
AIDS TO INDS.											
TOTAL EXPENDITURES	4,360.7	4,647.4	4,503.4	4,594.0	301.3	4,895.3	4,816.5	4,599.2	211.6	4,810.8	4,732.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	3,158.6	3,468.1	3,331.1	3,360.3	225.0	3,585.3	3,534.3	3,350.9	167.0	3,517.9	3,466.9
EXPENSES & CONTRAC. SERV	853.8	846.0	840.7	905.4	72.5	977.9	953.9	920.0	40.8	960.8	936.8
SUPPLIES & MATERIALS	137.3	122.5	106.9	99.9	3.8	103.7	99.9	99.9	3.8	103.7	99.9
EQUIPMENT	49.1	11.8	26.4	30.1		30.1	30.1	30.1		30.1	30.1
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	4,198.8	4,448.4	4,305.1	4,395.7	301.3	4,697.0	4,618.2	4,400.9	211.6	4,612.5	4,533.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,729.1	3,746.6	3,447.8	3,699.2	301.3	4,000.5	3,921.7	3,704.4	211.6	3,916.0	3,837.2
PUBLIC HEALTH		37.4	60.0	60.0		60.0	60.0	60.0		60.0	60.0
TRUNK HIGHWAY	15.0	20.2	20.7	20.7		20.7	20.7	20.7		20.7	20.7
DEDICATED APPROPRIATIONS:											
GENERAL	5.3	25.3	5.3								
SPECIAL REVENUE	156.0	171.5	283.2	283.2		283.2	283.2	283.2		283.2	283.2
AGENCY		30.7	23.3								
GIFTS AND DEPOSITS	28.6	23.3	39.7	20.0		20.0	20.0	20.0		20.0	20.0
FEDERAL	426.7	592.4	623.4	510.9		510.9	510.9	510.9		510.9	510.9
TOTAL FINANCING	4,360.7	4,647.4	4,503.4	4,594.0	301.3	4,895.3	4,816.5	4,599.2	211.6	4,810.8	4,732.0
POSITIONS BY FUND											
GENERAL	81.0	80.5	81.0	70.0	4.0	74.0	75.0	70.0	2.3	72.3	73.3
PUBLIC HEALTH		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
SPECIAL REVENUE	3.5	3.5	4.5	4.5		4.5	4.5	4.5		4.5	4.5
FEDERAL	14.5	16.5	16.5	13.0		13.0	13.0	13.0		13.0	13.0
TOTAL POSITIONS	99.0	101.5	103.0	88.5	4.0	92.5	93.5	88.5	2.3	90.8	91.8

CHANGE REQUEST

1987-89 Biennial Budget

☐ Agency ☐ Program ☒ Activity

ACTIVITY: INSTRUCTION

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION, DEPARTMENT OF

Request Title: Transfer of Governor's Council on Youth

	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$65.0	2.0	\$65.0	2.0

Request requires statutory change: ☐ Yes ☒ No
Statutes Affected:

GOVERNOR'S RECOMMENDATION: The Governor recommends that funding for the Department of Education (MDE) be increased by \$130,000 for the 1987-89 biennium to support the Governor's Council on Youth as an activity in MDE.

STATEMENT OF REQUEST/OBJECTIVE: This change request moves funding currently in the budget of the Department of Human Services (MHS) for the support of the Governor's Council on Youth to the MDE consistent with the transfer of that activity to MDE. A corresponding decrease change level appears in the MHS agency budget.

The requested amount is at the F.Y. 1987 base level. An increase of 1 professional and 1 clerical complement is recommended for staffing needs of the Council.

DESCRIPTION AND BACKGROUND: The Governor's Council on Youth is a 15 member body created in 1983 by Executive Order to improve the coordination, quantity, and quality of services delivered to Minnesota youth. The administration of this Council has been carried out by MHS and funding for this purpose was appropriated to MHS in F.Y. 1986-87. The Council is being transferred to the Minnesota Department of Education to locate the Council in an agency with goals, programs, and services that correspond to and provide a supportive administrative structure for the mission and charges of the Council.

ACTIVITY: UNIQUE POPULATIONS
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: Staff employed in this activity work to promote the development and implementation of special programs and of modifications in general and vocational programs to assure that learners with unique needs are provided appropriate opportunities to excel. Specifically they: a) research and develop program models, b) recommend and enforce standards and c) provide learning experiences and technical assistance for public school staff.

The populations of students include American Indians, children and youth with limited English proficiency, children and youth of migrant families, disadvantaged children and youth, handicapped children and youth, racial and ethnic minorities, and women.

The specific sections that makeup this activity include: Indian Education Section, Equal Education Opportunities Section, and Unique Learner Needs Section.

GRANTS AND AIDS

Two grants and aids are administered by this activity.

Minnesota Indian Scholarship Program

Statutory Reference: M.S. 124.48

This program provides financial assistance on the basis of need to American Indian persons who are accepted in postsecondary education institutions in the State of Minnesota and who otherwise would be unable or unlikely to pursue higher education goals.

American Indian Postsecondary Preparation Program

Statutory Reference: M.S. 124.481

The program provides grants to school districts for American Indian students in grades 7-12 for projects which broadly seek to ultimately enable and facilitate the enrollment and successful attendance of American Indian junior and senior high school students in Minnesota postsecondary education institutions. Project activities can include dropout prevention activities, remedial and tutorial services, incentives for improved attendance and career counseling.

The Activity Statistics and Effectiveness Measures below include details regarding these grants and aids.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of students served	215,337	213,024	215,607	217,465
Local Education Agency (LEA) aid applications processed	1,636	1,634	1,561	1,574
Workshops for training LEA staff	215	225	244	253
Applications processed for approval of aid for teachers improperly licensed for the program	324	340	330	310
Reviews of out-of-state applications for Minnesota Teaching License to assist the licensing section determine eligibility of applicants	250	250	250	250
Number of districts provided sex desegregation technical assistance	250	275	302	332
On-site reviews and consultations on desegregation and civil rights issues	892	981	1,076	1,184

MINNESOTA INDIAN SCHOLARSHIP PROGRAM

Number of students served	1,568	1,568	1,568	1,568
Number of Indian scholarship recipient graduates	267	267	267	267
Total Grants	\$1,520.0*	\$1,581.8*	\$1,581.8	\$1,581.8
Amount of reduction	\$25.0	\$25.0		

*Figure reflects F.Y. 1986 biennial reduction

AMERICAN INDIAN POSTSECONDARY PREPARATION PROGRAM

Number of projects	20	18	18	18
American Indian Students served	1,541	1,225	1,200	1,200
Percent of grades 7-12 Indian students enrolled in school	32%	25%	23%	20%
Program Grant	\$295.1*	\$281.4*	\$281.4	\$281.4
Amount of reduction	\$10.9	\$30.7		

*Reflect F.Y. 1986 biennial budget reduction

ACTIVITY: UNIQUE POPULATIONS (Continuation)		1987-89 Biennial Budget			
Program: EDUCATIONAL SERVICES					
Agency: EDUCATION, DEPARTMENT OF					
<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	
STUDENT DATA					
Percent of eligible students served by category					
Disadvantaged (Chapter I)	55%	54%	52%	49%	
Handicapped	95%	95%	97%	99%	
Migrant	68%	70%	72%	73%	
Migrant-handicapped receiving special education	1%	1.5%	2.5%	3.5%	
Limited English Proficient (LEP)	86%	88%	90%	92%	
American Indians in Language and Culture Program	42%	39%	39%	37%	
American Indians, in grades 7-12, in Postsecondary Preparation program	32%	25%	23%	20%	
American Indians in scholarship program	77%	70%	64%	60%	
Student Academic Achievement					
Percent Chapter I students gaining 7 or more National Curve Equivalences (NCEs):					
In reading	85%	85%	85%	85%	
In math	73%	73%	73%	73%	
Percent of migrants in 6-week summer program who achieved:					
gains of 3 or more months in reading	95%	96%	98%	98%	
gains of 3 or more months in math	93%	93%	95%	95%	
attainment of 5 objectives in oral language	59%	59%	62%	62%	
PROGRAM DATA					
Percent districts participating in special education effectiveness research grants	20%	10%	40%	40%	
Percent of district with alternative Chapter I delivery systems	13%	14%	14%	14%	
Percent of teachers licensed to deliver LEP services	50%	80%	85%	87%	
Percent of districts for which civil rights reports and athletic data reports received a desk audit	100%	100%	100%	100%	

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Increase in funds for Indian Scholarship Program	\$430.0	\$630.0	Program-wide
Increase in funds for Postsecondary Preparation Program	\$702.0	\$699.0	Program-wide
Staff and support costs for Duluth Indian Education office	\$100.0	\$100.0	Program-wide
Staff and support costs for St. Paul Indian Education office	\$50.0	\$50.0	Program-wide
See CHANGE request sheet following the Educational Services Program fiscal page.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: UNIQUE POPULATIONS

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,011.6	3,064.5	3,176.6	3,175.0	150.0	3,325.0	3,175.0	3,183.3	150.0	3,333.3	3,183.3
LOCAL ASSISTANCE	281.3	295.1	281.4	281.4	702.0	983.4	281.4	281.4	699.0	980.4	281.4
AIDS TO INDS.	1,605.9	1,520.0	1,581.8	1,581.8	430.0	2,011.8	1,581.8	1,581.8	630.0	2,211.8	1,581.8
TOTAL EXPENDITURES	4,898.8	4,879.6	5,039.8	5,038.2	1,282.0	6,320.2	5,038.2	5,046.5	1,479.0	6,525.5	5,046.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,228.9	2,322.6	2,593.1	2,581.2	96.4	2,677.6	2,581.2	2,578.9	96.4	2,675.3	2,578.9
EXPENSES & CONTRAC. SERV	720.9	690.3	548.5	561.7	46.5	608.2	561.7	572.3	46.5	618.8	572.3
SUPPLIES & MATERIALS	32.9	44.6	24.7	21.8	4.9	26.7	21.8	21.8	4.9	26.7	21.8
EQUIPMENT	28.9	7.0	10.3	10.3	2.2	12.5	10.3	10.3	2.2	12.5	10.3
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,011.6	3,064.5	3,176.6	3,175.0	150.0	3,325.0	3,175.0	3,183.3	150.0	3,333.3	3,183.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,662.2	2,592.3	2,680.8	2,717.8	1,282.0	3,999.8	2,717.8	2,726.1	1,479.0	4,205.1	2,726.1
DEDICATED APPROPRIATIONS:											
FEDERAL	2,236.6	2,287.3	2,359.0	2,320.4		2,320.4	2,320.4	2,320.4		2,320.4	2,320.4
TOTAL FINANCING	4,898.8	4,879.6	5,039.8	5,038.2	1,282.0	6,320.2	5,038.2	5,046.5	1,479.0	6,525.5	5,046.5
POSITIONS BY FUND											
GENERAL	18.5	19.0	19.0	19.0	3.0	22.0	19.0	19.0	3.0	22.0	19.0
FEDERAL	49.6	54.4	53.0	51.0		51.0	53.0	51.0		51.0	53.0
TOTAL POSITIONS	68.1	73.4	72.0	70.0	3.0	73.0	72.0	70.0	3.0	73.0	72.0

ACTIVITY: COMMUNITY/ADULT EDUCATION
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: There are 8 functions assigned to this activity: Community Education, State funded Adult Education, Federal funded Community Education, Early Childhood Family Education (ECFE), Adult Refugee Education, the incentive to develop Business/Education Partnerships, programs for Handicapped Adults, and the General Educational Development (GED) testing program. Working together these programs provide learning and growth opportunities beyond the scope of regular school programming. School age children, preschool children, and adults are provided an opportunity to participate in activities that will help them more effectively utilize existing services and resources to become more self-reliant, improve the quality of their lives or better their community.

There are 5 distinct adult populations that benefit directly from services provided by this activity.

Functionally, illiterate adults who have educational needs below the level of 12th grade completion are provided an opportunity to master the basic skills they want and need to participate fully and effectively in society. For those adults who did not complete their high school course of study and receive a high school diploma, a testing program is available which enables persons 19 years of age to document their educational attainment.

Parents of children ages 0-4 and expectant parents are provided an opportunity to participate in programming to help them better provide for the educational, physical, mental, and social development of their children.

Adults are provided an opportunity to participate in a wide range of general interest learning experiences on a fee basis. Thousands of children also participate in this type of activity.

Handicapped adults are provided an opportunity to participate in specially designed programs that will enable them to participate more fully in community activities.

Adults who want to enroll in Minnesota licensed private proprietary postsecondary vocational schools are provided upon request information that will enable them to answer questions about the quality and content of courses and the potential for obtaining an entry level position upon completion. Veterans and other eligible persons who wish to attend Minnesota-based educational institutions (public and private, secondary and postsecondary) are assured that institutions approved under the provisions of Title 38, U.S. Code--GI Bill--do provide instructional programs that are adequate in content to enable graduates to obtain entry level skills.

This activity also provides an opportunity to children of all ages to participate in a wide variety of activities in program areas such as child care, preschool activities, sports/recreational, and social development.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 57.4	\$ 59.1	\$ 59.0	\$ 59.0	\$ 59.0

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
----------------------	-----------	-----------	-----------	-----------

Community Education - General Interest Learners

Academic courses:				
Number of districts with courses	263	268	275	280
Number of courses held	4,847	4,875	4,900	4,950
Number of participants	89,905	94,000	94,500	95,000

Family Education Services

ECFE funded:				
Number of districts with programs	253	279	305	331
Number of activities held	9,280	10,050	11,000	11,750
Number of participants	336,598	385,000	420,000	445,000

Non-ECFE funded:				
Number of districts with programs	273	278	285	290
Number of activities held	3,463	3,465	3,475	3,490
Number of participants	79,965	80,100	80,500	81,000

Enrichment/Cultural Program and Activities

Number of districts with programs	371	383	385	387
Number of activities held	18,420	19,210	19,750	20,000
Number of participants	578,987	610,500	625,000	635,000

Adult Basic Education (ABE)

Number of funded ABE projects	54	46	45	45
Number of districts involved in the delivery of ABE	218	225	235	244
Funding for ABE:				
State Aid for local ABE programs	\$1,800.0	\$1,853.0	\$3,415.7	\$4,252.0
Federal Flow-Through Grant Monies	\$1,299.7	\$1,175.5	\$1,185.0	\$1,185.0
Federal Refugee Program Grant Monies	\$666.9	\$494.3	\$490.0	\$400.0

GED Testing Program

Number of GED testing centers maintained	51	52	53	54
Number of persons earning a GED certificate	5,400	5,600	5,800	6,000
Number of GED transcripts issued	2,500	2,700	2,900	3,100

ACTIVITY: COMMUNITY/ADULT EDUCATION
(Continuation)
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
*Number of community education activities not included in any of the 5 groups listed above	24,780	26,530	26,750	27,000
*Number of participants in community education activities not included in any of the groups listed above	918,898	950,000	1,000,000	1,100,000
Number of Private Vocational School licenses issued	90	95	95	95
Number of Private Vocational School individual solicitor permits issued	121	130	130	130
Instructors approved to teach various programs offered in Private Vocational Schools	445	480	480	480
Number of Minnesota students enrolled in Private Vocational schools	25,000	25,000	25,000	25,000
Number of Minnesota schools approved for Veterans Educational Benefits	310	310	310	310
Number of adult handicapped Learner Projects funded	19	26	35	50
Number of school districts participating in Adult Handicapped Learner Programs	45	52	65	80
Number of handicapped adults served	5,812	6,504	7,050	7,600
Number of districts with programs for parents of 0-4 year old children	253	279	305	331

*Activities not included in any of the groups listed above. Include offerings, classes, or activities such as computer courses, typing, accounting, resume writing, effective communicating, how to buy and sell a house, how to write a will, assertiveness training, understanding tax forms, sports and athletics, recreational, health, social concerns, town meetings and/or civic forums, special events, and community services.

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Early Childhood and Family Education (ECFE) State aid paid to participating districts:	\$6,172.6	\$6,859.0	\$8,230.8	\$9,877.0
ECFE local levy fund	\$6,534.3	\$9,028.9	\$10,834.7	\$13,001.6
Number of program activities:				
Parent and child classes	5,200	5,580	6,100	6,620
Special events - parents and children	1,824	2,000	2,250	2,500
Number of local ECFE staff development activities	50	70	85	100
Number of participants in local ECFE staff development activities	1,850	2,300	2,500	2,700
<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent of school districts with Community Education programs	90%	91%	92%	93%
School district community education programs that are balanced among all 5 components	75%	80%	85%	90%
Increase in Community Education program participation over previous year	37,790	46,710	65,000	110,500
Increase in ECFE program participation over previous year	37,000	48,402	35,000	25,000
Increase in Handicapped Adult program participation over previous year	0	692	546	550
Increase in number of adult learners that participated in educational programs for:	6,749	3,680	6,707	7,940
Refugees	747	1,258	1,667	1,857
Grade level 0-8	5,133	3,179	5,700	6,640
Grade level 9-12	1,616	486	1,022	1,300

ACTIVITY: COMMUNITY/ADULT EDUCATION
(Continuation)
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

EFFECTIVENESS MEASURES: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of adults that achieved the following successes as a result of participating in Adult Basic Education (Based on minimum of 12 hours of participation)	29,273	32,600	38,800	46,000
Improving basic academic skills	12,200	15,600	20,000	25,000
Improving basic coping skills	13,500	17,000	21,500	27,200
Improving self-confidence	16,900	21,400	27,100	34,300
Getting off welfare	950	1,300	1,800	2,500
Securing/improving employment	1,700	5,300	7,500	10,600
Learning English	4,400	5,700	7,500	9,600
Becoming citizens	200	260	340	450
Enrolling in Higher Education	1,500	1,900	2,400	3,000
Earning General Educational Development (GED)/High School Diploma	4,600	5,900	7,500	9,400
Registering to vote first time	450	525	650	800
Percent of new Private Vocational school applications approved	80%	80%	80%	80%
Percent of Private Vocational School Renewal License applications approved	100%	100%	100%	100%
Percent of new Veterans Education Program applications approved	85%	85%	85%	85%
Percent of new Veterans Education School applications approved	75%	75%	75%	75%

RECENT BUDGET HISTORY: In 1981, the Community and Adult Education section had a state funded complement of 2 professionals and 1 support staff, and a federally funded education staff of 2 professionals and 1 support staff.

During the past 5 years, the following changes have occurred:

RECENT BUDGET HISTORY: (Contd.)

1. Responsibilities for implementing the Early Childhood and Family Education (ECFE) legislation which provided for an ECFE program in every school district was assigned to the Community and Adult Education section. In 1983 there were 34 projects and 29 school districts involved, however to date, 300 districts have implemented the program and 100 are exploring the possibilities. There is great need to provide inservice staff development to local programs and to provide assistance to districts that are in the process or contemplating starting a new program. The workload increased 4 times, but the staff assigned has remained at 1 professional and no support staff (\$30.0 was appropriated for purchase of services).
2. The Community and Adult Education section is responsible for the statewide community education program, both the state and federally funded adult basic education programs, which include the federally funded adult refugee program, the statewide adult handicapped program, the statewide General Educational Development (GED) Testing program, and promoting partnership activities in school districts and within the Department. During the past 4 years, the responsibilities of this section have increased at least 3 times to a point that it is now only possible to carry out the mandated activities necessary to operate the program. The need for assistance in program development, curriculum selection, and/or development, evaluations, reporting and expansion of cooperation with other agencies is not being met.

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Costs associated with development of rules for standards regarding child care programs. See CHANGE request sheet following Educational Services Program fiscal page.	\$10.5	-0-	Program-wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMMUNITY-ADULT EDUC

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	637.4	722.1	724.9	732.4	10.5	742.9	732.4	732.6		732.6	732.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	637.4	722.1	724.9	732.4	10.5	742.9	732.4	732.6		732.6	732.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	585.3	623.4	623.7	632.0		632.0	632.0	631.1		631.1	631.1
EXPENSES & CONTRAC. SERV	47.6	93.8	95.4	95.9	10.5	106.4	95.9	97.0		97.0	97.0
SUPPLIES & MATERIALS	2.7	4.9	5.8	4.5		4.5	4.5	4.5		4.5	4.5
EQUIPMENT	1.8										
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	637.4	722.1	724.9	732.4	10.5	742.9	732.4	732.6		732.6	732.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	252.9	278.8	304.7	312.2	10.5	322.7	312.2	312.4		312.4	312.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	231.6	207.3	179.2	179.2		179.2	179.2	179.2		179.2	179.2
FEDERAL	152.9	236.0	241.0	241.0		241.0	241.0	241.0		241.0	241.0
TOTAL FINANCING	637.4	722.1	724.9	732.4	10.5	742.9	732.4	732.6		732.6	732.6
POSITIONS BY FUND											
GENERAL	7.0	7.0	7.0	6.0		6.0	6.0	6.0		6.0	6.0
SPECIAL REVENUE	7.0	6.0	5.0	4.0		4.0	4.0	4.0		4.0	4.0
FEDERAL	5.0	5.3	5.3	5.3		5.3	5.3	5.3		5.3	5.3
TOTAL POSITIONS	19.0	18.3	17.3	15.3		15.3	15.3	15.3		15.3	15.3

ACTIVITY: LIBRARY DEVELOPMENT
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION: The Office of Library Development and Services (LDS) encourages the strengthening of library and information services for all Minnesotans. Long range planning, provision of information and technical assistance, and administration of grant programs stimulate improved public library services and development of cooperative programs for sharing resources among all types of libraries. An advisory council assists LDS in review and revision of continuing 5-year Minnesota Long Range Plan for Library Services. Newsletters, lists of library materials and other publications are issued. Workshops for library personnel and trustees are conducted. A library of print and audiovisual materials relating to library development is used by librarians, trustees, public officials and others who are concerned with and responsible for library services. Grants from federal and state funds are awarded for regional public library system services; construction of public library buildings; interlibrary loan of materials from Twin Cities public and academic libraries to library users throughout the state; operation of cooperative programs involving academic, public, school and special libraries; and special projects.

Blind and physically handicapped persons receive books in braille and talking books recorded on disks and cassettes from the Minnesota Library for the Blind and Physically Handicapped (MLBPH). Materials are mailed postage-free to readers at their homes or in institutions such as hospitals, nursing homes and schools. Most materials are provided by the Library of Congress at no cost to the state. The library maintains a duplication program to prepare additional copies of talking books. Talking book machines to use disk and cassette materials are supplied free of charge by the Library of Congress and distributed by the Communications Center, State Services for the Blind. The MLBPH seeks to provide its readers the services that other citizens have available to them in public libraries, including answering reference information questions, compiling bibliographies and assisting readers in their selection of books. Students and staff of the Minnesota Academy for the Blind also are served.

State agency staff are served by the Interagency Resource and Information Center (IRIC). The IRIC coordinates efficient, cost-effective utilization of information resources among the participating agencies: Minnesota Department of Education (MDE), Board for Vocational Technical Education, State Planning Agency, Higher Education Coordinating Board, State University Board, Division of Vocational Rehabilitation, and Community College Board. Specifically, the IRIC provides, 1) computerized and manual reference, referral, and retrieval services for policy, program, curriculum, planning, statistical, and human resource information for the purpose of improving management decision making and effectiveness of the staff of the MDE and other participating agencies, 2) cost-effective shared use of personnel, fiscal resources, facilities, materials, equipment and contracts for vendor services among participating government agencies and their offices located throughout the state, 3) access, usage and promotion of national electronic information delivery systems for the purpose of providing current information to management and the design, development, usage and promotion of statewide databases and electronic mail/bulletin boards for increased dissemination of

ACTIVITY DESCRIPTION: (Contd.)

information to MDE clientele, 4) access to census data as a member of the State Census Data system, 5) coordination of information resources, 6) planning for provision of services to additional clientele as authorized in statute. Census publications are provided free of charge by the U.S. Bureau of the Census to 25 libraries, development commissions and planning agencies, with training and consultant assistance provided by the cooperating state agencies. The program also benefits libraries that are depositories for Federal publications.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Items loaned by Minnesota public libraries (calendar year)	31,261,898	32,100,000	33,000,000	33,900,000
Number of public library inter-library loan requests processed through Public Library Access Network (PLANET) and Minnesota Interlibrary Telecommunications Exchange (MINITEX)	60,720	62,000	63,000	64,000
Items loaned by MLBPH	274,321	282,000	290,000	298,000
Number of readers beginning MLBPH service	1,756	1,800	1,800	1,800
Estimated number of requests to IRIC for information received from agencies served, networks and other clientele	3,500	4,000	4,500	5,000
Total number of items processed by IRIC (cataloged, filed and circulated)	16,000	16,000	17,000	18,000
Number of computerized information retrieval searches provided by IRIC to management and staff	726	900	1,000	1,100
Number of interlibrary loans provided to IRIC users	1,500	1,700	1,900	2,100

ACTIVITY: LIBRARY DEVELOPMENT
(Continuation)
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of blind and physically handicapped readers served	8,601	9,100	9,600	10,100
Number of Minnesotans served by public libraries in state development activity	3,896,290	3,906,396	3,916,396	3,926,396
Percent of state population served	95.6%	95.8%	96.1%	96.3%
Number of Minnesotans with no public library service	105,646	105,481	95,481	85,481
Counties participating in regional public library systems	75	75	76	77
Number of libraries participating in multi-type cooperation programs	643	665	675	700

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Includes costs to refine and expand Library programs and services as follows:			
Computerized System for MLBPH	\$183.2	\$17.6	Agency-wide
Equipment costs	\$34.0	\$34.0	Agency-wide
On-line computer based library catalogue	\$217.4	\$217.4	Agency-wide
Replace funding lost in the Indirect Cost Account	\$74.2	\$74.2	Agency-wide

See CHANGE request sheets following the Agency fiscal summary sheet.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LIBRARY DEVELOPMENT

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	929.6	991.4	1,070.7	1,032.4	508.8	1,541.2	1,082.4	1,033.1	343.2	1,376.3	1,083.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	929.6	991.4	1,070.7	1,032.4	508.8	1,541.2	1,082.4	1,033.1	343.2	1,376.3	1,083.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	707.0	752.1	824.1	802.7	112.5	915.2	850.3	800.1	102.5	902.6	847.7
EXPENSES & CONTRAC. SERV	113.4	126.6	129.6	137.7	185.2	322.9	139.3	141.0	176.7	317.7	142.6
SUPPLIES & MATERIALS	96.6	97.6	96.2	71.2	75.0	146.2	72.0	71.2	30.0	101.2	72.0
EQUIPMENT	12.6	15.1	20.8	20.8	136.1	156.9	20.8	20.8	34.0	54.8	20.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	929.6	991.4	1,070.7	1,032.4	508.8	1,541.2	1,082.4	1,033.1	343.2	1,376.3	1,083.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	770.7	800.5	846.9	882.3	508.8	1,391.1	932.3	883.2	343.2	1,226.4	933.2
DEDICATED APPROPRIATIONS:											
GENERAL	29.7	51.9	85.5	86.0		86.0	86.0	85.8		85.8	85.8
FEDERAL	129.2	139.0	138.3	64.1		64.1	64.1	64.1		64.1	64.1
TOTAL FINANCING	929.6	991.4	1,070.7	1,032.4	508.8	1,541.2	1,082.4	1,033.1	343.2	1,376.3	1,083.1
POSITIONS BY FUND											
GENERAL	24.0	24.0	24.0	24.0	3.0	27.0	25.0	24.0	3.0	27.0	25.0
FEDERAL	1.5	1.5	1.5	.5		.5	.5	.5		.5	.5
TOTAL POSITIONS	25.5	25.5	25.5	24.5	3.0	27.5	25.5	24.5	3.0	27.5	25.5

ACTIVITY: CHILD NUTRITION
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: The Child Nutrition activity administers 8 federal child nutrition programs for the purpose of improving and maintaining the health and well-being of the state's children. The goal is to also encourage the domestic consumption of nutritious agriculture commodities and other food by more than 540,000 children and adults in 9,400 public and private schools, summer camps, child care agencies and family day care homes, charitable institutions, and recreational sites. More than \$60,000.0 in federal and/or state aid reimbursement and \$19,000.0 worth of U.S. Department of Agriculture (USDA) commodities are distributed annually by this activity to program participants in the National School Lunch, School Breakfast, Special Milk, Summer Camp, Food Distribution, Summer Food Service, Charitable Institution, and Child Care Food Programs. This activity and participants of each program must comply with the federal regulations/instructions for each program in which they participate.

The Child Nutrition activity interprets the various federal program regulations/instructions and develops, disseminates, and implements program policy and compliance requirements to program clientele. This activity ensures program compliance, improves program participation and the quality of food served and distributes USDA commodities and program reimbursements.

This activity conducts management, nutrition education, and skill show workshops for program administrators, food service workers, and nutrition personnel as appropriate in order to improve the quality of the food service, program accountability, and the health and well-being of students.

Management and food service consultants, make on-site visits to improve the overall effectiveness and increase participation in the Child Nutrition Programs. Equitably distributes USDA commodities to 2,600 program sites in compliance with federal regulations. This activity conducts an Audit Program of National School Lunch, Child Care, and Summer Food Service Program participants in accordance with Office of Management and Budget Circulars to determine compliance with appropriate program regulations.

The section administers the payment of state and federal funds to program participants for meals served that directly impact the health and well-being of students. The section strives to improve the quality of food served in Child Nutrition Programs by providing school food service curriculum to Area Vocational Technical Institutes.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of attendees per year at Child Care, Finance, Nutrition workshops	1,364	1,400	1,400	1,400

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS: (Contd.)

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Consultant visits per year for lunch and child care food program	1,139	1,120	1,100	1,100
Commodity value per lunch in cents	11.75¢	11.25¢	11.25¢	11.25¢
Number of audits performed/reviewed each year for program compliance	475	475	475	475
Federal and state funds distributed to program participants	\$60,000.0	\$61,000.0	\$63,000.0	\$65,000.0
EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Participation in school lunch program	62.2%	63.0%	63.0%	63.0%

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILD NUTRITION

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,065.4	1,072.7	1,239.1	1,283.5		1,283.5	1,283.5	1,282.9		1,282.9	1,282.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,065.4	1,072.7	1,239.1	1,283.5		1,283.5	1,283.5	1,282.9		1,282.9	1,282.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	732.8	843.6	933.4	1,029.7		1,029.7	1,029.7	1,029.1		1,029.1	1,029.1
EXPENSES & CONTRAC. SERV	313.9	218.9	294.2	244.3		244.3	244.3	244.3		244.3	244.3
SUPPLIES & MATERIALS	5.6	7.8	9.5	9.5		9.5	9.5	9.5		9.5	9.5
EQUIPMENT	13.1	2.4	2.0								
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,065.4	1,072.7	1,239.1	1,283.5		1,283.5	1,283.5	1,282.9		1,282.9	1,282.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	179.7	197.0	202.4	204.7		204.7	204.7	204.1		204.1	204.1
DEDICATED APPROPRIATIONS:											
FEDERAL	885.7	875.7	1,036.7	1,078.8		1,078.8	1,078.8	1,078.8		1,078.8	1,078.8
TOTAL FINANCING	1,065.4	1,072.7	1,239.1	1,283.5		1,283.5	1,283.5	1,282.9		1,282.9	1,282.9
POSITIONS BY FUND											
GENERAL	6.0	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
FEDERAL	24.0	24.5	25.5	26.0		26.0	26.0	26.0		26.0	26.0
TOTAL POSITIONS	30.0	30.5	31.5	32.0		32.0	32.0	32.0		32.0	32.0

ACTIVITY: RESEARCH AND DEVELOPMENT
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: Minnesota Department of Education sections that constitute the research and development program activity administer innovative and cost-effective pilot grant projects and programs to develop materials and processes which will improve educational planning, curriculum, evaluation, staff development, and direct provision of services. Section activities are unique in that research and development may be directed toward any student or staff population or toward any program area in the local school where a need has been identified. An emphasis has been placed upon staff development since change is best effected by a knowledgeable staff. However, a number of funded projects have been directed toward in-depth study of an identified problem area, toward development of a procedure for resolution of an identified need, or toward development of materials which will directly respond to a curriculum need.

Both state and federal funds are reserved for the research and development function of this activity. A state venture fund, administered by the Council on Quality Education (CQE) in F.Y. 1986 and by the Department of Education in F.Y. 1987, provides support for locally initiated proposals submitted by school district staff to be funded and piloted. Federal funds from 2 different sources contribute to the goals of this activity by providing both formula flow-through funds for every school district and competitive dollars secured through a grant application procedure. Federal funds are also made available to improve the leadership and service capabilities of a number of program activities within the Department of Education. To implement these research and development activities, 3 distinct units comprise this activity: Council on Quality Education, federal Chapter 2/Block Grant (both formula flow-through and competitive application), and federal Title II, Education for Economic Security Act (EESA) (both formula flow-through and competitive application).

Within the last 2 years, sections in this program activity have given emphasis to improvement of educational opportunity in more rural school districts located outside the metropolitan geographic area. Staff from the Education Development Section serve as department liaison with a state committee which promotes education in rural school districts. This staff also provides leadership to rural school districts in expanding cooperative service efforts, in providing service to crisis oriented programs for children at risk, in promoting additional staff development efforts, and in extending services of other staff from various state agencies.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of applications reviewed				
CQE/Venture Fund				
Cost-Effective/Innovative	42	16	50	50
Improved Learning	44	9	10	10
Mini-Replications	44	50	50	50

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of applications reviewed (contd.)				
Block Grant				
Formula Flow-Through	435	435	435	435
Special Projects (competitive)	49	50	50	50
Title II				
Formula Flow-Through	352	325	325	325
Demonstration Projects (competitive)	36	30	30	30
Number of workshops conducted				
CQE/Venture Fund	9	6	9	9
Block Grant	11	11	11	11
Title II	9	9	9	9
Number of evaluation reports				
CQE/Venture Fund	50	29	30	30
Block Grant	439	448	450	450
Title II	0	388	355	355
Project Monitoring				
CQE/Venture Fund	40	24	30	30
Block Grant	84	73	73	73
Title II	47	50	50	50
Number of Advisory Committee Meetings				
CQE/Venture Fund	6	0	0	0
Block Grant	8	9	7	7

EFFECTIVENESS MEASURES: Effectiveness of research and development activities are measured by services provided to local education agencies (LEAs) and the number of participants in programs.

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of districts impacted by services	435	435	435	435
Percent of review plan/applications approved				
CQE/Venture Fund	87%	100%	75%	60%
Block Grant	90%	90%	90%	90%
Title II	82%	95%	95%	95%

ACTIVITY: RESEARCH AND DEVELOPMENT
(Continuation)
Program: EDUCATIONAL SERVICES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

EFFECTIVENESS MEASURES: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of operating innovative and cost-effective projects/programs				
Council on Quality Education (CQE)/ Venture Fund	40	25	40	40
Block Grant	13	12	12	12
Title II	16	8	8	8
Number of participants in professional development services				
Block Grant	40,000	35,000	30,000	30,000
Title II	14,672	9,320	12,320	12,320
Number of students served	660,500	608,000	508,000	508,000

RECENT BUDGET HISTORY: The venture fund received a major reduction in State support during the 1985-87 biennium. However, through the Education Aids budget, the Department of Education is requesting continuation of this venture fund during the next biennium for the purpose of supporting evaluation, dissemination, replication and the development of research and policy recommendations. The Department will identify major educational issues and work cooperatively with school districts, higher education institutions and business in a partnership effort aimed at problem resolution. The Department will disseminate results of this and other pilot programs so that school districts throughout the State may have an opportunity to replicate or adopt programs.

As a new assignment, CQE and the Education Development Section have collaborated to provide leadership and liaison services for improvement of education in rural school districts. Such a role was initiated in the 1985-87 biennium with funding accruing from federal sources. However, the rural education thrust was exploratory in nature and minimal in scope due to the limited amount of funding and staff time available. To more effectively provide for service to rural school districts, additional funding is needed.

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Covers staff and support costs for rural education programs. See CHANGE request sheet following the Educational Services Program fiscal page.	\$80.5	\$80.5	Program-wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: RESEARCH & DEVELOPMENT

PROGRAM: EDUCATIONAL SERVICES

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	495.5	386.6	400.6	375.8	80.5	456.3	375.8	376.9	80.5	457.4	376.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	495.5	386.6	400.6	375.8	80.5	456.3	375.8	376.9	80.5	457.4	376.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	428.5	333.8	345.5	343.7		343.7	343.7	343.7		343.7	343.7
EXPENSES & CONTRAC. SERV	64.2	50.2	51.3	30.6	80.5	111.1	30.6	31.7	80.5	112.2	31.7
SUPPLIES & MATERIALS	1.1	1.3	3.3	1.5		1.5	1.5	1.5		1.5	1.5
EQUIPMENT	1.7	1.3	.5								
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	495.5	386.6	400.6	375.8	80.5	456.3	375.8	376.9	80.5	457.4	376.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	194.1	86.1	70.0	2.9	80.5	83.4	2.9	4.0	80.5	84.5	4.0
DEDICATED APPROPRIATIONS:											
FEDERAL	301.4	300.5	330.6	372.9		372.9	372.9	372.9		372.9	372.9
TOTAL FINANCING	495.5	386.6	400.6	375.8	80.5	456.3	375.8	376.9	80.5	457.4	376.9
POSITIONS BY FUND											
GENERAL	6.0	4.0	3.5								
FEDERAL	15.3	9.9	9.8	9.0		9.0	9.0	9.0		9.0	9.0
TOTAL POSITIONS	21.3	13.9	13.3	9.0		9.0	9.0	9.0		9.0	9.0

PROGRAM PURPOSE: This program provides leadership, technical assistance, and general support services in financial management, operational management, compliance, policy development and governmental relations to the Minnesota Department of Education (MDE) staff and to public school districts and education and governmental agencies.

Within the MDE, this program provides for general supervision over public schools; education policy development; monitoring public schools for compliance; maintaining communications with clientele, decision makers and the public; and administering financial, office support, and personnel services for the Department.

This program serves public schools, state and federal agencies, and the Legislature by gathering and coordinating a comprehensive array of information; providing data processing services for payment of state aids and issuing teaching licenses; gathering and maintaining education data; and communicating federal and state reports.

Assistance is also provided to school districts in the development of organizational alternatives; in school district financial management and in facilities planning and control.

OPERATION: This program includes the following operations:

1. The development of policy recommendations, proposed legislation, and coordination of governmental relations.
2. General supervision of public schools and leadership, service and monitoring to public schools in the implementation of state and federal laws and rules.
3. Administration of financial, office support, and personnel transactions, and data processing services to MDE.
4. Compilation, interpretation, and dissemination of education statistic and data, and publication of public information on education.
5. Payment of State Aids to school districts, provision of consultation in fiscal management, school organizational alternatives, and school facilities.

EXPLANATION OF BUDGET REQUEST: Two CHANGE items, addressed at the agency level, are requested for this program. One position and \$1,259.2 for F.Y. 1988 and \$659.2 for F.Y. 1989 is requested for computer systems. Two positions and \$365.9 for F.Y. 1988 and \$337.5 for F.Y. 1989 is requested for State Board of Education/Minnesota Department of Education Effectiveness.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$267.1 for the biennium to allow the department to continue to lease mainframe computer services and to provide for continued administrative support due to the changes being made by the federal government in indirect cost recovery policy.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: EDUC ADMIN & FINANCE

AGENCY: EDUCATION,DEPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
DIST FINANCE-MGMT SUPP	2,423.9	2,334.5	2,496.2	2,390.8	706.2	3,097.0	2,498.8	2,392.4	706.2	3,098.6	2,501.5
EDUC POLICY & ADMIN	4,728.3	4,905.1	4,823.3	4,927.5	918.9	5,846.4	4,952.5	4,934.6	290.5	5,225.1	4,959.6
TOTAL	7,152.2	7,239.6	7,319.5	7,318.3	1,625.1	8,943.4	7,451.3	7,327.0	996.7	8,323.7	7,461.1
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	7,152.2	7,239.6	7,319.5	7,318.3	1,625.1	8,943.4	7,451.3	7,327.0	996.7	8,323.7	7,461.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	7,152.2	7,239.6	7,319.5	7,318.3	1,625.1	8,943.4	7,451.3	7,327.0	996.7	8,323.7	7,461.1
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	4,377.7	4,396.2	4,641.9	4,870.8	1,625.1	6,495.9	5,003.8	4,879.5	996.7	5,876.2	5,013.6
DEDICATED APPROPRIATIONS:											
GENERAL	339.1	288.4	246.5	11.0		11.0	11.0	11.0		11.0	11.0
AGENCY	708.6	766.6	775.0	775.0		775.0	775.0	775.0		775.0	775.0
GIFTS AND DEPOSITS		1.0									
FEDERAL	1,726.8	1,787.4	1,656.1	1,661.5		1,661.5	1,661.5	1,661.5		1,661.5	1,661.5
TOTAL FINANCING	7,152.2	7,239.6	7,319.5	7,318.3	1,625.1	8,943.4	7,451.3	7,327.0	996.7	8,323.7	7,461.1
POSITIONS BY FUND:											
GENERAL	96.5	93.0	91.0	77.5	3.0	80.5	78.5	77.5	3.0	80.5	78.5
MAX EFFORT SCH LOAN	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	37.7	38.1	38.1	38.6		38.6	39.6	38.6		38.6	39.6
TOTAL POSITIONS	135.2	132.1	130.1	117.1	3.0	120.1	119.1	117.1	3.0	120.1	119.1

ACTIVITY: DISTRICT FINANCE AND MANAGEMENT SUPPORT
Program: EDUCATIONAL ADMINISTRATION AND FINANCE
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION: (Contd.)

This activity provides financial analysis services to help determine needed levels of education funding and the equitable and optimal funding formulas for school districts. It gives lawmakers information and administrative support needed for decision-making on the Governor's education aids budget. It provides testimony to legislative committees, computer simulations, and analysis of legislation. Provides to districts the proper distribution of state aids and levy limitations. It distributes to school districts information on state financing, laws, rules, and administrative procedure and it consults with them and others who need information about how the state finances schools.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of School Buses in use	10,500	10,600	10,650	10,700
Transportation Aid Reports processed	2,800	2,800	2,800	2,800
Hazardous Material Abatement Projects reviewed	20	30	50	60
Asbestos and/or PCB Evaluations conducted	200	150	75	75
School District Loan Applications processed	6	6	6	6
Alternative Attendance Requests processed	105	120	140	150
Aids Paid	\$1,396,602.0	\$1,693,645.0	\$1,744,454.0	\$1,796,788.0
Levy Limitations Determined	\$1,535,000.0	\$1,582,000.0	\$1,629,000.0	\$1,678,000.0
Number of Levy Items Certified	37,000	37,000	37,000	37,000
Number of Districts, Co-ops, etc., reporting year-end financial data on automated systems	540	540	540	540
School District Audits analyzed	540	540	540	540
Number of Fiscal Notes/Bill Analyses Completed	200	300	200	300

ACTIVITY DESCRIPTION: This activity provides technical assistance and leadership to education and governmental agencies including public school districts. It also provides support and development services needed to help the agencies and lawmakers operate effectively. Included are Education Aids and Levies, Education Financial Management, Education Statistics, Education Organization, Transportation and Facilities, and Education Data Systems.

Management information which is accurate, timely, relevant, and comparable is gathered and coordinated as required and needed by local school boards, state and federal agencies, and the legislature. This activity provides data processing services to the Minnesota Department of Education (MDE) for payment of state aids, calculation of levies, communication of federal and state reports, issuing teaching licenses, and providing other management services utilizing a mainframe computer network. It helps schools plan and operate effectively by the gathering, organization, and interpretation of general education data; analysis and research on crucial issues, policies, trends, and projections; making federal data summaries; and serving as a source and repository of education statistics. Publications issued include School District Profiles, The Condition of Education, The ABCs of School Finance, and The Minnesota Education Directory. Reports are issued on district membership data for payment of foundation aids, enrollment projections, school census, professional staff data, common core data, retention and graduation rates, minority populations, interdistrict cooperative agreements, pupil teacher ratios, preschool, kindergarten, days schools are in session, and school calendars and schedules.

This activity provides school districts with analysis and consultation on school district financial management and helps schools manage their funds through use of the Uniform Financial Accounting and Reporting Standards (UFARS). It establishes and maintains standards needed for schools and other agencies in financial accounting, budgeting, auditing, and reporting standards needed at the district, regional, state, and national levels. It also provides staff to help school districts with financial administration, revenue projections, automated reporting, and fiscal planning. Financial information and technical assistance is also provided to the UFARS Advisory Council, Regional Accounting Coordinators, State Auditor's Office, State Board of Education, auditors and federal government.

In addition, this activity assists school districts plan, manage and implement school organizational alternatives, interdistrict cooperation aid/levy programs, cooperative agreements, management assistance studies, debt service/capital loan procedures, and nonresident student attendance options. Technical assistance is provided to bus owners and operators on equipment and safety training, ridership training, school bus laws and rules, and transportation aids. Assistance is also provided for review of school facilities, planning construction, controlling asbestos and other hazards and utilizing funds from hazardous and special purpose capital expenditure levies.

ACTIVITY: DISTRICT FINANCE AND MANAGEMENT SUPPORT
 (Continuation)
 Program: EDUCATIONAL ADMINISTRATION AND FINANCE
 Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Interdistrict Cooperation Agree- ments reviewed	11	15	18	25
Organizational Studies/Consultations conducted	50	75	100	100
Review and Comment Construction Requests processed	28	30	36	42
Data Processing Services: Programs Developed/Enhanced/ Revised	113	120	125	135
Computer Jobs/Runs Completed	413,805	455,186	500,705	550,776
Management Assistance Reports completed	30	35	40	40

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Interdistrict Cooperation or Agreements for Secondary Education Achieved as a Result of Management Assistance Center studies	17	20-22	23-26	27-31
School Districts, Co-ops, etc., Reporting via Alternative Automated Finance System	5	10	20	30
Number of School Districts Exceeding Operating Debt Limit	24	20	19	18
Percent of School Buses Meeting Safety Inspections	72%	70%	68%	66%
Percent of School Buildings improved	18%	21%	24%	26%
Percent of School Districts Participating in Cooperative Ventures	50%	62%	68%	75%
Percent of Terms/Codes Standardized for Uniform Use	34%	80%	100%	100%

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Funds to upgrade mainframe computer hardware	\$609.2	\$609.2	Agency-wide
Replacement of funds lost as a result of termination of Services Agreement with State Board of Vocational Technical Education.	\$97.0	\$97.0	Agency-wide
See CHANGE request sheet following the Agency fiscal summary sheet.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DIST FINANCE-MGMT SUPP

PROGRAM: EDUC ADMIN & FINANCE

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,423.9	2,334.5	2,496.2	2,390.8	706.2	3,097.0	2,498.8	2,392.4	706.2	3,098.6	2,501.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,423.9	2,334.5	2,496.2	2,390.8	706.2	3,097.0	2,498.8	2,392.4	706.2	3,098.6	2,501.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,684.6	1,811.2	1,817.7	1,777.9		1,777.9	1,777.9	1,772.6		1,772.6	1,772.6
EXPENSES & CONTRAC. SERV	652.2	471.3	615.2	547.6	706.2	1,253.8	655.6	554.5	706.2	1,260.7	663.6
SUPPLIES & MATERIALS	23.0	48.4	20.1	22.1		22.1	22.1	22.1		22.1	22.1
EQUIPMENT	64.1	3.6	43.2	43.2		43.2	43.2	43.2		43.2	43.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,423.9	2,334.5	2,496.2	2,390.8	706.2	3,097.0	2,498.8	2,392.4	706.2	3,098.6	2,501.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,123.9	2,041.6	2,149.6	2,153.5	706.2	2,859.7	2,261.5	2,155.1	706.2	2,861.3	2,264.2
DEDICATED APPROPRIATIONS:											
GENERAL	145.5	140.5	114.5								
FEDERAL	154.5	152.4	232.1	237.3		237.3	237.3	237.3		237.3	237.3
TOTAL FINANCING	2,423.9	2,334.5	2,496.2	2,390.8	706.2	3,097.0	2,498.8	2,392.4	706.2	3,098.6	2,501.5
POSITIONS BY FUND											
GENERAL	46.0	46.0	46.0	39.0		39.0	39.0	39.0		39.0	39.0
MAX EFFORT SCH LOAN	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	5.0	5.0	5.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	52.0	52.0	52.0	47.0		47.0	47.0	47.0		47.0	47.0

ACTIVITY: EDUCATION POLICY AND ADMINISTRATION
Program: EDUCATIONAL ADMINISTRATION AND FINANCE
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY DESCRIPTION: This activity directs, manages, and provides general support services to the Minnesota Department of Education (MDE) staff in their function of providing leadership and service to school districts. Ultimate responsibility rests with this component of the Department for developing and recommending policy, implementing and monitoring laws, adopting rules and providing educational leadership related to funding and programming for public education in Minnesota including early childhood and family education, elementary and secondary education, community education, adult education, and secondary vocational education. The activity encompasses functions performed by the State Board of Education, the Commissioner of Education, the Deputy and Assistant Commissioners, the Office of Administrative Services, the Office of Employee Relations, the Office of Governmental Relations, the Monitoring Office, and the Publications and Public Information Office.

Functions performed include providing general supervision over public schools and policy direction to the MDE; representing the public education sector, advocating for the needs of Minnesota learners, and providing leadership and direction to the MDE; ensuring the provision of programs required by federal and state laws and rules to all students in the state; coordinating legislative relations at both state and federal levels and drafting legislative proposals and coordinating a department review process for pending legislation; promoting and improving ongoing communications with Department of Education clientele, decision makers and the public; directing and managing the 2 State Academies in Faribault; and administering financial, office support, personnel/labor relations, public information and communication services and operations for the Department.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of State Board meetings held in St. Paul and in Faribault	24	24	24	24
Special information gathering sessions held by the State Board in St. Paul and in outstate Minnesota	12	12	12	12
Number of presentations made by the Commissioner on request from school districts and various organizations and groups	105	105	105	105
Number of mandated recurring reports and special studies/reports submitted by MDE to the Legislature	38	37	45	35

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS: (Cont'd.)

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of site visits and personal contacts to school districts made by Commissioner and MDE staff	6,489	5,339	5,371	5,416
Number of publications/studies/reports/media releases disseminated by Department Public Information Office	96	94	94	94
Number of personnel/payroll forms processed	1,566	1,600	1,600	1,600
Number of employee grievances processed	32	37	30	35
Number/amounts of contracts and grant agreements executed	213/\$7,738.0	220/\$7,800.0	220/\$7,800.0	220/\$7,800.0
Funds recaptured as a result of attendance and transportation aid audits	\$338.0	\$200.0	\$250.0	\$250.0
Number of Special Education and Migrant Education programs monitored	135	150	150	150
Number of formal/informal parent complaints investigated	42/240	50/250	55/250	60/260
Funds recaptured as a result of monitoring	\$200.0	\$250.0	\$250.0	\$250.0
School buildings monitored for curriculum requirements	1,550	1,550	1,550	1,550
EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of school districts achieving full implementation of performance based education	0	15	15	15
Number of policy recommendations developed and submitted for legislative consideration	85	80	55	50

ACTIVITY: EDUCATION POLICY AND ADMINISTRATION
(Continuation)
Program: EDUCATIONAL ADMINISTRATION AND FINANCE
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

EFFECTIVENESS MEASURES: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent of increase in the hours of staff development training provided for Department staff	12%	15%	20%	20%
Percent of school buildings in compliance with State Board curriculum rules	85%	95%	99%	100%

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Funds to support department Office Automation System	\$650.0	\$50.0	Agency-wide
Increased support costs for State Board of Education	\$54.9	\$54.9	Agency-wide
Funds to support the Minnesota Department of Education (MDE) Staff Development programs	\$25.0	\$25.0	Agency-wide
Replace funding lost in the Indirect Cost Account	\$53.8	\$53.8	Agency-wide
Funds to cover space rental for restricted federal programs	\$75.2	\$46.8	Agency-wide
Replacement of funds lost as a result of termination of services agreement with State Board of Vocational Technical Education	\$60.0	\$60.0	Agency-wide

See CHANGE request sheets following the Agency fiscal summary sheet.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EDUC POLICY & ADMIN

PROGRAM: EDUC ADMIN & FINANCE

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,728.3	4,905.1	4,823.3	4,927.5	918.9	5,846.4	4,952.5	4,934.6	290.5	5,225.1	4,959.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	4,728.3	4,905.1	4,823.3	4,927.5	918.9	5,846.4	4,952.5	4,934.6	290.5	5,225.1	4,959.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,504.5	2,639.2	2,550.6	2,594.8	136.2	2,731.0	2,619.8	2,589.9	136.2	2,726.1	2,614.9
EXPENSES & CONTRAC. SERV	1,104.5	1,106.5	1,144.4	1,169.1	177.2	1,346.3	1,169.1	1,181.1	148.8	1,329.9	1,181.1
SUPPLIES & MATERIALS	184.9	168.3	172.2	173.5	55.5	229.0	173.5	173.5	5.5	179.0	173.5
EQUIPMENT	43.8	37.8	41.1	75.1	550.0	625.1	75.1	75.1		75.1	75.1
OTHER EXPENSE ITEMS	890.6	953.3	915.0	915.0		915.0	915.0	915.0		915.0	915.0
TOTAL STATE OPERATIONS	4,728.3	4,905.1	4,823.3	4,927.5	918.9	5,846.4	4,952.5	4,934.6	290.5	5,225.1	4,959.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,253.8	2,354.6	2,492.3	2,717.3	918.9	3,636.2	2,742.3	2,724.4	290.5	3,014.9	2,749.4
DEDICATED APPROPRIATIONS:											
GENERAL	193.6	147.9	132.0	11.0		11.0	11.0	11.0		11.0	11.0
AGENCY	708.6	766.6	775.0	775.0		775.0	775.0	775.0		775.0	775.0
GIFTS AND DEPOSITS		1.0									
FEDERAL	1,572.3	1,635.0	1,424.0	1,424.2		1,424.2	1,424.2	1,424.2		1,424.2	1,424.2
TOTAL FINANCING	4,728.3	4,905.1	4,823.3	4,927.5	918.9	5,846.4	4,952.5	4,934.6	290.5	5,225.1	4,959.6
POSITIONS BY FUND											
GENERAL	50.5	47.0	45.0	38.5	3.0	41.5	39.5	38.5	3.0	41.5	39.5
FEDERAL	32.7	33.1	33.1	31.6		31.6	32.6	31.6		31.6	32.6
TOTAL POSITIONS	83.2	80.1	78.1	70.1	3.0	73.1	72.1	70.1	3.0	73.1	72.1

PROGRAM: FARIBAULT RESIDENTIAL ACADEMIES
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	638.7	575.3	557.0	2,080.0	2,210.0

ACTIVITY DESCRIPTION: The Minnesota State Academy for the Deaf (MSAD) and the Minnesota State Academy for the Blind (MSAB) represent the commitment the State of Minnesota is making to serve the needs of children with low incidence hearing and visual impairments. The Academies serve as a placement option for children age 4-21. Student enrollment is based on a resident school district referral for programs and services when it has been determined that a child's needs can best be met at the Academies.

Long and short term programs and services are available. Programs are designed to enable a diverse student population, including hearing impaired, multi-handicapped hearing impaired, visually impaired, and multi-handicapped visually impaired the opportunity to benefit from a quality and comprehensive learning environment. Current enrollment is characterized by a changing student population. Significant increases are evident in the number and severity of students with handicaps in addition to the primary educational handicap of deafness or visual impairment.

In order to enable each pupil to achieve his/her maximum potential, highly personalized academic programs, residential opportunities, essential program support and technical assistance programs for parents and local school districts are provided. Technical assistance, summer school, and parent institutes serve parents and school districts whose children are receiving services either in district-based programs or at the Faribault Academies.

In addition, the Academies provide facilities for community services; namely, a daycare center, Faribault Institute for the Arts program, Faribault Public School Pre-School classes, offices for the Cannon Valley Special Education Coop, Regional Depository for Captioned Films, Audiological Services of the Department of Health, and the Regional Library for the Blind and Physically Handicapped.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Population Enrolled				
MSAD	142	138	145	155
MSAB	54	60	63	66
Graduates				
MSAD	14	11	14	18
MSAB	8	5	4	6
Districts Directly Served through placement of students at Residential Academies				
MSAD	74	76	80	82
MSAB	41	45	48	50

ACTIVITY STATISTICS: (Contd.)

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Districts Indirectly Served through assessments, consultation, in-service, and referral services				
MSAD	160	170	180	190
MSAB	70	75	80	85
Level of District/Parent Satisfaction				
MSAD	90%	90%	90%	90%
MSAB	90%	90%	90%	90%
New Students Accepted				
MSAD	28	30	32	35
MSAB	18	12	14	14
Staff Employed (rounded)				
Instructional:				
MSAD	50	49	49	49
MSAB	29	29	29	29
Administrative:				
MSAD	2	1	1	1
MSAB	2	1	1	1
Residential:				
MSAD	45	43	43	43
MSAB	26	25	24	24
Support (Business, Health Nutritional and Maintenance):				
MSAD	45	38	38	38
MSAB	12	12	12	12
Mean Cost Per Student Per Day (rounded) (180 contact days)				
Instruction:				
MSAD	\$68.00	\$61.00	\$61.00	\$60.00
MSAB	\$96.00	\$91.00	\$90.00	\$89.00
Residential & Student Services:				
MSAD	\$71.00	\$64.00	\$63.00	\$61.00
MSAB	\$71.00	\$68.00	\$65.00	\$65.00

PROGRAM: FARIBAUT RESIDENTIAL ACADEMIES
(Continuation)
Agency: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Ancillary Programs				
Summer School Per Day:				
MSAD	\$78.00	\$58.00	\$56.00	\$55.00
MSAB	\$63.00	\$51.00	\$50.00	\$49.00
Parent-Child Institute Per Participant:				
MSAD	\$80.00	\$71.00	\$71.00	\$71.00
MSAB	\$87.00	\$80.00	\$80.00	\$80.00
<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1984</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>
Graduates				
MSAD	36	27	14	11
MSAB	4	5	8	5
Students going on to Postsecondary Programs				
2-year Program or Vo-Tech				
MSAD	26	13	8	5
MSAB	1	1	1	2
4-year Program				
MSAD	10	14	3	6
MSAB	1	1	0	0
Semi-Independent (Shelter Workshop)				
MSAD	0	0	2	0
MSAB	2	2	4	5
Employment				
MSAD	0	0	1	0
MSAB	0	1	0	0
Institutionalized				
MSAD	0	0	0	0
MSAB	0	0	0	1

RECENT BUDGET HISTORY: There has been an increase in the requests by school districts and parents for technical assistance and services. The increases, while part of the current delivery system of services available, did impact on the current budget in that increased services were provided without a concomitant increase in funds available. Maintenance of current program levels or appropriately meeting anticipated program needs in these areas will necessitate increased funding.

- A. A significant increase in students referred for summer school programs was not anticipated. Therefore, programs and services were increased without a corresponding increase in funds available.
- B. The Parent-Child Institute has witnessed significant growth in popularity. Therefore, programs and services were increased without a corresponding increase in funding available.
- C. There have been increased requests for technical and program assistance from local school districts and parents. Anticipated increases in the level of requests for technical and program assistance requires consideration for increased funding.

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Funds to support 12 month programming	\$125.5	\$125.5	Program-wide
Funds to support Summer School and Parent-Child Institute	\$60.0	\$60.0	Program-wide
Replace declining federal funds for Dormitory Staff Positions	\$55.0	\$75.0	Program-wide
Staff and funds for Sensory Multi-Handicapped Coordinator	\$40.0	\$40.0	Program-wide
Staff and funds for Outreach Services	\$90.0	\$90.0	Program-wide
Staff and funds for Orientation and Mobility Instructor	\$27.8	\$27.8	Program-wide
Funds for increased utility useage costs	\$26.0	\$26.0	Program-wide
Funds for reshingling Noyes Hall	\$80.0	\$ -0-	Program-wide

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for the change level requested by the agency. The Governor does recommend a change in Minnesota Statute 120.17, Subd. 7a to increase the amount of tuition charged the district of residence to \$10,000 per year effective the fall of 1987. This will be a straight tuition charge no longer tied to the amount of foundation aid. The Governor feels that the districts of residence should pay a larger proportion of the total cost of educating a student at the Faribault Academies.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FARIBAULT RESIDENT ACAD

PROGRAM: FARIBAULT RESIDENT ACAD

AGENCY: EDUCATION,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	6,215.9	6,322.4	6,315.0	6,515.9	504.3	7,020.2	6,515.9	6,497.9	444.3	6,942.2	6,497.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	6,215.9	6,322.4	6,315.0	6,515.9	504.3	7,020.2	6,515.9	6,497.9	444.3	6,942.2	6,497.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	5,283.2	5,405.8	5,296.7	5,533.1	398.3	5,931.4	5,533.1	5,514.9	418.3	5,933.2	5,514.9
EXPENSES & CONTRAC. SERV	431.2	422.7	420.6	400.4	106.0	506.4	400.4	400.6	26.0	426.6	400.6
SUPPLIES & MATERIALS	461.3	444.3	511.9	512.1		512.1	512.1	512.1		512.1	512.1
EQUIPMENT	32.4	33.3	70.8	55.3		55.3	55.3	55.3		55.3	55.3
OTHER EXPENSE ITEMS	7.8	16.3	15.0	15.0		15.0	15.0	15.0		15.0	15.0
TOTAL STATE OPERATIONS	6,215.9	6,322.4	6,315.0	6,515.9	504.3	7,020.2	6,515.9	6,497.9	444.3	6,942.2	6,497.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	5,933.3	6,049.8	6,064.5	6,265.4	504.3	6,769.7	6,265.4	6,247.4	444.3	6,691.7	6,247.4
DEDICATED APPROPRIATIONS:											
AGENCY	26.5	24.9	29.0	29.0		29.0	29.0	29.0		29.0	29.0
GIFTS AND DEPOSITS	3.0	14.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
ENDOWMENT	6.4	2.5	3.5	3.5		3.5	3.5	3.5		3.5	3.5
FEDERAL	246.7	231.2	210.0	210.0		210.0	210.0	210.0		210.0	210.0
TOTAL FINANCING	6,215.9	6,322.4	6,315.0	6,515.9	504.3	7,020.2	6,515.9	6,497.9	444.3	6,942.2	6,497.9
POSITIONS BY FUND											
GENERAL	200.7	194.5	186.5	182.5	9.0	191.5	182.5	182.5	10.0	192.5	182.5
FEDERAL	19.5	16.0	16.0	8.0		8.0	8.0	7.0		7.0	7.0
TOTAL POSITIONS	220.2	210.5	202.5	190.5	9.0	199.5	190.5	189.5	10.0	199.5	189.5

CHANGE REQUEST

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

☐ Agency ☒ Program ☐ Activity

ACTIVITY: FARIBAULT RESIDENTIAL ACADEMIES
PROGRAM: FARIBAULT RESIDENTIAL ACADEMIES
AGENCY: EDUCATION, DEPARTMENT OF

Request Title: Child, Family and Community Support; District-Based Effectiveness Programs and Program Refinement and Enhancement				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$504.3	9.0	\$444.3	10.0
Governor's Recommendation				
General Fund	-0-	-0-	-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: To provide comprehensive, cost efficient/effective educational programming to Minnesota children/youth in 5 client groups: 1) hearing impaired; 2) visually impaired/blind; 3) visually impaired and multi-handicapped; 4) hearing impaired and multi-handicapped; and 5) deaf/blind. Additionally, to provide peer association/socialization opportunities to this client population and to continue to provide a variety of "outreach" services to Minnesota school districts which may desire indirect service other than direct education of their resident pupils.

These change level requests are listed in priority:

DESCRIPTION/BACKGROUND/RATIONALE:

1. Proposed 12-month Programming

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$125.5		\$125.5	

It is an established educational principle that most developmentally delayed students require longer periods of time to learn needed skills. It has been our experience, also, that long vacation periods result in regression and loss of learned skills. A 12-month program for multi-handicapped sensory impaired students with more, but shorter breaks, would minimize the regression factor and lengthen the learning process.

The traditional 9-month educational/residential program for multi-handicapped sensory impaired students has provided a strong foundation in activities of daily living, vocational and leisure time skills. For the multi-handicapped sensory impaired students, most of these skills are learned through rote programming. Rote learning, along with consistency and continuous programming, form the basis of education for the multi-handicapped sensory impaired child. Many skills, however, are lost during the long summer break. Each fall, time and resources are spent in moving the multi-handicapped child up to the levels they were at when they left school in the spring. A 12-month educational/residential program would minimize the loss of these important educational skills for the multi-handicapped child. More frequent, but shorter breaks would also serve the family better by requiring the child to return home more often. The shorter break periods would mean more families could keep their child in the home without having to plan for a long break period where the multi-handicapped child may be placed outside the home for respite care.

2. Summer School and Parent-Child Institute (PCI)

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested:				
Summer School	\$55.0		\$55.0	
PCI	5.0		5.0	

Currently, the Faribault Academies provide summer school alternatives at both the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind for students served in Faribault and/or in district-based programs. The purpose of the summer programs is to eliminate regression, provide concentrated short-term programs on identified strengths or weaknesses, and to provide short-term training opportunities in Braille, orientation and mobility, and sign language. The request would provide funds for continuing summer school programs.

The Faribault Academies provide summer school for hearing impaired and visually impaired children, the majority of whom receive school year services in district-based programs. The Academies have experienced a dramatic increase in the number of children referred for summer school placement. The number of children served in 1984 = 137; 1985 = 187; and 1986 = 188. It is anticipated that the 1987 numbers will remain constant through the next biennium at close to 200 students.

Currently, the Academies provides 2 three-day intensive training programs for parents each summer. Parents need not have a child enrolled at the Academy in order to attend. This request would provide additional support for the programs for an increasing number of participants.

CHANGE REQUEST

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

☐ Agency ☒ Program ☐ Activity
(Continuation)

ACTIVITY: FARIBAULT RESIDENTIAL ACADEMIES
PROGRAM: FARIBAULT RESIDENTIAL ACADEMIES
AGENCY: EDUCATION, DEPARTMENT OF

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

In order for any child to grow in self-esteem, he/she must feel good about him/herself. How a parent deals with a disabled son/daughter determines subsequent growth in this area. Programs of this nature are needed if a parent is to understand and cope with a child's disability. Understanding must precede acceptance. Parent participation doubled in 1986. Participation in 1987 is expected to exceed the 1986 level. Parent suggestions and needs also indicate that the current Academy staff may not be able to address these needs and that outside presentors will be required.

3. Replacement Funding for Dormitory Staff Positions

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$55.0	3.0	\$75.0	4.0

As a result of decreased enrollment, salary increases, benefits and pay equity, Federal funding for direct care positions has steadily declined since the Federal program was initiated in the early seventies. For example, in F.Y. 1982, the Academies received \$280.0 funding 20 positions with an average salary (\$14.0). As of F.Y. 1987, the Academies received \$140.0 funding approximately 7 positions. This decrease in funding brings into question the Academies ability to provide adequate supervision in the dormitory program.

Minnesota State Academy for the Deaf (MSAD)	Direct Care Dormitory 1987	Loss of 7 Federal Positions 1988	With 3 Additional Positions 1988
Staff	34*	27*	30*
Students	142	138	138
Staff/Student Ratio	1/20	1/28	1/23
(Nights & Mornings)			
Staff/Student Ratio	1/10	1/15	1/12
(Evenings & Weekends)			

*It is very difficult to show staff/student ratio when you are describing a 7 day/24 hour program. Majority of dormitory staff are working during the peak time of the program, late afternoons, evenings, and weekends. In addition to the staff/student ratio, the problem is compounded by an increase in the number of students requiring small group and/or one-to-one supervision. With Federal reductions eliminating 7 positions at MSAD, our staff/student ratio as shown will be high. With the request of additional funding for 3 positions, it would lower the ratio to an acceptable level.

This funding increase would allow the Academies to hire additional staff to partially compensate for the loss of federal revenues and to lower the staff/pupil ratio to one that is comparable to other programs for the sensory impaired.

4. Sensory Impaired Multi-Handicapped Coordinator

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$40.0	1.0	\$40.0	1.0

The Minnesota State Academies for the Deaf and Blind (MSAD, MSAB) have experienced an increase in the number of children who have a visual or hearing impairment and at least 1 other educational handicapping condition. A nationwide increase in this low incident population has resulted from deinstitutionalization, the impact of the Education for All Handicapped Act (P.L. 94-142), and a general increase in the number of children born with additional handicaps. To meet the needs of these children in Faribault, program coordination must be enhanced. Many other children are currently being served in district-based special education programs by staff with little or no training in vision or hearing impairment; many are served by staff trained in vision or hearing impairment but with no training or understanding of the child with additional handicaps.

External program studies (Zieziula, 1985) cited the need for improved services to this low incident population. It is widely recognized that this special needs population requires specialized staff and methodology in both special programs and district-based programs. It is expected that enrollment for this population will continue to increase in Faribault and that local education agencies will continue to refer students to Faribault or seek technical assistance in establishing district-based programs. At present, there is no single resource in the state of Minnesota for serving children with multiple handicaps in addition to the primary handicap of deafness or visual impairment. This position would fill that need.

	Enrollment			Number of Multiple Handicapped Students			PERCENTAGE OF MULTIPLE HANDICAPPED Students enrolled at MSAD and MSAB
	MSAB	MSAD	Total	MSAB	MSAD	Total	Percentage
F.Y. 1984	53	175	228	32	21	53	23%
F.Y. 1985	49	148	197	39	30	69	35%
F.Y. 1986	54	142	196	42	40	82	42%
F.Y. 1987	60	138	198	43	41	84	42%

CHANGE REQUEST

☐ Agency ☒ Program ☐ Activity
(Continuation)

ACTIVITY: FARIBAULT RESIDENTIAL ACADEMIES
PROGRAM: FARIBAULT RESIDENTIAL ACADEMIES
AGENCY: EDUCATION, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

5. Outreach Services

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$90.0	4.0	\$90.0	4.0

Currently, the Faribault Academies provide programs and services primarily in Faribault. Staffing patterns do not permit the school district and parent contacts desired. This request would provide an outreach team composed of a psychologist, a parent-infant specialist, and a multiply-handicapped sensory impaired specialist. To further support these activities, a clerical position is included. While the Faribault Academies have had increases in requests for assistance, the staff necessary to provide these services has not been available.

Agency response to parents and school districts for outreach services has been inadequate. Staff time has been reallocated to meet the increased requests for outreach services. However, this response has not been able to 1) address the increased number of requests for assistance, nor 2) address the level of program and technical assistance requested. External studies have addressed the need for the Faribault Academies to serve as a statewide resource for school districts and the low incident disabilities of hearing and visual impairment. This outreach concept should focus on the needs of the child, parent, and school district regardless of school placement and, as requested, would address the need for diagnostics and assessment, staff development, parent counseling, and make recommendations regarding educational relevant characteristics of the child. The performance indicators used to evaluate the item will be the increased services provided to school districts and parents.

6. Orientation and Mobility Instructor at Minnesota State Academies for the Blind (MSAB)

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$27.8	1.0	\$27.8	1.0

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

Students at MSAB currently receive travel training on a 1 or 2 day a week basis under the direction of a Human Services Specialist. About 17 of a potential 54 students receive such instruction. Students enrolled at MSAB during summer school receive some training on a priority basis. No time is available to answer requests from Local Educational Agencies (LEAs) for technical assistance, direction, and/or inservice training. Instruction in the child's home community is not available.

Activities of the position would include:

- 70% - services to students at MSAB throughout the year
- 15% - technical assistance to local school district in terms of assessment, inservice and planning for individual students
- 15% - training in specific community travel either in the resident district or in a transitional situation

Functioning effectively within one's specific environment and traveling between 1 environment and another are crucial skills to the independence of a visually impaired person. The quality and credibility of such training at MSAB would be enhanced with a certified person on staff. Local school districts needing the services of an orientation and mobility specialist would find a degreed person much more desirable than the present situation allows. Likewise, training in a variety of communities would be much more efficient and effective given the skills of a certified specialist. Greater training capabilities to be offered to students enrolled at MSAB, early intervention possibilities to facilitate continued community placement for other students and the transitional programming of students moving from 1 environment to another would all be enhanced through a certified orientation and mobility specialist.

7. Increased Utility Expenditures at MSAB. The agency requests additional funding to meet its increased utility expenditures.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Amount Requested	\$26.0		\$26.0	

The agency's expenditures in F.Y. 1986 for utilities was \$26.0 over the base amount in the budget. This was caused due to constructing a new building on the Blind Academy campus which increased our costs for electrical usage (lighting, air handling units and air conditioning) and heating. Dow Hall, the building vacated, is still maintained at a minimum level where substantial costs are still involved.

CHANGE REQUEST

1987-89 Biennial Budget

☐ Agency ☒ Program ☐ Activity
(Continuation)

ACTIVITY: FARIBAULT RESIDENTIAL ACADEMIES
PROGRAM: FARIBAULT RESIDENTIAL ACADEMIES
AGENCY: EDUCATION, DEPARTMENT OF

DESCRIPTION/BACKGROUND/RATIONALE: (Contd.)

8. Reshingling of Noyes Hall

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Amount Requested	\$80.0			

To keep this building structurely sound, a new roof must be added soon. This building is used as classrooms, auditorium, and for other school functions.

The west wing and center area of roof have deteriorated to the point where patch repair work is becoming a loosing battle. Structural damage to the building will certainly prevail if the roof is not replaced soon. Water has leaked through into the attic and into several classrooms and other areas of the upper floor.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude funding at this time.

EDUCATION AIDS

OBJECTIVE: To provide information on the historical and recommended expenditures for all state and federal aids for financing Minnesota school districts. This document describes all state funds appropriated in the Omnibus Education Aids bill and federal funds which are administered by the Minnesota Department of Education. A detailed description of the purpose and operation of each aid program is included in the budget narrative.

DESCRIPTION: Article XIII, Section 1 of the Minnesota State Constitution charges the Legislature with responsibilities for public schools:

"The stability of a republican form of government depending mainly of the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state."

To carry out this charge, the state has established a system of public school districts and has delegated substantial decisionmaking authority to them. In 1947, Minnesota had 7,606 separate and autonomous public school districts, but this number has since decreased to the present 435. In addition, the current educational system includes about 40 secondary vocational cooperative centers, 20 special education cooperatives, 9 educational cooperative service units, and 7 elementary, secondary and vocational computer regions. State education programs serve close to 900,000 public and nonpublic school pupils.

In order to support this system, the state provides a high level of funding with an array of state aids and levy authorities. This complicated structure is intended to address the wide variations among districts in enrollment and geographic size, property wealth per student, characteristics of students and teachers, and other cost factors. It also contains various finance programs which are a vehicle for state leadership in promoting excellence in education. In F.Y. 1987, 90 finance programs provide about \$1.4 billion in state education aids, and about \$1.5 billion in levy authorities. However, the levy burden is reduced by \$413 million through the property tax relief system. State aids to school districts total about 30% of the state's budget.

GOVERNOR'S RECOMMENDATION: In August of 1985, the Governor created a discussion group with a common goal of making Minnesota education the best in the nation. The members of the Governor's Discussion Group represented diverse points of view, but they agreed on the necessity of making Minnesota the brainpower state. They understood that the future economic growth of Minnesota will be built on the brainpower of Minnesotans and on the strength of the public education system.

The Minnesota education system has an outstanding record of service to the state. Minnesotans can be proud of how their education system compares to that of other states. And, the people continue to demonstrate their deep commitment to education by providing the resources for an excellent ongoing program of school improvement.

GOVERNOR'S RECOMMENDATION: (Contd.)

Meeting this commitment in the next biennium requires a steady course in some areas and new directions in others. This budget addresses the critical challenges facing school districts that were recognized by the Governor's Discussion Group. The Group had a vision that would empower learners, parents, teachers, principals, and staff to meet these challenges. Adoption of this budget provides for:

- o Learning at a higher level and in different ways
- o Different and more opportunities for learners
- o Increased involvement of students and parents
- o Increased autonomy and accountability for teachers and principals
- o New and more professional roles for teachers
- o Increased opportunities for continuing professional development
- o Improved and equitable funding

The budget recommendations include:

1. Increased and Equitable Education Funding.

During the next biennium, appropriations for school districts are increased by 13.7% over the current biennium. This high commitment allows continued improvement in service to the state's students. The budget includes major proposals for increasing the funding equity among districts, both in terms of revenues and in property tax effort. It increases the foundation formula allowance in F.Y. 1988 over the level set by the 1986 Legislature, and provides further increase in F.Y. 1989; it includes the retirement program in the foundation program; it provides equalization to the maintenance referendum levy; it provides a better measure of district fund balance limits; it provides an increase in capital funding for technology and a dramatic improvement in capital property tax equalization; and it improves the equity in transportation funding. Also, modifications in the retirement, special education, and vocational formulas are intended to improve budget accountability between the state and school districts.

2. Refinement and Continued Development of a Comprehensive Program of State and Local Student Learning Expectations and Measurement.

The Governor is recommending a consolidated and expanded state program to complement existing local programs. The state program provides support for Model Learner Expectations, including higher levels and different kinds of learning; and for the development of a comprehensive sampling program to determine the achievement level of Minnesota students. The concept of a "Children's Impact Statement" will be pursued under this program.

See Program 05-01 (State PER Programs) for details.

GOVERNOR'S RECOMMENDATION: (Contd.)

3. Increased Opportunities for Local School Boards in the Delivery of Educational Programs and Services.

The Governor is recommending incentives for interdistrict cooperation in the form of new resources for districts entering Voluntary School District Reorganization agreements or participating in proposed Student Opportunity Areas.

In addition, the Governor is recommending additional management assistance for local school districts in the areas of risk management, cash flow management, and school bus safety.

See Programs 06-02 (Interdistrict Cooperation Program) and 06-01 (State Management Assistance) for more information.

4. Increased Opportunities for Teachers and Principals in the Organization and Delivery of Educational Programs.

The Governor is recommending a new consolidated state program in this area. The program includes continued support for educational effectiveness programs, new resources for developing leadership and excellence in teachers and principals, and a special program for mentor teachers, including an induction period for beginning teachers. The state program compliments a new "Local Professional Development Program" which provides districts with \$10 per pupil unit for professional development.

See Programs 04-05 (State Professional Development Programs) and 04-06 (Local Development Programs) for details.

5. Increased Opportunities for Students and Parents to Select Public Education Programs Which More Closely Meet Their Needs.

The Governor is recommending continuation of the Postsecondary Enrollment Options Program. The Governor also recommends a new aid to assist small districts which would lose students by participating in a voluntary K-12 public school choice program. The Governor further recommends pilot programs to provide developmentally appropriate learning opportunities for "at-risk" four and five-year olds, as well as resources for developing a strategy to reduce K-3 classroom size. In addition, the recommendations include funding for the operations of the new Arts School and Resource Center.

GOVERNOR'S RECOMMENDATION: (Contd.)

See Programs 07-02 (Postsecondary Enrollment Options Program); 07-13 (Voluntary Choice Program Aid); 07-14 (Developmental Programs for Four and Five-Year Olds); 04-05 (State Professional Development Programs); and 07-10 (Arts School and Resource Center) for more information.

6. Increased Professional Development Opportunities for Principals and Teachers.

The Governor is recommending that \$10 per pupil unit be available to school districts in Tier 3 of the foundation program. The purpose of this new funding is to support local professional development programs for teachers, principals, superintendents and support staff.

See Program 04-06 (Local Professional Development Programs) for details.

7. Comprehensive State and Local Policy Development for Students With Special Needs.

The Governor is recommending a new "Learners At Risk" program to establish comprehensive state and local policy for at-risk students. The program includes services for adolescent parents, school dropouts and others. The Governor is also recommending mandated special education services for children from birth.

See Programs 11-03 (Learners At Risk) and 08-06 (Special Education - Early Childhood).

FY 1988-1989 EDUCATION AIDS - GOVERNOR'S RECOMMENDATION

STATE GENERAL FUND			-----FY 1988-----			-----FY 1989-----		
PAGE	CODE	AID PROGRAM	FY 1987 FINAL	FY 1988 CURRENT	TOTAL	FY 1988 FINAL	FY 1989 CURRENT	TOTAL
		FOUNDATION AND RETIREMENT PROGRAMS	\$	\$	\$	\$	\$	\$
8	0101	Foundation Aid Program	121,712,358	953,303,668	1,075,016,026	164,814,073	923,652,314	1,088,466,387
26	0102	Property Tax Shift Reduction			0			0
28	0103	Teacher Retirement-Social Security	33,975,000		33,975,000			0
31	0104	Summer Programs		8,177,775	8,177,775		4,496,883	4,496,883
		Total Foundation and Retirement	155,687,358	961,481,443	1,117,168,801	164,814,073	928,149,197	1,092,963,270
		PUPIL TRANSPORTATION						
34	0201	Transportation Aid Program	12,194,300	81,241,300	93,435,600	14,336,700	74,936,000	89,272,700
		Total Transportation	12,194,300	81,241,300	93,435,600	14,336,700	74,936,000	89,272,700
		CAPITAL EXPENDITURE AND DEBT SERVICE						
44	0301	Capital Expenditure-Basic and Special Purpose	45,149	428,246	473,395	75,573	53,157,940	53,233,513
47	0302	Capital Expenditure-Hazardous Materials	6,733	43,752	50,485	7,721	51,000	58,721
49	0303	Maximum Effort School Loan		1,615,200	1,615,200		2,025,100	2,025,100
		Total Capital Expenditure and Debt Service	51,882	2,087,198	2,139,080	83,294	55,234,040	55,317,334
		PROFESSIONAL DEVELOPMENT						
53	0401	Teacher Examinations-Evaluation(Board of Teaching)			0			0
55	0402	Exemplary Teacher Education(Board of Teaching)			0			0
57	0403	State Teacher Program Standards and Licensing		226,000	226,000		226,000	226,000
58	0404	Excellence in Teaching and Curriculum			0			0
60	0405	State Professional Development Programs		1,182,600	1,182,600		1,182,600	1,182,600
61	0406	Local Professional Development Programs			0			0
62	0407	School Management Assessment Center			0			0
		Total Professional Development	0	1,408,600	1,408,600	0	1,408,600	1,408,600
		EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY						
67	0501	State PER Programs		518,000	518,000		1,000,000	1,000,000
71	0502	Local PER Programs		1,014,304	1,014,304		1,021,819	1,021,819
73	0503	Local Assessment Option			0			0
75	0504	Assessment Item Bank			0			0
77	0505	Educational Effectiveness			0			0
81	0506	Mastery Learning Program			0			0
83	0507	Venture Fund Grants	63,894		63,894			0
85	0508	Technology Demonstration Sites			0			0
87	0509	State Curriculum and Technology Integration Services		1,505,100	1,505,100		1,315,100	1,315,100
89	0510	Courseware Integration Centers			0			0
		Total Expectations, Education Effectiveness and Technology	63,894	3,037,404	3,101,298	0	3,336,919	3,336,919

FY 1988-1989 EDUCATION AIDS - GOVERNOR'S RECOMMENDATION

PAGE	STATE GENERAL FUND		-----FY 1988-----			-----FY 1989-----		
	CODE	AID PROGRAM	FY 1987 FINAL	FY 1988 CURRENT	TOTAL	FY 1988 FINAL	FY 1989 CURRENT	TOTAL
		INTERDISTRICT COOPERATION						
92	0601	State Management Assistance		305,000	305,000		305,000	305,000
94	0602	Interdistrict Cooperation Program	265,844	2,040,033	2,305,877	360,006	3,124,135	3,484,141
96	0603	Education Cooperative Service Units	112,200	635,800	748,000	112,200	635,800	748,000
98	0604	Regional Management Information Centers		3,583,172	3,583,172		3,583,172	3,583,172
		Total Interdistrict Cooperation	378,044	6,564,005	6,942,049	472,206	7,648,107	8,120,313
		EXPANDED STUDENT OPPORTUNITIES						
101	0701	Academic Excellence Foundation		150,400	150,400		150,400	150,400
105	0702	Post-Secondary Enrollment Options Program			0			0
107	0703	Post-Secondary Enrollment Options Transportation		76,875	76,875		78,797	78,797
109	0704	Programs of Excellence		22,500	22,500		22,500	22,500
111	0705	Programs of Excellence Transportation		17,000	17,000		17,000	17,000
112	0706	Summer Program Scholarships (HECB)		213,700	213,700		213,700	213,700
114	0707	Gifted-Talented Aid	205,617	1,166,761	1,372,378	205,899	1,168,340	1,374,239
117	0708	Comprehensive Arts Planning		90,000	90,000		90,000	90,000
120	0709	Arts Education Aid		1,048,667	1,048,667		1,071,150	1,071,150
122	0710	Arts School and Resource Center		2,592,610	2,592,610		4,097,534	4,097,534
124	0711	Nonpublic Pupil Aids	1,087,100	7,289,195	8,376,295	1,286,328	7,764,220	9,050,548
127	0712	Nonpublic Pupil Programs Summary (Information Only)			0			0
131	0713	Voluntary Choice Program Aid		250,000	250,000		250,000	250,000
132	0714	Developmental Programs for Four and Five-year Old Children		300,000	300,000		350,000	350,000
		Total Expanded Student Opportunities	1,292,717	13,217,708	14,510,425	1,492,227	15,273,641	16,765,868
		SPECIAL PROGRAMS						
134	0801	Special Education-Regular	20,747,626	118,629,001	139,376,627	21,319,242	107,379,592	128,698,834
146	0803	Special Education-Summer School		5,643,907	5,643,907		6,357,321	6,357,321
152	0804	Special Education-Handicapped Transition Office		77,000	77,000		77,000	77,000
156	0806	Special Education-Early Childhood	1,099,461	6,569,733	7,669,194	1,159,365	8,411,098	9,570,463
162	0807	Special Education-Home Based Services Travel	35,100	216,360	251,460	38,181	227,825	266,006
165	0809	Special Education-Residential Facilities		1,435,923	1,435,923		1,471,821	1,471,821
171	0813	Secondary Vocational Handicapped	543,500	3,169,398	3,712,898	559,305	3,757,965	4,317,270
178	0815	Limited English Proficiency	430,700	2,561,087	2,991,787	451,957	2,898,577	3,350,534
187	0820	Secondary Vocational	2,972,300	16,577,145	19,549,445	2,925,378	8,288,572	11,213,950
199	0825	Indian Language and Culture	88,300	500,055	588,355	88,245	500,055	588,300
201	0826	Indian Education (JOM Replacement)	26,213	148,542	174,755	26,213	148,542	174,755
		Total Special Programs	25,943,200	155,528,151	181,471,351	26,567,886	139,518,368	166,086,254

FY 1988-1989 EDUCATION AIDS - GOVERNOR'S RECOMMENDATION

PAGE	CODE	AID PROGRAM	-----FY 1988-----			-----FY 1989-----		
			FY 1987 FINAL	FY 1988 CURRENT	TOTAL	FY 1988 FINAL	FY 1989 CURRENT	TOTAL
		COMMUNITY AND FAMILY EDUCATION						
203	0901	Community Education	260,100	1,892,938	2,153,038	334,048	1,957,550	2,291,598
206	0902	Adult Education	278,000	2,222,000	2,500,000	392,118	2,607,882	3,000,000
210	0903	Adult Handicapped		450,000	450,000		550,000	550,000
212	0904	Hearing Impaired Adults		60,000	60,000		60,000	60,000
214	0905	Early Childhood Family Education	869,989	6,408,915	7,278,904	1,130,985	7,024,086	8,155,071
217	0906	Early Childhood-Family Education Technical Assistance		31,500	31,500		31,500	31,500
		Total Community and Family Education	1,408,089	11,065,353	12,473,442	1,857,151	12,231,018	14,088,169
		PUBLIC LIBRARIES						
219	1001	Libraries-Basic Grants	671,100	4,228,580	4,899,680	746,220	4,228,580	4,974,800
223	1002	Libraries-Cooperative Grants	28,500	161,245	189,745	28,455	161,245	189,700
		Total Public Libraries	699,600	4,389,825	5,089,425	774,675	4,389,825	5,164,500
		HEALTH, SAFETY, AND NUTRITION PROGRAMS						
228	1101	Early Childhood Health and Developmental Screening	65,803	370,580	436,383	65,396	363,936	429,332
230	1102	Chemical Dependency	153,006		153,006			0
233	1103	Learners at Risk		2,570,615	2,570,615		2,725,270	2,725,270
240	1107	School Lunch		4,625,000	4,625,000		4,625,000	4,625,000
		Total Health, Safety, and Nutrition	218,809	7,566,195	7,785,004	65,396	7,714,206	7,779,602
		MISCELLANEOUS PROGRAMS						
250	1201	Abatement Aid		6,592,800	6,592,800		6,592,800	6,592,800
253	1202	Teacher Extended Leaves		196,850	196,850			0
255	1203	Unemployment Compensation		32,000	32,000			0
257	1204	Comprehensive Fringe Benefit Planning (DOER)		25,000	25,000		25,000	25,000
		Total Miscellaneous	0	6,846,650	6,846,650	0	6,617,800	6,617,800
260		DISCONTINUED/NONRECURRING PROGRAMS			0			0
		TOTALS	197,937,893	1,254,433,832	1,452,371,725	210,463,608	1,256,457,721	1,466,921,329
		BIENNIAL TOTAL						2,919,293,054

FY 1988-1989 EDUCATION AIDS - GOVERNOR'S RECOMMENDATION

STATE OTHER FUNDS			-----FY 1988-----			-----FY 1989-----		
PAGE	CODE	AID PROGRAM	FY 1987 FINAL	FY 1988 CURRENT	TOTAL	FY 1988 FINAL	FY 1989 CURRENT	TOTAL
8	0101	School Endowment Apportionment		29,000,000	29,000,000		29,000,000	29,000,000
235	1104	Tobacco Use Prevention		632,918	632,918		659,531	659,531
238	1105	Alcohol Impaired Driver Education		1,293,750	1,293,750		1,293,750	1,293,750
239	1106	Motorcycle Safety Education		150,000	150,000		150,000	150,000
TOTALS			0	31,076,668	31,076,668	0	31,103,281	31,103,281
BIENNIAL TOTAL								62,179,949

FEDERAL FLOW-THROUGH FUNDS

64	0408	Teacher Inservice Programs		413,000	413,000		413,000	413,000
134	0801	Special Education-Handicapped		21,450,700	21,450,700		21,450,700	21,450,700
145	0802	Special Education-Teacher Training/Leadership		50,000	50,000		50,000	50,000
154	0805	Compensatory Education-Disadvantaged		38,000,000	38,000,000		38,000,000	38,000,000
156	0806	Special Education-Preschool Incentive		770,000	770,000		770,000	770,000
164	0808	Special Education-Deaf/Blind		130,000	130,000		130,000	130,000
167	0810	Residential Facilities-Handicapped		238,200	238,200		238,200	238,200
168	0811	Residential Facilities-Handicapped N & D		102,300	102,300		102,300	102,300
169	0812	Residential Facilities-Disadvantaged N & D		675,000	675,000		675,000	675,000
176	0814	Secondary Vocational Handicapped		248,000	248,000		248,000	248,000
182	0816	Transition Program for Refugee Children		366,600	366,600		373,200	373,200
184	0817	Emergency Immigrant Education			0			0
185	0818	Migrant Education		1,198,400	1,198,400		1,198,400	1,198,400
186	0819	National Migrant Special Education Center			0			0
187	0820	Secondary Vocational-Special Needs		325,000	325,000		325,000	325,000
194	0821	Secondary Vocational-Consumer Homemaking		210,000	210,000		215,000	215,000
195	0822	Secondary Vocational-Student Follow-Up		55,000	55,000		55,000	55,000
196	0823	Secondary Vocational-Special Populations		370,000	370,000		370,000	370,000
198	0824	Secondary Vocational-Improvement and Flexibility			0			0
206	0902	Adult Education		1,333,100	1,333,100		1,333,100	1,333,100
225	1003	Public Library Aid		1,930,900	1,930,900		1,930,900	1,930,900
240	1107	School Lunch Program		36,999,000	36,999,000		38,480,000	38,480,000
243	1108	Special Milk Program		370,000	370,000		370,000	370,000
244	1109	School Breakfast Program		1,676,000	1,676,000		1,676,000	1,676,000
245	1110	Child Care Food Program		19,237,000	19,237,000		19,237,000	19,237,000
246	1111	Summer Food Service Program		1,300,000	1,300,000		1,300,000	1,300,000
247	1112	Nutrition Education Training		8,000	8,000		5,000	5,000
258	1205	Consolidated Federal Programs (Block Grant)		6,402,000	6,402,000		6,402,000	6,402,000
260	1300	Discontinued/Nonrecurring Programs			0			0
TOTALS			0	133,858,200	133,858,200	0	135,347,800	135,347,800
BIENNIAL TOTAL								269,206,000

FOUNDATION AND RETIREMENT PROGRAMS

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM
STATUTORY AUTHORIZATION: M.S. 124A, AND 275.125

PROGRAM OBJECTIVE: To provide Minnesota school districts with general funds to meet current operating costs for elementary-secondary schools. Through this program an equitable partnership is established between the state and individual districts which 1) assures that each district has the financial resources necessary to operate its educational programs and 2) equalizes the property tax effort required to finance those programs.

PROGRAM DESCRIPTION: The foundation aid program is predominantly comprised of the basic foundation component with several additional components. In addition to the basic component, the foundation aid program is comprised of the a) cost differential tier, b) second tier, c) third tier, d) fourth tier, e) fifth tier, f) minimum aid, and g) foundation aid for shared time students. Beginning in F.Y. 1986 declining pupil unit aid and levy was added.

Each component of the foundation program provides a certain amount of revenue to each district through a combination of state aids and local property tax levies (except for shared time, which is all aid). Property tax rates are limited by the state, and the state guarantees that each mill of local property tax effort will raise at least a certain amount of revenue per pupil unit in each district. Because the local levy raises less revenue per pupil unit in districts with low property valuation than in districts with high property valuation, the state pays a greater share of the guaranteed revenue in the low valuation districts. In addition, the state pays a portion of the property tax levy for all districts in the form of tax relief aid (i.e. homestead credit, agricultural credit, etc.). Each component is described in detail below:

Basic Foundation Aid and Levy

The basic foundation aid and levy is the central component of the foundation program. The basic foundation aid formula is as follows:

State Basic = (Basic Foundation Revenue) - (Local Basic Maintenance Levy)
Foundation Aid

A district's basic foundation revenue is equal to the district's number of total pupil units multiplied by the formula allowance. The local basic maintenance levy is equal to the basic maintenance mill rate multiplied by the district's adjusted assessed property valuation (Equalization Aid Review Committee (EARC) valuation). Inserting these factors, the basic foundation aid formula may be written as:

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	85,322	75,351	105,693	0	121,712	164,814
Current Year	483,444	609,674	721,833	0	953,304	923,652
Subtotal	568,766	685,025	827,526	0	1075,016	1088,466
Endowment	26,213	26,642	30,000	0	29,000	29,000
Total	594,979	711,667	857,526	0	1104,016	1117,466

PROGRAM DESCRIPTION: (Contd.)

State Basic = $\left[\begin{array}{c} \text{Total} \\ \text{Pupil} \\ \text{Units} \end{array} \times \begin{array}{c} \text{Formula} \\ \text{Allowance} \end{array} \right] - \left[\begin{array}{c} \text{Basic} \\ \text{Maintenance} \\ \text{Mill Rate} \end{array} \times \begin{array}{c} \text{EARC} \\ \text{Valuation} \end{array} \right]$

Definitions of the terms used in the basic foundation aid formula are presented below:

1. Pupil Units

Two kinds of pupil units are included in the basic foundation aid formula:

- a. Weighted Average Daily Membership (WADM) Pupil Units (also called "actual pupil units"). Average daily membership (ADM) is the average number of students in membership throughout the year. ADM count is weighted by grade level as follows:
- | | |
|-----------------------------------------------|------------------|
| Kindergarten (half-day attendance) | 0.5 |
| Handicapped Kindergarten and Pre-Kindergarten | 1.0 ^a |
| Elementary (grades 1-6) | 1.0 |
| Secondary (grades 7-12) | 1.4 |
- b. Aid to Families with Dependent Children (AFDC) Pupil Units. These pupil units are provided to help compensate for the extra cost of serving disadvantaged students. The statistic used to gauge the extent of disadvantaged students is the proportion of the students for whom AFDC is paid by the State

^aPupil units for Handicapped Kindergarten and Pre-Kindergarten pupils are based on the ratio of the hours of service to 875, with a maximum of 1 pupil unit per pupil. Beginning in F.Y. 1987, Pre-Kindergarten Handicapped pupils who receive less than 437 hours of service will be counted as 0.5 pupil units.

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

PROGRAM DESCRIPTION: (Contd.)

Department of Human Services. The proportion computed is the ratio of the number of such students to the number of Weighted Average Daily Membership (WADM) pupil units. These additional pupil units are provided depending on the proportion and the total number of such students. The number of additional pupil units per Aid to Families with Dependent Children (AFDC) student is computed according to the following schedule:

<u>AFDC Proportion</u>	<u>Pupil Units per AFDC Pupil</u>
Less than .06.....	0.5
Equal to or greater than .06, but less than .07.....	0.6
Equal to or greater than .07, but less than .08.....	0.7
Equal to or greater than .08, but less than .09.....	0.8
Equal to or greater than .09, but less than .10.....	0.9
Equal to or greater than .10, but less than .11.....	1.0
Equal to or greater than .11.....	1.1

For F.Y. 1982 through F.Y. 1986, the number of additional pupil units were frozen at 98.5% of the F.Y. 1981 AFDC pupil units. Beginning in F.Y. 1987, the number of additional pupil units are based on the count of AFDC students from the previous school year.

2. Formula Allowance

The formula allowance is the level of basic foundation revenue per pupil unit provided for each district through the basic foundation formula. To determine a district's total basic foundation revenue, the district's total number of pupil units (WADM + AFDC) is multiplied by the formula allowance. As shown in Table 1-1 the statutory formula allowances for F.Y. 1985, F.Y. 1986, and F.Y. 1987 are \$1,475, \$1,585, and \$1,690 respectively. For F.Y. 1988, a formula allowance of \$1,700 was established by the 1986 Legislature.

3. Local Basic Maintenance Levy

Each district is required to make a local basic maintenance levy to qualify for full participation in the foundation program. If a district certifies less than 95% of the permitted levy, the district's foundation aid is reduced to the same proportion as the district's certified levy is to the permitted levy.

4. Districts Off the Formula

In districts with EARC valuation per total pupil unit above the "equalizing factor", the local basic maintenance levy raises more than the basic foundation revenue amount. These districts are termed "districts off the formula" and receive no foundation aid (except under the provisions of Minimum Aid). The equalizing factor is computed by dividing the formula allowance by the basic maintenance mill rate, and represents a guaranteed tax base per pupil unit. The equalizing factor for each year is as follows:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>
Equalizing Factor	\$61,458	\$67,447	\$72,845	\$74,890

Beginning in F.Y. 1985, districts off the formula were subject to the revenue equity adjustment. The revenue equity adjustment was intended to make the basic maintenance mill rate for districts off the formula equal to that of districts which receive basic foundation aid so as to adhere to the principle of equal revenue per pupil unit for equal property tax effort (millage). This adjustment was to be phased-in over a 6 year period, 1984-85 through 1990-91. However, this was repealed by the 1985 Legislature for beginning in F.Y. 1987.

For F.Y. 1985, the revenue equity adjustment was equal to the lesser of 1) one sixth of the amount by which the basic maintenance millage exceeded the basic foundation revenue or 2) the sum of the state paid categorical aids (including employer contributions for teacher retirement and Social Security). The basic maintenance levy was equal to the greater of the 1977 payable 1978 basic maintenance levy or total pupil units times formula allowance plus the revenue equity adjustment minus the county apportionment adjustment. The amount of the revenue equity adjustment was then subtracted from the categorical aids which would otherwise be paid by the state.

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

that are recognized are 1) the cost of operating small and geographically isolated secondary schools (sparsity aid) and 2) the additional salary costs due to highly trained and experienced staff.

a. Sparsity Allowance

Under the previous sparsity aid program, funds were provided using a formula that considered the total surface area of the district, the number of high schools, and the distance to the nearest high school. This amount was last computed for the 1980-81 school year and was then incorporated into the replacement aid and levy. For F.Y. 1985 the additional revenue per actual pupil unit (P.U.) for sparsity was computed as follows:

$$\text{Revenue per P.U.} = \frac{1980-81 \text{ Sparsity Revenue}}{1980-81 \text{ WADM}} \times \frac{\$1,475}{\$1,265}$$

Beginning in F.Y. 1986 the sparsity allowance is as follows:

$$\text{Revenue per P.U.} = \frac{1980-81 \text{ Sparsity Revenue}}{1980-81 \text{ WADM}} \times 2 \times \frac{\text{Current Year Formula Allowance}}{\$1,265}$$

b. Training and Experience Allowance

The training and experience (T & E) allowance is designed to compensate districts for the additional salary costs of highly trained and experienced staff independent of differences in salary structures among districts. This is done through use of a training and experience index.

The training and experience (T & E) index is computed in the following manner:

- 1) The statewide average salary per full-time equivalent (FTE) teacher is calculated for each combination of training and experience.
- 2) The average salary for each combination is then divided by the average salary for a beginning teacher with only a bachelor of arts degree. This creates a new matrix of relative weighting factors for each combination of training and experience.
- 3) Each teacher is then assigned a value appropriate to his/her combination of training and experience. The district's training and experience index is equal to the average value for all teachers in that district.

This index is computed once every 2 years, using data from the fall of the school year in which most districts have completed salary negotiations. This index is then used in the foundation revenue calculations for the next 2 school years.

PROGRAM DESCRIPTION: (Contd.)

For F.Y. 1986, the revenue equity adjustment was limited to those districts in which the assessed valuation of agricultural land comprised less than 60% of the total assessed valuation (nonagricultural districts). For agricultural districts, the basic maintenance levy was calculated without the revenue equity adjustment and there were no reductions to categorical aids (same as in F.Y. 1987).

Beginning in F.Y. 1987, the local basic maintenance levy for districts off the formula is limited to the greater of the 1977 payable 1978 basic maintenance levy, or total pupil units times formula allowance minus the adjustment for county apportionment which would otherwise be subtracted from foundation aid. In this case, the prescribed basic maintenance levy millage exceeds the permitted revenue (pupil units times formula allowance). Thus, districts off the formula receive the full foundation revenue while taxing at a lower basic maintenance mill rate than districts which receive foundation aid. There are no reductions in categorical aids as in prior years.

Minimum Aid

Districts in which the assessed valuation of agricultural land comprises 60% or more of the total assessed valuation of the district are guaranteed that \$800 of the foundation aid formula allowance for basic foundation aid will come from state aid sources as opposed to local property taxes. The state aid sources considered in meeting the state guaranteed minimum are the basic foundation aid plus certain property tax relief aids (Agricultural School Credit, Homestead Credit, Taconite Homestead Credit, Wetlands Credit and Reimbursement, Native Prairie Credit and Reimbursement, Natural Disaster Credit, Agricultural Preserve Credit, and Attached Machinery Aid).

If a district does not receive the guaranteed amount per total pupil unit (Weighted Average Daily Membership plus Aid to Families with Dependent Children (WADM + AFDC)) from state sources, that district will receive minimum aid such that it reaches the guaranteed amount and its basic maintenance levy will be reduced by the amount of the minimum aid. Thus, the minimum aid does not provide a district with additional revenue, but rather changes the source of the revenue from local property taxes to state aids.

Five Tier Program

1. Cost Differential Tier Aid and Levy

The cost differential tier aid and levy provides varying amounts of additional foundation revenue per actual pupil unit to address certain cost differences which are recognized as being outside of the control of the district. The 2 such costs

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

The additional revenue per Weighted Average Daily Membership (WADM) pupil unit (P.U.) for 1984-85 was computed as follows:

$$\text{Revenue per P.U.} = (\text{T \& E Index} - 1.25) \times \$300$$

For 1985-86 the formula was changed to:

$$\text{Revenue per P.U.} = (\text{T \& E Index} - 1.25) \times \$400$$

The cost differential tier allowance (revenue per WADM pupil unit) for a district is equal to the district's sparsity allowance plus its training and experience (T & E) allowance. The district's cost differential tier revenue is equal to its cost differential tier allowance times its WADM pupil units for that year.

The cost differential tier levy is equalized at 100% of the equalizing factor. For districts with an Equalization Aid Review Committee (EARC) valuation per total pupil unit greater than or equal to the equalizing factor, the cost differential tier levy is equal to the cost differential tier revenue and the district receives no aid. For other districts, the cost differential tier levy is computed as follows:

Cost Differential Tier Levy =

$$\text{Cost Differential Tier Revenue} \times \frac{\text{EARC Valuation per Total Pupil Unit}}{\text{Equalizing Factor}}$$

The cost differential tier aid is equal to the cost differential tier revenue minus the cost differential tier levy.

2. Second Tier Aid and Levy

The second tier aid and levy provides additional foundation program revenue of up to \$150 per WADM pupil unit to all districts. However, when a district's unapropriated operating fund balance at the end of the second preceding school year exceeds \$500 per total pupil unit of the previous school year, the district's second tier revenue is reduced by the amount of the excess. The fund balance subtraction is limited to the district's second tier revenue. The second tier revenue is computed as follows:

PROGRAM DESCRIPTION: (Contd.)

$$\text{Second Tier Revenue} = (\text{Actual Pupil Units} \times \$150) - \text{Excess Fund Balance}$$

The second tier levy, like the cost differential tier levy, is equalized at 100% of the equalizing factor. Thus, for districts with an EARC valuation per total pupil unit greater than or equal to the equalizing factor, the second tier levy is equal to the second tier revenue and the district receives no aid. For other districts, the second tier levy is computed as follows:

$$\text{Second Tier Levy} = \text{Second Tier Revenue} \times \frac{\text{EARC Valuation per Total Pupil Unit}}{\text{Equalizing Factor}}$$

The second tier aid is equal to the second tier revenue minus the second tier levy.

3. Third Tier Aid and Levy

The third tier aid and levy provides additional foundation program revenue of up to \$100 per actual pupil unit to all districts. The third tier revenue is computed as follows:

$$\text{Third Tier Revenue} = \text{WADM Pupil Units} \times \$100$$

The third tier levy is equalized at 75% of the equalizing factor. Thus, the state share is reduced and the local share increased relative to the basic foundation program revenue. For districts with an EARC valuation per total pupil unit greater than or equal to 75% of the equalizing factor, the third tier levy is equal to third tier revenue and the district receives no aid. For other districts, the third tier levy is computed as follows:

$$\text{Third Tier Levy} = \text{Third Tier Revenue} \times \frac{\text{EARC Valuation per Total Pupil Unit}}{.75 \times \text{Equalizing Factor}}$$

The third tier aid is equal to the third tier revenue minus the third tier levy.

4. Fourth Tier Aid and Levy

The fourth tier aid and levy provides additional foundation program revenue of up to \$100 per actual pupil unit. Beginning in 1985-86 the fourth tier aid and levy has been expanded to include a factor for the training and experience of teachers. For 1984-85, the fourth tier revenue was computed as follows:

$$\text{Fourth Tier Revenue} = \text{Actual Pupil Units} \times \$100$$

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

Beginning in 1985-86, the fourth tier revenue is computed as follows:

$$\text{Fourth Tier Allowance} = \$100 + (\text{T \& E Index} - 1.25) \times \$150$$

$$\text{Fourth Tier Revenue} = \frac{\text{Weighted Average Daily Membership (WADM) Pupil Units} \times \text{Fourth Tier Allowance}}{\text{Fourth Tier Allowance}}$$

The fourth tier levy is equalized at 50% of the equalizing factor. Thus, the state share is again reduced while the local share is correspondingly increased. For districts with an Equalization Aid Review Committee (EARC) valuation per total pupil unit greater than or equal to 50% of the equalizing factor, the fourth tier levy is equal to the fourth tier revenue and the district receives no aid. For other districts, the fourth tier levy is computed as follows:

$$\text{Fourth Tier Levy} = \text{Fourth Tier Revenue} \times \frac{\text{District's EARC per Total Pupil Unit}}{.50 \times \text{Equalizing Factor}}$$

The fourth tier aid is equal to the fourth tier revenue minus the fourth tier levy.

5. Fifth Tier Aid and Levy

The fifth tier aid and levy provides additional foundation program revenue such that districts receive a guaranteed minimum increase in revenue per pupil unit from the new tier system over the amount they would have received per pupil unit in 1984-85 from the previous formula components (discretionary, replacement, grandfather, and low fund balance). For F.Y. 1985 and F.Y. 1986, the fifth tier allowance was computed as follows:

$$\text{Fifth Tier Allowance} = 1984-85 \text{ Previous Formula Amount per WADM Pupil Unit}$$

$$\begin{aligned} &+ (\$25 \times \text{Total Pupil Units} \div \text{WADM Pupil Units}) \\ &- \text{Revenue per Pupil Unit from the First Four Tiers} \end{aligned}$$

Beginning in F.Y. 1987, the fifth tier allowance is computed as follows:

$$\text{Fifth Tier Allowance} = 1984-85 \text{ Previous Formula Amount Per WADM Unit}$$

$$\begin{aligned} &+ (\$50 \times \text{Total Pupil Units} \div \text{WADM Pupil Units}) \\ &- \text{Revenue per WADM Pupil Unit from the First Four Tiers} \end{aligned}$$

PROGRAM DESCRIPTION: (Contd.)

The fifth tier revenue is then computed as follows:

$$\text{Fifth Tier Revenue} = \text{WADM Pupil Units} \times \text{Fifth Tier Allowance}$$

The fifth tier levy, like the fourth tier levy, is equalized at 50% of the equalizing factor. For districts with an EARC valuation greater than or equal to 50% of the equalizing factor, the fifth tier levy is equal to the fifth tier revenue and the district receives no aid. For other districts, the fifth tier levy is computed as follows:

$$\text{Fifth Tier Levy} = \text{Fifth Tier Revenue} \times \frac{\text{EARC Valuation per Total Pupil Unit}}{.50 \times \text{Equalizing Factor}}$$

The fifth tier aid is equal to the fifth tier revenue minus the fifth tier levy.

6. Declining Pupil Unit Aid and Levy

Passed by the 1985 Legislature, an additional foundation component was created to help districts with the short-term cost of declining enrollment. It commenced in the 1986-87 school year, and provides extra revenue only in a year when total pupil units (WADM + AFDC) declined from the previous year. It is not considered to be tier revenue, and thus is not phased in.

This revenue is equal to 1/30th of a full-time teacher's salary for each pupil unit lost. The salary amount is estimated for each district by taking the statewide average beginning salary and multiplying it by the district's teacher training and experience (T & E) index. The state equalizes the revenue using 75% of the equalizing factor.

$$\text{Declining P.U. Revenue} = \frac{\text{Previous Year's Total P.U.'s} - \text{Current Year's Total P.U.'s}}{30}$$

$$\begin{aligned} &\times \text{Statewide Average Beginning Teacher Salary} \\ &\times \text{District's T \& E Index} \end{aligned}$$

Declining P.U. Levy = lesser of:

(a) district's declining P.U. revenue, or

$$(b) \frac{\text{District EARC per Total P.U.}}{.75 \times \text{Equalizing Factor}} \times \text{Declining P.U. Revenue}$$

The aid for declining pupil units (P.U.) is equal to revenue minus levy.

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)TABLE 1-1
FOUNDATION AID PROGRAM (ANNUAL ENTITLEMENT BASIS)

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual/</u> <u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated^a</u> <u>F.Y. 1988</u>	<u>Estimated^a</u> <u>F.Y. 1989</u>
<u>I. State Total Data</u>					
A. Average Daily Membership (ADM)					
1. Pre-Kindergarten	1,767	1,874	3,048	2,601	2,600
2. Kindergarten Handicapped	1,142	1,217	1,329	1,311	1,285
3. Kindergarten Nonhandicapped	55,220	58,093	59,808	59,438	58,372
4. Elementary	292,873	301,362	311,621	321,698	333,384
5. Secondary	344,817	336,693	329,111	320,873	311,258
6. Total ADM	<u>695,819</u>	<u>699,239</u>	<u>704,917</u>	<u>705,921</u>	<u>706,899</u>
B. Weighted Average Daily Membership (WADM) ^b	806,137	804,870	806,658	804,552	802,216
C. AFDC Pupil Units					
1. Student Counts	--	--	54,741	55,940	57,482
2. AFDC Pupil Units					
a. Basic Pupil Units	29,789	29,789	27,371	27,970	28,741
b. Concentration Pupil Units	18,032	18,032	19,114	19,700	20,645
c. Total AFDC Pupil Units	<u>47,821</u>	<u>47,821</u>	<u>46,485</u>	<u>47,670</u>	<u>49,386</u>
D. Total Pupil Units	853,958	852,691	853,137	852,222	851,602
E. EARC (Adjusted Assessed Valuation)	\$32,054,498,936	\$30,843,543,761	\$30,733,300,594	\$30,975,657,343	\$30,975,657,343
<u>II. Basic Foundation Aid and Levy</u>					
A. Basic Foundation Revenue					
1. Formula Allowance	\$1,475	\$1,585	\$1,690	\$1,700	\$1,700
2. Basic Revenue (Total Pupil Units time Formula Allowance)	\$1,259,588,448	\$1,351,514,902	\$1,441,811,281	\$1,448,777,845	\$1,447,722,783
3. Number of Districts Receiving	436	435	435	435	435

^aAssumes formula allowances of \$1,700 in both F.Y. 1988 and F.Y. 1989, and basic maintenance amounts of \$692 million and \$725 million respectively.^bSee Explanation in Section I of narrative.

EDUCATION AIDS
(Continuation)
PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual/ Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated^a F.Y. 1988</u>	<u>Estimated^a F.Y. 1989</u>
II. <u>Basic Foundation Aid and Levy</u> (Contd.)					
B. Basic Maintenance Levy					
1. Basic Mill Rate	24	23.5	23.2	22.7	22.7
2. Statutory Amount to be Levied	--	--	\$702,000,000	\$692,000,000	\$725,000,000
3. Actual Amount Levied	\$748,202,979	\$712,473,577	\$703,781,566	\$693,857,087	\$727,161,184
4. Number of Districts Levying	436	435	435	435	435
C. Basic Foundation Aid (Basic Foundation Revenue Minus Basic Maintenance Levy)					
1. Amount	\$511,385,469	\$639,041,325	\$738,029,715	\$754,920,758	\$720,561,599
2. Number of Districts					
a. Number of Districts Receiving Aid	363	398	420	424	419
b. Number of Districts Off the Formula	73	37	15	11	16
c. Total Number of Districts	<u>436</u>	<u>435</u>	<u>435</u>	<u>435</u>	<u>435</u>
D. Maintenance Revenue Equity					
1. Amount Off the Formula	\$21,104,995	\$10,110,043	--	--	--
2. Revenue Equity Adjustment (The amount added to the Basic Maintenance Levy and then subtracted from state categorical aids.)	\$3,490,472	\$3,370,014	--	--	--
3. Number of Districts Receiving	73	8	--	--	--
III. <u>Minimum Aid</u>					
A. State Guarantee					
1. Amount	\$1,724,976	\$316,128	--	--	--
2. Number of Districts	6	1	--	--	--

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual/ Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated^a F.Y. 1988</u>	<u>Estimated^a F.Y. 1989</u>
III. <u>Minimum Aid (Contd.)</u>					
B. Aid from State Sources					
1. Basic Foundation Aid	\$17,008	\$15,623	--	--	--
2. Property Tax Relief Aids	1,724,907	295,779	--	--	--
3. Total Aid from State Sources	<u>\$1,741,915</u>	<u>\$311,402</u>	--	--	--
C. Minimum Aid					
1. Amount	\$159,061	\$4,726	--	--	--
2. Number of Districts	6	1	--	--	--
IV. <u>Cost Differential Tier Aid and Levy</u>					
A. Cost Differential Tier Revenue					
1. Sparsity Revenue	\$2,362,743	\$5,017,776	\$5,372,646	\$5,349,895	\$5,328,847
2. Number of Districts Receiving	112	112	112	112	112
3. Training and Experience Revenue	\$92,242,856	\$103,989,211	\$103,965,390	\$103,385,790	\$102,860,746
4. Number of Districts Receiving	426	419	419	419	419
5. Total Cost Differential Tier Revenue	\$94,605,599	\$109,006,987	\$109,338,036	\$108,735,685	\$108,189,593
6. Number of Districts Receiving	428	423	423	423	423
B. Cost Differential Tier Levy					
1. Amount	\$59,726,339	\$61,446,891	\$57,632,651	\$56,639,067	\$59,106,221
2. Number of Districts	428	423	423	423	423
C. Cost Differential Tier Aid					
1. Amount	\$34,879,260	\$47,560,096	\$51,705,385	\$52,096,619	\$49,083,372
2. Number of Districts	357	390	409	413	408

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual/ Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated^a F.Y. 1988</u>	<u>Estimated^a F.Y. 1989</u>
<u>V. Second Tier Aid and Levy</u>					
A. Second Tier Revenue					
1. Maximum Second Tier Allowance	\$150	\$150	\$150	\$150	\$150
2. Amount					
a. Amount Prior to Fund Balance Reduction	\$120,899,520	\$120,730,502	\$120,998,710	\$120,682,798	\$120,332,445
b. Fund Balance Reduction	(10,299,457)	(12,730,807)	(11,638,568)	(9,292,533)	(9,436,556)
c. Net After Fund Balance Reduction	<u>\$110,600,063</u>	<u>\$107,999,695</u>	<u>\$109,360,142</u>	<u>\$111,390,265</u>	<u>\$110,885,889</u>
3. Number of Districts					
a. Number of Districts with Fund Balance Reductions	117	151	143	116	121
b. Total Number of Districts Receiving All or Part	352	340	349	366	367
B. Second Tier Levy					
1. Amount	\$65,568,217	\$56,611,361	\$52,866,485	\$52,657,343	\$54,917,137
2. Number of Districts Receiving	352	340	349	366	367
C. Second Tier Aid					
1. Amount	\$45,031,846	\$51,388,334	\$56,493,657	\$58,732,922	\$55,968,752
2. Number of Districts Receiving	307	323	340	360	356
<u>VI. Third Tier Aid and Levy</u>					
A. Third Tier Revenue					
1. Maximum Third Tier Allowance	\$100	\$100	\$100	\$100	\$100
2. Amount	\$61,814,465	\$79,369,093	\$80,645,317	\$80,455,199	\$80,221,630
3. Number of Districts Receiving	431	434	435	435	435

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual/ Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated^a F.Y. 1988</u>	<u>Estimated^a F.Y. 1989</u>
<u>VI. Third Tier Aid and Levy (Contd.)</u>					
B. Third Tier Levy					
1. Amount	\$48,296,730	\$53,170,419	\$50,391,162	\$49,412,584	\$51,176,445
2. Number of Districts	431	434	435	435	435
C. Third Tier Aid					
1. Amount	\$13,517,735	\$26,198,674	\$30,254,155	\$31,042,615	\$29,045,185
2. Number of Districts Receiving	291	327	365	384	373
<u>VII. Fourth Tier Aid and Levy</u>					
A. Fourth Tier Revenue					
1. Basic Revenue	\$21,184,496	\$27,374,935	\$53,506,135	\$80,455,198	\$80,221,630
2. Training and Experience Revenue	--	\$14,858,555	\$26,804,670	\$38,769,672	\$38,572,780
3. Number of Districts Receiving	--	419	419	419	419
4. Total Fourth Tier Revenue	\$21,184,496	\$42,233,490	\$80,310,805	\$119,224,870	\$118,794,410
5. Number of Districts Receiving	246	390	432	435	435
B. Fourth Tier Levy					
1. Amount	\$20,346,786	\$38,818,406	\$67,664,531	\$96,748,071	\$98,733,236
2. Number of Districts	246	390	432	435	435
C. Fourth Tier Aid					
1. Amount	\$838,210	\$3,415,084	\$12,646,274	\$22,476,799	\$20,061,174
2. Number of Districts	61	176	254	281	259

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual/ Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated^a F.Y. 1988</u>	<u>Estimated^a F.Y. 1989</u>
<u>VIII. Fifth Tier Aid and Levy</u>					
A. Fifth Tier Revenue					
1. Amount	\$8,117,789	\$2,801,667	\$3,793,843	\$3,745,180	\$3,689,321
2. Number of Districts Receiving	82	48	67	67	67
B. Fifth Tier Levy					
1. Amount	\$7,589,572	\$2,693,133	\$3,532,121	\$3,467,593	\$3,436,580
2. Number of Districts Receiving	82	48	67	67	67
C. Fifth Tier Aid					
1. Amount	\$258,217	\$108,534	\$261,722	\$277,587	\$261,741
2. Number of Districts Receiving	16	9	25	29	25
<u>IX. Declining Pupil Unit Aid and Levy</u>					
A. Declining Pupil Unit Revenue					
1. Amount	--	--	\$7,279,383	\$6,038,901	\$6,711,898
2. Number of Districts Receiving	--	--	220	226	223
B. Declining Pupil Unit Levy					
1. Amount	--	--	\$5,441,053	\$4,465,598	\$4,907,677
2. Number of Districts Receiving	--	--	220	226	223
C. Declining Pupil Unit Aid					
1. Amount	--	--	\$1,838,330	\$1,573,303	\$1,804,221
2. Number of Districts Receiving	--	--	173	187	181

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual/</u> <u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated^a</u> <u>F.Y. 1988</u>	<u>Estimated^a</u> <u>F.Y. 1989</u>
<u>X. Subtractions From Foundation Aid</u>					
A. Endowment Fund Earnings	\$26,212,826	\$26,642,389	\$30,000,000	\$29,000,000	\$29,000,000
B. Taconite Aid	6,297,568	6,092,110	2,763,327	2,474,800	2,400,000
C. County Apportionment	9,615,319	11,167,683	10,500,000	10,500,000	10,500,000
D. Pupil Audit and Short Session Penalties	357,250	83,396	--	--	--
E. Total Subtractions	<u>\$42,482,963</u>	<u>\$43,985,578</u>	<u>\$43,263,327</u>	<u>\$41,974,800</u>	<u>\$41,900,000</u>
<u>XI. Isolated School Aid</u>					
A. Amount	\$157,862	\$152,124	\$150,600	--	--
B. Number of Districts Receiving	1	1	1	--	--
<u>XII. Transfer of School District Foundation Aid to</u> <u>Postsecondary Institutions for Enrollment Options</u>					
A. Number of Students	--	3,518	3,600	3,600	3,500
B. Number of Districts With Aid Transfer	--	292	300	300	300
C. Total Amount of Aid Transferred	--	\$2,119,644	\$2,203,000	\$2,255,000	\$2,253,000
<u>XIII. Property Tax Relief Aids*</u>					
A. Agricultural School Credit	\$64,138,130	\$71,535,949	\$81,241,447	\$75,345,476	\$74,167,596
B. Homestead Credit	168,541,273	166,292,596	170,459,234	176,206,389	180,858,938
C. Taconite Homestead Credit	5,960,814	2,909,337	2,659,837	2,185,335	2,151,172
D. Wetlands Credit	115,459	137,105	112,225	117,889	116,046
E. Native Prairie Credit	46,747	48,147	38,105	35,743	35,184
F. Attached Machinery Aid	834,099	835,895	835,895	835,895	835,895
G. Taconite Aid (Portion subtracted from maintenance levy limitation)	1,976,196	1,618,137	1,156,892	1,138,887	1,338,887
H. Agricultural Preserve Credit	104,631	109,384	185,977	198,781	210,488
I. Natural Disaster Credit	21,145	27,078	--	--	--
J. Enterprise Zone Credit	152,058	242,214	249,952	307,264	345,669
K. Total Property Tax Relief Aids	<u>\$241,890,552</u>	<u>\$243,755,842</u>	<u>\$256,939,564</u>	<u>\$256,371,659</u>	<u>\$259,859,875</u>

*Only includes portion of these aids corresponding to foundation program levies. Does not include Wetlands Reimbursement or Native Prairie Reimbursement since these do not reduce local levies.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-1: (Contd.)

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual/</u> <u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated^a</u> <u>F.Y. 1988</u>	<u>Estimated^a</u> <u>F.Y. 1989</u>
<u>XIV. Shared Time Foundation Aid</u>					
A. FTE Pupil Units	1,145	1,060	1,060	1,060	1,060
B. Formula Allowance	\$1,475	\$1,585	\$1,690	\$1,700	\$1,700
C. Amount	\$1,689,023	\$1,680,100	\$1,791,400	\$1,802,000	\$1,802,000
D. Number of Districts Receiving	131	127	127	127	127
<u>XV. Maintenance Revenue Equity</u>					
A. Amount Off-the-Formula	\$21,104,995	\$10,110,043	--	--	--
B. Revenue Equity Adjustment (The amount added to the Basic Maintenance Levy and subtracted from State Categorical Aids)	\$3,490,995	\$3,370,014	--	--	--
C. Number of Districts Receiving	73	8	--	--	--
<u>XVI. Foundation Program Totals</u>					
A. Total Program Revenue	\$1,557,757,745	\$1,694,758,058	\$1,834,480,807	\$1,880,169,945	\$1,878,017,524
B. Total Local Levies					
1. Gross Levies	\$949,841,062	\$925,209,061	\$941,309,569	\$957,247,343	\$999,438,480
2. Property Tax Relief Aids	(241,890,552)	(243,755,842)	(256,939,564)	(256,371,659)	(259,859,875)
3. Net Levies	\$707,950,510	\$681,453,219	\$684,370,005	\$700,875,684	\$739,578,605
C. Total Foundation Aid					
1. Gross Aid	\$607,916,683	\$769,548,997	\$893,171,238	\$922,922,602	\$878,588,044
2. Subtractions	(42,482,963)	(43,985,578)	(43,263,327)	(41,974,800)	(41,900,000)
3. Net Aid	\$565,433,720	\$725,563,419	\$849,907,911	\$880,947,802	\$836,688,044

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
 AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

TABLE 1-2
 FOUNDATION AID PROGRAM (APPROPRIATION ACCOUNT BASIS)

	Actual F.Y. 1985	Actual/ Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
<u>I. Prior Year Final Adjustment</u>					
A. Gross Payment					
1. Regular	\$ 96,655,215	\$ 90,955,126	\$121,518,616	\$133,706,975	\$176,479,149
2. Shared Time	300,042	360,341	130,762	268,710	309,732
3. Total Gross Payment	<u>96,955,257</u>	<u>91,315,467</u>	<u>121,649,378</u>	<u>133,975,685</u>	<u>176,788,881</u>
B. Subtractions (Taconite & County Apportionment)	(12,934,826)	(13,370,260)	(13,903,063)	(12,263,327)	(11,974,808)
C. Tax Shift Adjustment	1,301,936	(2,574,965)	(1,456,366)	--	--
D. Revenue Equity Adjustment	--	(18,862)	(596,531)	--	--
E. Transfer to Fund Categorical Aid Deficiencies	<u>--</u>	<u>1,322,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
F. Net Final Payment	<u>\$ 85,322,367</u>	<u>\$ 76,673,380</u>	<u>\$105,693,418</u>	<u>\$121,712,358</u>	<u>\$164,814,073</u>
<u>II. Current Year Advance</u>					
A. Gross Payment					
1. Regular	\$515,680,633	\$646,351,175	\$757,672,865	\$1,000,048,520	\$970,969,467
2. Shared Time	1,816,371	1,549,338	1,522,690	1,755,148	1,800,198
3. Total Gross Payment	<u>517,497,004</u>	<u>647,900,513</u>	<u>759,195,555</u>	<u>1,001,803,668</u>	<u>972,769,665</u>
B. Subtractions					
1. Endowment Fund	(26,212,826)	(26,642,389)	(30,000,000)	(29,000,000)	(29,000,000)
2. Prior Year Taconite & County Apportionment (Not recovered on final payment)	<u>(3,784,147)</u>	<u>(2,929,264)</u>	<u>(2,609,075)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
C. Payment after Subtractions	487,500,031	618,328,860	726,586,480	971,803,668	942,769,665
D. Tax Shift Adjustment	(207,150)	(4,919,890)	(4,753,840)	(18,500,000)	(4,000,000)
E. Revenue Equity Adjustment ^a	(3,848,382)	(3,735,118)	--	--	(15,117,351)
F. Net Advance Payment	<u>\$483,444,499</u>	<u>\$609,673,852</u>	<u>\$721,832,640</u>	<u>\$953,303,668</u>	<u>923,652,314</u>
<u>III. Total Foundation Aid Payments</u>	<u>\$568,766,866</u>	<u>\$686,347,232</u>	<u>\$827,526,058</u>	<u>\$1,075,016,026</u>	<u>\$1,088,466,387</u>

^aIncludes both Maintenance and Transportation Revenue Equity Adjustments

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

7. Four Year Phase-in of Tier Revenues

In order to limit the initial cost of the new tier formula, the increases to be received by districts were phased in over a four-year period: beginning in 1984-85 and through 1987-88. Each district for which the sum of the full 4 tiers exceeded the amount under the previous formula, had added to the previous formula amount 1/4 of difference each year. Districts which had a previous amount greater than the 4 tiers remained at the same level of funding, although given a \$50 per total pupil unit increase.

The total revenue per pupil unit which a district is permitted under the phase-in is computed as follows:

$$(a) \text{ F.Y. 1985 and F.Y. 1986 } = \$25 \times \frac{\text{1984-85 Total Pupil Units}}{\text{1984-85 Actual Pupil Units}} \div \text{Minimum Increase}$$

$$(b) \text{ F.Y. 1987 and thereafter } = \$50 \times \frac{\text{1984-85 Total Pupil Units}}{\text{1984-85 Actual Pupil Units}} \div \text{Minimum Increase}$$

$$(c) \text{ Permitted Increase } = (\text{Revenue per Actual Pupil Unit from First Four Tiers} - \text{1984-85 Previous Formula Amount per Actual Pupil Unit}) \times \text{Percentage Increase Factor}$$

The percentage increase factors for 1984-85, 1985-86 and 1986-87 are .25, .50, and .75 respectively. The percentage for 1987-88 and beyond is 100%.

$$(d) \text{ Permitted Total Tier Allowance } = \text{1984-85 Previous Formula Amount per Pupil Unit} + \text{greater of a) Minimum Increase or b) Permitted Increase}$$

(e) The permitted total tier allowance is then allocated back to the individual tiers starting with the cost differential tier and rising through the fourth tier. Thus, districts receive the tier revenue in the lower tiers with the highest equalization first and then progress to the higher numbered tiers where a greater share of the revenue comes from the levy.

Property Tax Relief Aids

Minnesota provides aid to school districts (as well as other local units of government) in order to provide property tax relief to individual taxpayers and to compensate for certain property which is, in whole or in part, exempt from local taxation. These pro-

PROGRAM DESCRIPTION: (Contd.)

perty tax relief aids generally have the effect of reducing the amount of property taxes actually paid in a district. The tax relief aids paid to school districts are as follows:

1. Aids to replace credits (reductions) to individual property owners' tax liability.

State School Agricultural Credit
Homestead Credit
Taconite Homestead Credit
Wetlands Credit
Native Prairie Credit
Agricultural Preserve Credit
Natural Disaster Reassessment Credit
Enterprise Zone Credit

2. Aids to replace tax revenue lost due to tax exempt property

Attached Machinery
Taconite Aid
Wetlands Reimbursement
Native Prairie Reimbursement

For the various credits, the yield from a district's certified levies is reduced by the amount of credits. For the tax exempt replacement aids, the district's revenue is affected as follows: The Attached Machinery Aid reduces a district's maximum levy limitation for basic maintenance by the same amount as the aid. The Taconite Aid reduces a district's levy limitations and foundation aid in a combined amount equal to the total taconite aid. The Wetlands and Native Prairie reimbursement aids are not offset by a reduction in district aids or levies.

The gross maintenance levy included in Table 1-1 includes only the portions of the total maintenance levy which relate to the foundation aid and levy program. Excluded are the referendum, unemployment insurance, statutory operating debt, summer school, interdistrict coop, operating debt, liability insurance, desegregation, retirement and severance, judgment, and job placement levies. The comparable portion of the tax relief aids is shown as a deduction from the gross maintenance levy. The resulting net levy amount is the amount of tax actually paid by property owners for purposes of the foundation aid and levy program.

Subtractions From Foundation Aid

In addition to foundation aid and levy revenues, districts receive certain other unrestricted revenues on a disproportionate basis. The amounts received are then subtracted from a district's foundation aid. The result is to preserve the equal revenue for equal property tax effort concept of the foundation program.

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL:

PROGRAM DESCRIPTION: (Contd.)

1. Endowment Fund Deduction. As stipulated in M.S. 124.09, the School Endowment Fund (earnings of the Permanent School Fund, which consists mostly of real property) is apportioned yearly to all districts on the basis of the previous year's average daily membership. However, as stipulated in M.S. 124A.035, Subd. 2 and 3, the amounts paid are subtracted from foundation aid (or other aids as necessary to effect the required subtraction).
2. County Apportionment Deduction. Subtractions are made from foundation aid for revenues received by the districts for apportionment of county receipts to school districts as listed in M.S. 124.10 (penalties on real estate taxes, taxes on transmission and distribution lines, liquor license fees, fines, estrays, etc.). The entire amount of the county apportionment revenue is subtracted from foundation aid.
3. Taconite Aid. Pursuant to M.S. 294.21 - 294.28 and parts of Chapter 298, certain districts receive from the state a portion of the state proceeds from various taconite taxes. The foundation aid and levy limitations of these districts are then reduced by the same amount. Reductions are first made from the levy with a minimum of 50% of the second previous year's taconite receipts being subtracted from the levy limitations, with the remainder of the current year's receipts being taken from foundation aid.

Shared Time Foundation Aid

Minnesota law provides foundation aid to be paid to districts for pupils who attend public schools on a part-time basis while otherwise attending private schools. Foundation aid for shared time pupils equals the amount which would accrue if shared time pupil units, weighted the same as other pupil units, are added to the district's total pupil units used in determining its foundation aid. Thus, shared time aid is equal to shared time full-time equivalent (FTE) pupil units times the formula allowance. These pupil units are used only in the computation of shared time aid. There is no levy for this foundation aid component.

Isolated School Aid

For 1984-85, a district having more than 2,500 square miles of area and operating at least six secondary schools is eligible for isolated school aid. The isolated school aid is computed as follows:

$$\text{Isolated School Aid} = \text{Actual Pupil Units} \times \$50$$

For 1985-86 and 1986-87 the amount of isolated school aid was added to the district's foundation aid entitlement. The statute does not provide continuing aid in future years.

Category

Governor's
Recommendation
F.Y. 1988 F.Y. 1989

1. F.Y. 1987 Aid Entitlement	\$893,171,239	\$893,171,239
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Net change in WADM pupil units	(3,363,364)	(7,478,190)
- Increase in AFDC pupil units	1,627,580	5,170,302
- Change in district unappropriated operating fund balances (Tier 2 subtraction)	1,626,896	1,552,426
- Increase in state average B.A. beginning salary (Declining Pupil Unit Aid)	156,873	196,744
- Change in district EARC valuation	(6,373,980)	(6,399,971)
B) Existing Policy Changes Becoming Effective		
- Formula allowance increase to \$1,700	9,279,312	9,268,497
- Basic maintenance mill rate decrease to 22.7 (\$692,000,000)	17,977,847	18,000,352
- 4 year phase-in of tiers	8,970,800	8,984,162
- Expiration of Isolated School Aid	(150,600)	(150,600)
C) Assumed Levy Increase		
- Increase basic maintenance levy to \$725,000,000 (23.9 mills)	-0-	(43,726,917)
3. Subtotal, Estimate Under Current Law	\$922,922,603	\$878,588,044
4. Proposed Policy Changes:		
- Increase formula allowance to \$1,734 and \$1,778	28,103,137	76,429,796

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 01 FOUNDATION AID PROGRAM

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
- Include TRA/FICA funding in the foundation program:		
a) Increase formula allowance to \$1,948 and \$1,998	182,761,520	211,701,613
b) Additional \$70 to training and experience (T & E) multiplier	18,092,514	14,129,401
c) Provide "excess retirement" component to cost differential tier	28,916,080	7,355,179
- Freeze AFDC Pupil Units	(2,203,305)	(5,999,344)
- Move T & E allowance in Tier 4 to cost differential tier	-0-	12,554,943
- Eliminate declining pupil unit aid and levy	-0-	(2,857,555)
- Use current sparsity data in cost differential tier	-0-	1,213,257
- Change Tier 2 fund balance subtraction to 15% of district operating expenditures	-0-	(680,119)
- Inflate tier allowances by 2.5%	-0-	4,813,887
- Add \$10 to Tier 3 allowance for professional development	-0-	3,572,923
- Increase basic maintenance levy to \$787,000,000 (to offset recommended decrease in capital expenditure basic levy to 2 mills)	-0-	(78,769,241)
- Provide for Revenue Equity for districts off-formula in the basic and first two tiers of the foundation program (result is lower basic maintenance mill rate for all districts)	-0-	11,123,314

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
- Provide referendum equalization aid (first \$100 per WADM at 50% of equalizing factor)	-0-	11,258,800
5. Total Entitlement	<u>\$1,178,592,549</u>	<u>\$1,144,434,898</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$1,075,016,026 in F.Y. 1988 (\$121,712,358 for F.Y. 1987 and \$953,303,668 for F.Y. 1988) and \$1,088,466,387 in F.Y. 1989 (\$164,814,073 for F.Y. 1988 and \$923,652,314 for F.Y. 1989).

The Governor recommends the following changes to the foundation program in F.Y. 1988 and F.Y. 1989:

1. Set the formula allowances, prior to inclusion of TRA/FICA into the foundation program, at \$1,734 per pupil unit in F.Y. 1988, and \$1,778 per pupil unit in F.Y. 1989.
2. Beginning in F.Y. 1988, include funding for TRA/FICA into the foundation program.
 - a. Increase the formula allowances \$214 in F.Y. 1988 (to \$1,948) and \$220 in F.Y. 1989 (to \$1,998).
 - b. Add \$70 to the training and experience multiplier in the equation for computing the revenue in the cost differential tier.
 - c. Add an "excess retirement" component to the cost differential tier to guarantee to each district at least as much funding per pupil unit for TRA/FICA, in each year, as the district received in F.Y. 1987. The excess retirement allowance equals:
 - (i) the F.Y. 1987 TRA/FICA aid per Weighted Average Daily Membership (WADM) pupil unit, including an apportioned share of aid paid to cooperatives and intermediate districts, less
 - (ii) (1) 11 % of the basic foundation revenue per WADM pupil unit,
(2) \$70 x (T & E Index - 1.25), and
(3) beginning in F.Y. 1989, 11% of the district's sparsity allowance

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 01 FOUNDATION AID PROGRAM

GOVERNOR'S RECOMMENDATION: (Contd.)

- d. In summary, the objective is to place an amount (close to the statewide average) of TRA/FICA revenue into the basic and cost differential tier of each district, including an adjustment for districts with higher salary costs due to higher training and experience of teachers, and to include a hold-harmless component equal to the F.Y. 1987 amount per WADM pupil unit minus the new funding in the foundation program. As the basic foundation and sparsity revenues increase, the hold-harmless component will diminish, and in time all districts will be funded similarly.
 - e. In F.Y. 1988, there will be no alteration of the equalizing factor used, such that additional revenue in the cost differential tier is to be provided by the state. Also, there is to be no recalculation of the sparsity allowance in F.Y. 1988, which otherwise would be inflated with the recommended higher formula allowance.
3. The Aid to Families with Dependent Children (AFDC) pupil units are to be frozen at the number used in F.Y. 1987.
 4. Beginning in F.Y. 1989, the revenue for teacher training and experience (T & E) in the fourth tier ($\$150 \times (T \& E \text{ Index} - 1.25)$) is to be moved to the fully equalized cost differential tier.
 5. Beginning in F.Y. 1989, the revenue for declining pupil units is to be discontinued.
 6. Beginning in F.Y. 1989, the component for sparsity revenue in the cost differential tier is to be computed using current secondary average daily membership (ADM) counts.
 7. Beginning in F.Y. 1989, the limit to district unappropriated operating fund balances without a subtraction to second tier revenue allowance is to be changed from \$500 per pupil unit, to 15% of the operating expenditures per pupil unit in the second prior year. This amount is to be inflated by 5.1% for F.Y. 1989, and is to be inflated in subsequent years at the same rate as the growth in the formula allowance.
 8. For F.Y. 1989, the tier allowances are to be inflated 2.5% over the F.Y. 1988 levels. This includes increasing the training and experience multiplier to \$633.75 ($(\$550 \times 1.025) + \70), the second tier allowance to \$153.75, the third tier allowance to \$102.50, and the fourth tier allowance to \$102.50.
 9. Beginning in F.Y. 1989, the third tier revenue allowance is to be increased \$10 (to \$112.50) if a district has a professional development program approved by the Department of Education.

GOVERNOR'S RECOMMENDATION: (Contd.)

10. The basic maintenance levy for F.Y. 1989 (1987 pay 1988) is to equal \$787 million statewide. Sixty-two million (\$62,000,000) of this increase is for the purpose of offsetting the cost to the state of reducing the maximum basic capital expenditure levy to 2 mills.
11. Beginning in F.Y. 1989, with the 1987 pay 1988 levy, the "revenue equity" provision shall be applied to the basic transportation levy, the recommended special education levy, and the basic and first two tiers of the foundation program. Under this provision, if the basic levies at full millage exceed the revenue allowances, the state will decrease categorical aids to the extent of the excess capacity. The state will then provide, to the district, levy authority to replace the subtracted aid.
12. Beginning in F.Y. 1989 (1987 pay 1988 levy) the state will equalize the first \$100 per WADM of referendum maintenance levy at 50% of the equalizing factor. For districts with this levy in place, the levy will be reduced by the amount of the aid such that there is no change in revenue.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 02 PROPERTY TAX SHIFT REDUCTION

STATUTORY AUTHORIZATION: M.S. 16A.1541; 121.904, SUBD. 4A AND 4C; 124.14,
SUBD. 6; 124.155

PROGRAM OBJECTIVE: To reduce the property tax revenue recognition percent for school districts, as State General Fund unobligated balances as defined in law become available, until the percent is equal to zero.

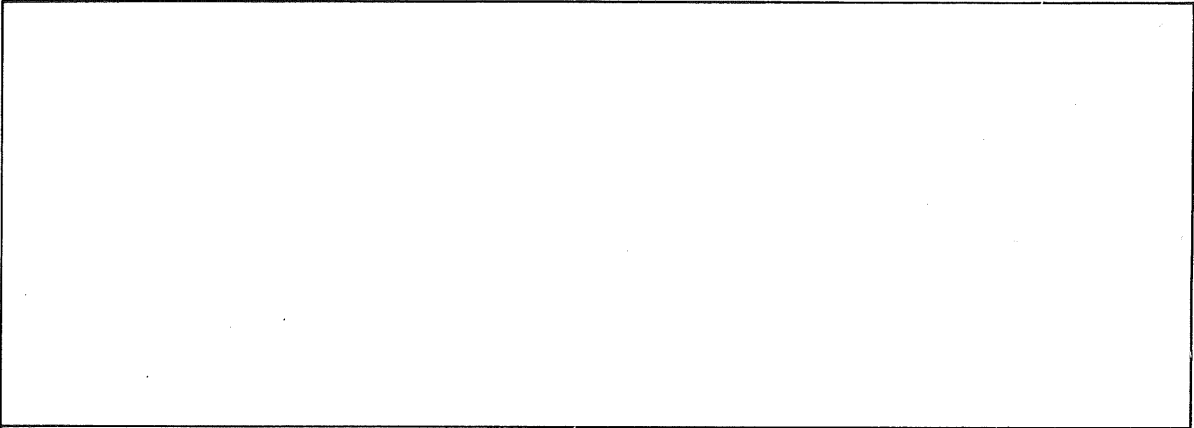
PROGRAM DESCRIPTION:

F.Y. 1983 The property tax revenue recognition change enacted in 1982 was part of a package of legislation directed at balancing the state general fund budget in a period of revenue shortfall. The legislation provides that in June of each year, beginning in 1983, school districts must recognize as revenue a specified percent of the spread levy payable in the current calendar year. The spread levy for this purpose is defined as the levy amount remaining after subtracting, by school district fund, the relevant amounts of the state paid property tax credits and the amounts of certain excluded levies (debt service, statutory operating debt, bus purchase, unemployment insurance, retirement and severance, etc.). With the shift of a portion of the amount originally levied for the 1983-84 school year into 1982-83, the state aids and credits due in 1982-83 for 1982-83 were reduced by the amount of the tax shift, excluding the portion of the referendum levy that was shifted. For 1982-83, the property tax shift percent was 32%. This resulted in a shift of \$256.6 million in district revenue and a \$240.7 million reduction in state aids and credits.

F.Y. 1984 The property tax shift percent was continued at 32%. Further, the legislation provides that, beginning in 1983-84, state aid payments must be adjusted by the difference between the current year's tax shift amount and the previous year's tax shift amount. The portion of the referendum levy that was shifted was excluded from this calculation. The purpose of the aid adjustment is to ensure that district revenue is not affected by the tax shift. This adjustment will decrease aid payments if the tax shift for the current year is greater than the tax shift for the previous year. The adjustment will increase aid payments if the current taxes shifted are less than the previous taxes shifted. Any additional amount necessary for the payment of aids for this adjustment is provided by an open and standing appropriation. For 1983-84, the 32% property tax shift resulted in a shift of \$291.7 million in district revenue and a \$34.4 million net reduction in state aids and credits.

F.Y. 1985 Based on the availability of State General Fund balances and the procedure specified in law, the property tax shift percent was reduced to 24%. The lowered tax shift for 1984-85 resulted in a shift of \$220.3 million in district revenue and a \$69.5 million net payment of additional state aid.

F.Y. 1986 The property tax shift percent was continued at 24%. The estimated result is a shift of \$229.7 million in district revenue and a \$6.4 million net reduction in state aids and credits.



PROGRAM DESCRIPTION: (Contd.)

F.Y. 1987 The property tax shift percent was continued at 24%. The result is an estimated shift of \$236.8 million in district revenue and an estimated \$4.8 million net reduction in state aids and credits.

F.Y. 1988 and F.Y. 1989 Under current law, with a continued 24% property tax shift percentage, the total gross property tax shift into F.Y. 1988 would equal \$248.4 million, with a \$9.0 million reduction to state aids. Similarly, in F.Y. 1989 the gross shift into F.Y. 1989 would be \$252.3 million, with a \$3.7 million reduction to state aids.

PROGRAM STATISTICS: Statistical information for the property tax revenue recognition change, and related adjustment to state aids, is provided in Table 1-3.

GOVERNOR'S RECOMMENDATION: The Governor is recommending, in tax legislation, major changes to the property tax credit system which will necessarily involve the design of the property tax shift methodology. However, if such measures are not enacted, the Governor then recommends continuance of present law.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 02 PROPERTY TAX SHIFT REDUCTION

PROGRAM STATISTICS: (Contd.)

TABLE 1-3
Property Tax Revenue Recognition Change and Adjustment to State Aids

	Actual F.Y. 1983	Actual F.Y. 1984	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimate Under Current Law F.Y. 1988	F.Y. 1989
1. Revenue recognition percent	32%	32%	24%	24%	24%	24%	24%
2. Gross shift amount	\$ 260,956,531	\$295,294,862	\$220,808,445	\$230,886,961	\$237,304,233	\$248,873,512	\$252,832,912
3. Less adjustment for districts off-the-shift							
a. Number of districts	6	5	3	5	2	2	2
b. Amount	4,401,824	3,623,583	540,278	1,192,882	500,000	500,000	500,000
4. Adjusted gross shift = revenue recognition change	<u>\$ 256,554,707</u>	<u>\$291,671,279</u>	<u>\$220,268,167</u>	<u>\$229,694,079</u>	<u>\$236,804,233</u>	<u>\$248,373,512</u>	<u>\$252,332,912</u>
5. Less referendum levy shift	\$ 15,896,912	\$ 16,632,969	\$ 14,262,247	\$ 16,769,419	\$ 19,164,100	\$ 21,739,700	\$ 22,000,000
6. Less desegregation levy shift	--	--	458,983	1,001,467	963,100	958,400	960,000
7. Net shift amount for aid adjustment calculation	<u>\$ 240,657,795</u>	<u>\$275,038,310</u>	<u>\$205,546,937</u>	<u>\$211,923,193</u>	<u>\$216,677,033</u>	<u>\$225,675,412</u>	<u>\$229,372,912</u>
8. Aid adjustment calculation							
a. Prior year shift (shift out)	\$ --	\$240,657,795	\$275,038,310	\$205,546,937	\$211,923,193	\$216,677,033	\$225,675,412
b. Current year shift (shift in)	240,657,795	275,038,310	205,546,937	211,923,193	216,677,033	225,675,412	229,372,912
9. Adjustment to state aids (8a-8b)	<u><u>\$(240,657,795)</u></u>	<u><u>\$(34,380,515)</u></u>	<u><u>\$ 69,491,373</u></u>	<u><u>\$(6,376,256)</u></u>	<u><u>\$(4,753,840)</u></u>	<u><u>\$(8,998,379)</u></u>	<u><u>\$(3,697,500)</u></u>

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 03 TEACHER RETIREMENT - SOCIAL SECURITY (F.I.C.A.)
STATUTORY AUTHORIZATION: M.S. 124.2161 - 124.2163

PROGRAM OBJECTIVE: To provide school districts and cooperatives with funds to finance employer retirement and social security contributions for teacher retirement association members.

PROGRAM DESCRIPTION: Classroom teachers, administrators, and other professional education personnel employed by Minnesota school districts and cooperatives are members of 1 of 4 teacher retirement associations: the statewide Teacher Retirement Association, the Minneapolis Teachers' Retirement Fund Association, the St. Paul Teachers' Retirement Fund Association, or the Duluth Teachers' Retirement Fund Association. Employer contribution rates for basic and coordinated plan members of each association, expressed as a percentage of salaries, are shown in Table 1-4. Employer contribution rates and salary maximums for social security, applicable to coordinated plan members of all associations, are also shown in Table 1-4.

Table 1-5 shows expenditures for employer retirement and social security contributions by fiscal year, excluding expenditures for area vocational technical institute (AVTI) employees and employees paid from other than normal school operating funds (i.e., federal funds, private grant funds). Prior to F.Y. 1987, the state was responsible for paying employer retirement and social security contributions for teacher retirement association members paid from normal school operating funds. State payments were made directly to the teacher retirement associations and the Social Security Administration on behalf of the school districts and cooperatives.

F.Y. 1987 Aid Formula

Beginning in F.Y. 1987, school districts and cooperatives are responsible for paying all employer retirement and social security contributions. State aid is provided to assist districts and cooperatives in financing the employer contributions for teacher retirement association members paid from normal school operating funds. Separate formulas are used to distribute aid to school districts and cooperatives.

A school district's F.Y. 1987 teacher retirement and F.I.C.A. aid is based on its historical retirement costs, adjusted for inflation, changes in social security contribution rates, and changes in district average daily membership (ADM). A school district's maximum aid for F.Y. 1987 is computed using the following formula:

School District
Maximum Aid =
$$\begin{aligned} &[(\text{F.Y. 1985 Employer Teacher Retirement Contribution} \times 1.1396) \\ &+ (\text{F.Y. 1985 Employer Social Security Contribution} \times 1.1599)] \\ &\times (\text{1986-87 ADM}/\text{1984-85 ADM}) \end{aligned}$$

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	33,975	0
Current Year	199,178	224,100	192,525	0	0	0
Subtotal	199,178	224,100	192,525	0	33,975	0
Other Funds:	0	0	0	0	0	0
Total	199,178	224,100	192,525	0	33,975	0

PROGRAM DESCRIPTION: (Contd.)

A school district's actual aid for F.Y. 1987 is equal to the lesser of the district's maximum aid or its actual F.Y. 1987 expenditure for employer retirement and social security contributions. Employer contributions for AVTI employees and employees paid from other than normal school operating funds are excluded from the aid calculations.

The retirement aid formula for cooperatives (i.e., secondary vocational and special education cooperatives, Educational Cooperative Service Units (ECSUs), intermediate districts, regional management information centers) is the same as that for school districts, except that full-time equivalent (FTE) teachers are used instead of ADMs:

Cooperative
Maximum Aid =
$$\begin{aligned} &[(\text{F.Y. 1985 Employer Teacher Retirement Contribution} \times 1.1396) \\ &+ (\text{F.Y. 1985 Employer Social Security Contribution} \times 1.1599)] \\ &\times (\text{F.Y. 1987 FTE Teachers}/\text{F.Y. 1985 FTE Teachers}) \end{aligned}$$

As with school districts, a cooperative's actual aid for F.Y. 1987 is equal to the lesser of the cooperative's maximum aid or its actual F.Y. 1987 expenditure for employer retirement and F.I.C.A. contributions.

Aid Formula for F.Y. 1988 and F.Y. 1989

The teacher retirement and F.I.C.A. aid formula for F.Y. 1988 and F.Y. 1989 is the same as that for F.Y. 1987, with 2 changes. First, the base year used in the aid calculations will be updated each year so that it is always 2 years prior to the year for which the aid is paid. Second, the inflation factor for both teacher retirement and social security will equal the ratio of the current year's foundation aid formula allowance to the base year's foundation aid formula allowance. For example, F.Y. 1986 will be the base year for F.Y. 1988 aid calculations, and the inflation factor for both teacher retirement and social security will equal 1.0726 (\$1,700/\$1,585).

EDUCATION AIDS

(Continuation)

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 03 TEACHER RETIREMENT - SOCIAL SECURITY (F.I.C.A.)

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

PROGRAM DESCRIPTION: (Contd.)

In general, the teacher retirement and F.I.C.A. aid formula for a school district for years after F.Y. 1987 may be expressed as follows:

- (1) Maximum Aid = (Second Prior Year Employer Teacher Retirement Contribution + Second Prior Year Employer Social Security Contribution)
- x (Current Year Foundation Aid Formula Allowance/Second Prior Year Foundation Aid Formula Allowance)
- x (Current Year ADM/Second Prior Year ADM)
- (2) Actual Aid = Lesser of: (a) maximum aid, or
(b) actual employer retirement and social security contributions

Table 1-5 summarizes the data used to compute estimated teacher retirement and F.I.C.A. aid entitlements for F.Y. 1987-88-89.

PROGRAM STATISTICS:

TABLE 1-4
EMPLOYER CONTRIBUTION RATES

	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Social Security					
- Rate	7.025%	7.10%	7.15%	7.33%	7.51%
- Salary Maximum	\$37,800	\$39,600	\$42,000	\$43,800	\$45,600
Statewide TRA					
- Basic Plan	12.98%	12.98%	12.98%	12.98%	12.98%
- Coordinated Plan	8.98%	8.98%	8.98%	8.98%	8.98%
Duluth TRA					
- Coordinated Plan	5.79%	5.79%	5.79%	5.79%	5.79%
St. Paul TRA					
- Basic Plan	12.63%	12.63%	12.63%	12.63%	12.63%
- Coordinated Plan	4.50%	4.50%	4.50%	4.50%	4.50%
Minneapolis TRA					
- Basic Plan	13.35%	13.35%	13.35%	13.35%	13.35%
- Coordinated Plan	4.50%	4.50%	4.50%	4.50%	4.50%

TABLE 1-5
EMPLOYER CONTRIBUTIONS AND STATE AID

	Actual F.Y. 1985 ^a	Estimated F.Y. 1986 ^b	Estimated F.Y. 1987 ^c	Estimated F.Y. 1988 ^c	Estimated F.Y. 1989 ^c
Average Daily Membership (ADM)	695,819	699,109	703,372	705,522	705,417
Full-Time Equivalent (FTE) Licensed Staff Per 1,000 ADM	65.9	67.1	68.3	68.9	69.5
K-12 FTE Licensed Staff	45,865	46,888	48,061	48,610	49,026
Average Teacher Retirement Contribution Per FTE Licensed Staff	\$2,641	\$2,840	\$3,019	\$3,019	\$3,019
Average Social Security (FICA) Contribution Per FTE Licensed Staff	\$1,701	\$1,939	\$2,068	\$2,120	\$2,172
Employer Teacher Retirement Contribution	\$121,148,321	\$133,200,000	\$145,079,000	\$146,753,590	\$148,009,494
Employer FICA Contribution	\$ 78,029,614	\$ 90,900,000	\$ 99,379,100	\$103,053,200	\$106,484,472
Total Employer Contribution	\$199,177,935	\$224,100,000	\$244,458,000	\$249,806,790	\$254,493,966
State Aid Entitlement	\$199,177,935	\$224,100,000	\$226,500,000	\$242,170,000	\$247,100,000

^aBased on payrolls dated July 1, 1984 through June 30, 1985

^bBased on payrolls dated July 1, 1985 through June 30, 1986, plus estimated accrual adjustment of \$5,400,000 for salaries earned prior to June 30, 1986, but paid after that date.

^cBased on amount earned each fiscal year.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS

AID: 03 TEACHER RETIREMENT - SOCIAL SECURITY (F.I.C.A.)

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
DOF:					
Employer Contribution	199,177,935	224,100,000 ^a	120		
MDE:					
Aid Entitlement			226,500,000		
Net Aid Entitlement	<u>\$199,177,935</u>	<u>\$224,100,000</u>	<u>\$226,500,120</u>	<u>\$-0-</u>	<u>\$-0-</u>
<u>B) PROGRAM FUNDING</u>					
DOF:					
Current Appropriation	199,177,935	224,100,000	500		
MDE:					
Current Appropriation			192,832,700		
Final Adjust Appropriation			33,975,000		
Transfer to Education Aids Control Account			(307,700)		
Total	<u>\$199,177,935</u>	<u>\$224,100,000</u>	<u>\$226,500,500</u>	<u>\$-0-</u>	<u>\$-0-</u>
<u>C) FISCAL ACTIVITY</u>					
DOF:					
State Payments	199,177,935	224,100,000	120		
Cancellation			380		
MDE:					
State Payments			226,500,000		
Total	<u>\$199,177,935</u>	<u>\$224,100,000</u>	<u>\$226,500,500</u>	<u>\$-0-</u>	<u>\$-0-</u>

^aIncludes estimated accrual adjustment of \$5,400,000 for salaries earned prior to June 30, 1986 but paid after that date.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$226,500,120	\$226,500,120
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- DOF Employer Contribution	(120)	(120)
- Increase in Base Year Cost Over F.Y. 1985 Base Year Cost	24,122,100	45,280,200
- ADM Change Between Base Year and Current Year, Compared With Average Daily Membership (ADM) Change Between F.Y. 1985 and F.Y. 1987	(548,700)	(1,886,300)
- Growth in Number of Staff at Cooperatives Between Base Year and Current Year, Compared With Growth in Number of Staff Between F.Y. 1985 and F.Y. 1987	137,000	137,000
- Change in Aid Reduction for Districts With Actual Expenditures Below Maximum Allowance	4,964,900	4,964,900
B) Existing Policy Changes Becoming Effective		
- Change in Inflation Factors From F.Y. 1987 Level	(13,005,300)	(27,895,800)
3. Subtotal, Estimate Under Current Law	<u>\$242,170,000</u>	<u>\$247,100,000</u>
4. Proposed Policy Changes:		
- Consolidate in the Foundation Program	(242,170,000)	(247,100,000)
5. Total Entitlement	<u>\$-0-</u>	<u>\$-0-</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends that categorical aid for this program be eliminated beginning in F.Y. 1988 and that funding for this purpose be included in the Foundation Aid Program. See Program 01-01 for details. The Governor recommends an appropriation of \$33,975,000 in F.Y. 1988 for the F.Y. 1987 final adjustment payment for the Teacher Retirement categorical aid.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 04 SUMMER PROGRAMS
STATUTORY AUTHORIZATION: M.S. 124A.03; 124A.033; LAWS 1986, FIRST SPECIAL
SESSION, CHAPTER 1, ARTICLE 9, SEC. 59-60

PROGRAM OBJECTIVE: To provide state funds to school districts for the operation of summer instructional programs.

PROGRAM DESCRIPTION: Districts are provided revenue from a property tax levy and this state aid. The aid guarantees the same level of summer school revenue per regular year pupil unit for the same level of property tax effort regardless of Equalization Aid Review Committee (EARC) valuation per pupil unit. Prior to the 1982 summer, this aid program applied to all students. However, the 1982 Legislature restricted these revenues to only handicapped students appropriately served at levels 4, 5 or 6 of the continuum of placement model described in Minnesota Rules part 3525.2340. This restriction was continued with the 1984 summer program. Beginning with the 1985 summer school session, the summer instructional program was again open to all students.

Total revenue for the summer instructional program is equal to the summer school Full Time Equivalent (FTE) pupil units times the previous regular school year formula allowance. (1 FTE pupil unit = 1,050 membership hours of instruction, with secondary pupil units weighted 1.4. Individual students cannot exceed 120 hours each per summer for aid and levy.) The levy is equal to the revenue times the ratio of each district's EARC valuation per pupil unit and the equalizing factor. (The equalizing factor is the full amount of guaranteed EARC valuation per pupil unit used in the regular foundation program; it is near the highest EARC valuation per pupil unit in the State. Above it, districts go "off the formula".) The aid is the difference between the revenue and the levy. The aid is paid as a reimbursement for the previous summer program (aid for the 1987 summer session is paid in F.Y. 1988).

For the 1985 summer school program only there was an excess levy component. If the summer program instructional revenue allowance, as described above, was less than an amount equal to \$20 times the number of actual pupil units in the district in the regular 1984-85 school year, the district may have levied for the difference.

For the 1986 summer program, the levy was equalized by the state using 60% of the equalizing factor for the previous school year. For the 1987 summer program and thereafter, the state formula will return to using 100% of the equalizing factor. This change decreased the aid paid for the 1986 summer program for most districts, with an offsetting increase in the 1986 payable 1987 levy.

To be eligible for state aid, summer courses must be offered for credit, required for graduation, or provide academic enrichment or remediation. Eligible courses would include, for example, the following: foreign languages and driver education if offered for credit; required mathematics, science, history, and language arts; advanced mathematics or science; and remedial reading, mathematics, or English.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	490	6,465	2,486	0	8,178	4,497
Subtotal	490	6,465	2,486	0	8,178	4,497
Other Funds:	0	0	0	0	0	0
Total	490	6,465	2,486	0	8,178	4,497

PROGRAM STATISTICS: Statistical data for summer school programs are provided in Table 1-6. The aid amounts shown are reimbursements for the previous summer paid in the designated fiscal year. Program effectiveness is indicated by the data on program participation.

TABLE 1-6
SUMMER PROGRAMS

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Summer Session					
1984	1985	1986	1987	1988	
Elementary Membership Hours	418,194	4,215,905	4,291,350	5,145,000	5,402,250
Elementary FTE Pupil Units	398.28	4,015	4,087	4,900	5,145
Secondary Membership Hours	347,618	3,103,569	3,159,750	3,825,000	4,016,250
Secondary FTE Pupil Units	463.49	4,138	4,213	5,100	5,355
Total Membership Hours	765,812	7,319,474	7,451,000	8,970,000	9,418,500
Total FTE Pupil Units	861.77	8,153	8,300	10,000	10,500
Formula Rate Per Pupil Unit	\$ 1,475	\$ 1,475	\$ 1,585	\$ 1,690	\$ 1,700
Maximum Revenue					
	\$ 1,271,111	\$17,970,771	\$13,155,500	\$16,900,000	\$17,850,000
Levy					
Maximum Levy	\$ 781,114	\$11,022,952	\$10,592,900	\$ 8,531,656	\$ 8,909,794
Actual Levy	\$ 781,114	\$10,242,172	\$10,290,000	\$ 8,337,368	\$ 8,359,008
Number of Districts	260	396	331	341	350
State Aid					
Maximum Aid	\$ 489,997	\$ 6,947,819	\$ 2,562,600	\$ 8,368,345	\$ 8,940,206
Actual Aid	\$ 489,997	\$ 6,465,047	\$ 2,486,000	\$ 8,177,775	\$ 8,736,614
Number of Districts	237	349	204	332	335

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 01 FOUNDATION AND RETIREMENT PROGRAMS
AID: 04 SUMMER PROGRAMS

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ 489,997	\$ 6,465,047	\$ 2,486,000	\$ 8,177,775	\$ 4,496,883
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	749,000	7,878,600	3,145,100	8,177,775	4,496,883
Transfer to Education Aids Control Account		(1,413,553)	(659,100)		
Total	\$ 749,000	\$ 6,465,047	\$ 2,486,000	\$ 8,177,775	\$ 4,496,883
C) <u>FISCAL ACTIVITY</u>					
State Payments	489,997	6,465,047	2,486,000	8,177,775	4,496,883
Cancellation	259,003				
Total	\$ 749,000	\$ 6,465,047	\$ 2,486,000	\$ 8,177,775	\$ 4,496,883

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 2,486,000	\$ 2,486,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Change in regular year pupil units	18,519	(14,884)
- Change in Equalization Aid Review Committee (EARC) valuation	(44,957)	(27,002)
- Change in summer program pupil units	811,573	1,007,598

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
B) Existing Policy Changes Becoming Effective		
- Change in prior year foundation aid formula allowance	718,767	958,921
- Change in equalizing factor from 60 to 100%	4,187,873	4,325,981
3. Subtotal, Estimate Under Current Law	\$ 8,177,775	\$ 8,736,614
4. Proposed Policy Changes:		
- Modified funding formula	-0-	(4,239,731)
5. Total Entitlement	\$ 8,177,775	\$ 4,496,883

GOVERNOR'S RECOMMENDATION: The Governor recommends that, beginning in F.Y. 1989, the summer program revenue allowance per pupil unit be set at 89% of the foundation aid formula allowance for the preceding regular school year. The Governor also recommends that the summer program levy be equalized at 60% of the equalizing factor for the preceding regular school year, beginning with the levy payable in 1988.

The Governor recommends a current appropriation of \$8,177,775 for F.Y. 1988 for the 1987 summer program and \$4,496,883 in F.Y. 1989 for the 1988 summer program.

PUPIL TRANSPORTATION

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION
AID: 01 TRANSPORTATION AID PROGRAM
STATUTORY AUTHORIZATION: M.S. 124.223, 124.225 AND 275.125

PROGRAM OBJECTIVE: To provide school districts with funds to finance the transportation of eligible pupils to and from school and in other authorized categories of transportation.

PROGRAM DESCRIPTION:

- I. Transportation Categories: State aid is provided for 7 categories of pupil transportation service defined in M.S. 124.225, Subdivision 1. The 7 categories of authorized transportation service are grouped into 2 classes, regular and non-regular. Following is a brief description of each transportation category:
- A. Regular - One round trip per day between home and the public or nonpublic school for a) nonhandicapped elementary pupils residing 1 mile or more from the assigned school and, b) nonhandicapped secondary pupils residing 2 miles or more from the assigned school. (Prior to F.Y. 1987, transportation of nonhandicapped pupils to and from summer programs was also included in this category).
- B. Nonregular
1. Handicapped - One round trip per day between home and the public or nonpublic school for handicapped pupils, transportation of pupils between public school buildings for instructional purposes in special education programs, and transportation of nonpublic pupils between the nonpublic school and a public school for shared-time special education classes.
 2. Summer Program - One round trip per day between home and the public or nonpublic school for a) elementary pupils residing 1 mile or more from the assigned school and, b) secondary pupils residing 2 miles or more from the assigned school. Summer program transportation was moved from the regular category to the nonregular category beginning in F.Y. 1987.
 3. Board and Lodging - Cost of board and lodging of pupils when it is determined by the local school board that board and lodging is more feasible or efficient than providing daily transportation services. The pupils for which this is done are primarily handicapped pupils.
 4. To and From Board and Lodging Facility - Transportation between home and the board and lodging facility where the pupil is placed. The majority of this transportation involves handicapped pupils residing at the State Deaf and Braille Schools of Faribault and at a facility in Worthington.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	11,860	11,918	13,537	0	12,194	14,337
Current Year	69,556	76,709	69,101	0	81,241	74,936
Subtotal	81,416	88,627	82,638	0	93,435	89,273
Other Funds:	0	0	0	0	0	0
Total	81,416	88,627	82,638	0	93,435	89,273

PROGRAM DESCRIPTION: (Contd.)

5. During-Day - Transportation of pupils during the school day a) between public school buildings within the district for instructional purposes, b) to and from state board approved secondary vocational centers for vocational classes, and c) between schools located in 2 or more districts for cooperative academic and vocational classes.
6. Nonpublic Support Services - Transportation of nonpublic pupils between the nonpublic school and a public school or a neutral site for health, guidance, and/or counseling services.

School districts are also permitted to levy for the cost of transporting secondary pupils living between 1 and 2 miles from school, and for the cost of transportation or related services necessary because of extraordinary traffic hazards.

Authorized expenditures for pupil transportation include fuel and nonfuel operating expenditures and bus depreciation. Table 2-1 provides a summary of pupil transportation expenditures by object. Expenditures and pupils transported by category of transportation services are shown in Table 2-2. Table 2-3 reviews the formula financing of authorized transportation.

- II. Funding Formula for F.Y. 1985 and F.Y. 1986: Separate formulas are used to compute a district's funding for regular and nonregular transportation. Under the formulas in effect for fiscal years 1985 and 1986, a district's regular transportation funding consisted of a basic financing allowance per pupil transported times the number of pupils transported in the regular category. Pupils transported for summer school classes were included in the regular category. Nonregular transportation funding included a) nonregular basic aid, b) a local levy, and c) nonregular equalization aid for districts whose levies did not cover all remaining costs.

EDUCATION AIDS

(Continuation)

PROGRAM: 02 PUPIL TRANSPORTATION

AID: 01 TRANSPORTATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

A. Basic Regular Financing

Since 1979-80, regular transportation funding has been calculated through an average cost formula. A statistical procedure called multiple regression analysis is used to predict a base year cost per regular category pupil transported. The base year is always the second preceding year. The base year for F.Y. 1985 was F.Y. 1983; the base year for F.Y. 1986 was F.Y. 1984. The predicted cost reflects the average base year cost per regular category pupil transported for districts with similar density (regular category pupils transported per square mile of the district's area) and other district characteristics.

Since 1979-80, the factors used in the transportation funding formula have been revised periodically to provide more comparable funding for similar districts and to strengthen incentives for cost control.

Beginning in F.Y. 1985, 3 factors are used in the multiple regression formula to predict the logarithm of school district cost per regular pupil transported:

1. the logarithm of the lesser of (a) the number of regular pupils transported per square mile, or (b) 200;
2. whether the district is nonrural;
3. the logarithm of the percentage of regular pupils transported on buses not owned by the school district.

The district's predicted base year cost is adjusted using a statutory "softening" formula. If the district's actual base year cost per pupil transported exceeds the predicted cost, the predicted cost is increased by a percentage of the difference. If the district's actual base year cost per pupil transported is less than the predicted cost, the predicted cost is reduced by a percentage of the difference. The district's predicted base cost as adjusted by the softening formula is then multiplied by an inflation factor to determine the district's transportation funding per regular pupil transported.

Since F.Y. 1984, the following formula has been used to adjust the predicted cost:

1. If the actual base year cost is within 5% of the predicted base year cost, the adjusted base cost is equal to the actual base year cost.
2. If the actual base year cost exceeds the predicted base year cost by more than 5%, the adjusted base cost equals 105% of the predicted cost, plus 40% of the difference between the actual cost and 105% of the predicted cost.

PROGRAM DESCRIPTION: (Contd.)

3. If the actual base year cost is less than 95% of the predicted base year cost, the adjusted base cost equals 95% of the predicted cost, minus 40% of the difference between the actual cost and 95% of the predicted cost.
4. In no case shall a district's adjusted base cost be less than 80% of the actual base year cost, or more than 120% of actual base year cost.

The adjusted base cost is then increased by an inflation factor to determine the district's regular funding per pupil transported. For F.Y. 1985, the adjusted base cost (computed using data from F.Y. 1983) was increased by 10.3%. For F.Y. 1986, the adjusted base cost (computed using data from F.Y. 1984) was increased by 8.9%. The district's basic regular pupil transportation financing was equal to the regular funding per pupil transported times the number of regular pupils transported in the base year.

B. Nonregular Transportation Financing

Beginning in F.Y. 1985, school districts are reimbursed for 100% of their actual current year nonregular transportation costs through a combination of state aid and local levy. Nonregular transportation includes the handicapped, board and lodging, to and from board and lodging facility, during-day, and nonpublic support services transportation categories. Beginning in F.Y. 1987, summer school transportation is also included in the nonregular category. The nonregular funding formula has 3 components: nonregular basic aid, nonregular levy, and nonregular levy equalization aid.

Basic nonregular transportation aid equals 20% of the first \$10 per total pupil unit of nonregular transportation cost, plus 40% of the next \$10 per total pupil unit, plus 60% of any cost exceeding \$20 per total pupil unit, times the number of total pupil units in the district in the current year. The portion of nonregular transportation costs not reimbursed through nonregular basic transportation aid is financed through an equalized levy.

The equalizing factor used in computing the nonregular transportation levy is the same as that used in the basic foundation program. Thus, a district's state equalization aid as a percent of unreimbursed nonregular cost is the same as the district's basic foundation aid as a percentage of total basic foundation revenue.

If a district levies less than the maximum nonregular transportation levy, the state equalization aid is reduced proportionately.

- III. Total Formula Financing, Levy Statistics and State Aid: A district's total transportation financing is equal to its regular transportation financing plus its nonregular transportation financing. Beginning in F.Y. 1985, the basic transportation levy limitation rate was set at 1.75 mills times Equalization Aid Review

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION

AID: 01 TRANSPORTATION AID PROGRAM

PROGRAM STATISTICS:TABLE 2-1
TRANSPORTATION EXPENDITURE SUMMARY BY OBJECT^a

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
I. Nonfuel Operating	\$131,476,600	\$145,804,116	\$159,383,900	\$163,700,900	\$167,434,000
II. Fuel					
A. Number of Gallons	20,191,200	20,835,000	21,738,800	22,183,300	22,518,400
B. Pump Price Per Gallon	\$ 1.15	\$ 1.08	\$.87	\$.92	\$.99
C. Less Federal Tax	(.09)	(.09)	(.09)	(.09)	(.09)
D. Less Average Quantity Discount	(.02)	(.02)	(.02)	(.02)	(.02)
E. Average Cost Per Gallon To Districts	1.04	.97	0.76	0.81	0.88
F. Total Fuel Expenditures	\$ 20,998,860	\$ 20,209,899	\$ 16,521,421	\$ 17,968,495	\$ 19,816,241
III. Bus Depreciation					
A. Regular School Buses	\$ 8,157,499	\$ 8,619,028	\$ 9,274,411	\$ 9,734,878	\$ 10,150,157
B. Mobile Units	27,297	27,297	27,297	27,297	21,288
C. Type 3 Vehicles	133,681	257,219	384,464	572,851	853,549
D. Reconditioned Buses	337,089	298,341	232,916	181,674	141,706
E. Total Bus Depreciation	\$ 8,655,566	\$ 9,201,885	\$ 9,919,088	\$ 10,516,700	\$ 11,166,700
IV. Total Expenditures	\$161,131,026	\$175,215,900	\$185,824,409	\$192,186,095	\$198,416,941

^aIncludes all transportation categories eligible for state aid or local levy.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION
 AID: 01 TRANSPORTATION AID PROGRAM

PROGRAM STATISTICS: (Contd.)

TABLE 2-2
 EXPENDITURES AND PUPILS TRANSPORTED BY TRANSPORTATION CATEGORY

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
I. Regular To and From School					
A. Regular School Year					
1. Expenditures (000s)	\$124,198.2	\$134,104.4	\$140,169.7	\$143,445.9	\$146,723.9
2. Pupils Transported	498,547	504,485	512,770	519,745	525,059
3. Expenditure Per Pupil	\$ 249.12	\$ 265.82	\$ 273.36	\$ 275.99	\$ 279.44
B. Summer Programs ^a					
1. Expenditures (000s)	\$ 885.8	\$ 1,450.0	\$ --	\$ --	\$ --
2. Pupils Transported	26,964	45,123	--	--	--
3. Expenditure Per Pupil	\$ 32.85	\$ 32.13	\$ --	\$ --	\$ --
C. Total Regular					
1. Expenditures (000s)	\$125,084.0	\$135,554.4	\$140,169.7	\$143,445.9	\$146,723.9
2. Pupils Transported	525,511	549,608	512,770	519,745	525,059
3. Expenditure Per Pupil	\$ 238.02	\$ 246.64	\$ 273.36	\$ 275.99	\$ 279.44
II. Nonregular Transportation					
A. Handicapped ^b					
1. Expenditures (000s)	\$ 20,413.5	\$ 24,595.6	\$ 28,088.0	\$ 30,609.1	\$ 33,176.2
2. Pupils Transported	31,345	32,329	34,189	35,430	36,444
3. Expenditure Per Pupil	\$ 651.25	\$ 760.79	\$ 821.55	\$ 863.93	\$ 910.33
B. Summer Programs ^a					
1. Expenditures (000s)	\$ --	\$ --	\$ 1,504.0	\$ 1,831.7	\$ 1,947.6
2. Pupils Transported	--	--	45,600	55,200	58,200
3. Expenditure Per Pupil	\$ --	\$ --	\$ 32.98	\$ 40.17	\$ 33.46
C. Other Nonregular ^c					
1. Expenditures (000s)	\$ 3,367.6	\$ 3,200.0	\$ 3,206.5	\$ 3,232.4	\$ 3,256.3
2. Pupils Transported	162,860	162,947	163,566	163,795	163,493
3. Expenditure Per Pupil	\$ 20.68	\$ 19.64	\$ 19.60	\$ 19.73	\$ 19.92

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION
AID: 01 TRANSPORTATION AID PROGRAM

PROGRAM STATISTICS: (Contd.)

TABLE 2-2: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
D. Total Nonregular					
1. Expenditures (000s)	\$ 23,781.1	\$ 27,795.6	\$ 32,798.5	\$ 35,673.2	\$ 38,380.1
2. Pupils Transported	194,205	195,276	243,355	254,425	258,137
3. Expenditure Per Pupil	\$ 122.45	\$ 142.32	\$ 134.78	\$ 140.21	\$ 148.68
III. Other Transportation (Local Levy)					
A. One-Two Mile Secondary					
1. Expenditures (000s)	\$ 6,519.5	\$ 6,630.5	\$ 7,014.8	\$ 6,958.9	\$ 6,955.9
2. Pupils Transported	53,133	52,975	52,874	52,753	52,430
3. Expenditures Per Pupil	\$ 122.70	\$ 125.16	\$ 132.67	\$ 132.67	\$ 132.67
B. Traffic Hazards					
1. Expenditures (000s)	\$ 5,746.5	\$ 5,235.4	\$ 5,841.4	\$ 6,108.1	\$ 6,357.1
2. Pupils Transported	58,505	61,188	64,411	67,351	70,097
3. Expenditures Per Pupil	\$ 98.22	\$ 85.56	\$ 90.69	\$ 90.69	\$ 90.69
C. Total Other Transportation					
1. Expenditures (000s)	\$ 12,266.0	\$ 11,865.9	\$ 12,856.2	\$ 13,067.0	\$ 13,313.0
2. Pupils Transported	111,638	114,163	117,285	120,104	122,527
3. Expenditures Per Pupil	\$ 109.87	\$ 103.94	\$ 109.62	\$ 108.80	\$ 108.65
IV. Total Transportation ^d					
A. Expenditures (000s)	\$161,131.1	\$175,215.9	\$185,824.4	\$192,186.1	\$198,417.0
B. Pupils Transported	831,354	859,047	873,410	894,274	905,723
C. Expenditures Per Pupil	\$ 193.82	\$ 203.97	\$ 212.76	\$ 214.91	\$ 219.07

^aSummer school transportation is included in regular category through F.Y. 1986; Moved to nonregular beginning in F.Y. 1987.

^bIncludes to and from school, during day, and board and lodging categories.

^cIncludes vocational center, cooperative academic, between schools, shared time, and nonpublic support services categories.

^dExcludes transportation services not eligible for either state aid or local levy, such as field trips and student activity trips.

EDUCATION AIDS

(Continuation)

PROGRAM: 02 PUPIL TRANSPORTATION

AID: 01 TRANSPORTATION AID PROGRAM

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)TABLE 2-3
FORMULA FINANCING OF AUTHORIZED TRANSPORTATION

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Estimated</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
I. Regular Transportation Financing					
A. Base Year	1982-83	1983-84	1984-85	1985-86	1986-87
B. Inflation Factor	10.3%	8.9%	6.0%	2.8%	0.0%
C. Average Financing Per Pupil Transported	\$ 247.88	\$ 257.83	\$ 257.13	\$ 265.88	\$ 265.69
D. Total Regular FTE Pupils Transported ^a	503,041	512,006	512,770	519,745	525,059
E. Regular Transportation Financing	\$124,691,400	\$132,009,300	\$131,848,600	\$138,189,700	\$139,504,600
II. Nonregular Transportation Financing					
A. Nonregular Basic Aid	\$ 9,677,400	\$ 11,904,800	\$ 14,760,000	\$ 16,570,400	\$ 18,173,900
B. Nonregular Levy Authority	8,490,100	8,561,000	9,092,200	9,422,400	9,992,700
C. Nonregular Equalization Aid	5,433,000	7,329,800	8,146,300	9,680,400	10,213,500
D. Total Nonregular Financing	\$ 23,600,500	\$ 27,795,600	\$ 32,718,500	\$ 35,673,200	\$ 38,380,100
III. Total Formula Financing	\$148,291,900	\$159,804,900	\$164,647,100	\$173,860,900	\$197,884,700
IV. Levy Subtractions					
A. Basic Transportation Levy Limit					
1. Mill rate	1.75	1.75	2.25	2.25	2.25
2. Amount	\$ 56,095,400	\$ 53,976,200	\$ 69,149,900	\$ 69,695,200	\$ 69,695,200
B. Contract Transportation Levy Limit	4,380,200	5,096,500	6,164,000	5,982,900	6,037,200
C. Nonregular Transportation Levy Limit	8,490,100	8,561,000	9,092,200	9,585,600	10,146,100
D. Districts Off Formula					
1. Number of Districts	12	10	19	12	11
2. Amount	\$ 2,147,472	\$ 1,028,800	\$ 3,427,100	\$ 3,120,100	\$ 2,984,800
E. Total Levy Subtraction	\$ 66,818,228	\$ 66,604,900	\$ 80,979,000	\$ 82,143,600	\$ 82,893,700
V. State Aid Entitlement	\$ 81,473,672	\$ 93,200,000	\$ 83,668,100	\$ 91,717,300	\$ 94,991,000

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION
AID: 01 TRANSPORTATION AID PROGRAM

PROGRAM STATISTICS: (Contd.)

TABLE 2-3: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
VI. Other Transportation Levies					
A. One-Two Mile Secondary	\$ 6,519,500	\$ 6,630,500	\$ 7,014,800	\$ 6,958,900	\$ 6,955,900
B. Traffic Hazards	5,746,500	5,235,400	5,841,400	6,108,100	6,357,100
C. Bus Purchase	3,463,000	4,165,000	4,555,900	4,566,300	4,800,000
D. Total Other Transportation Levies	<u>\$ 15,729,000</u>	<u>\$ 16,030,900</u>	<u>\$ 17,412,100</u>	<u>\$ 17,633,300</u>	<u>\$ 18,113,000</u>
VII. Reconciliation of Expenditures and Formula Financing					
A. Net Formula Financing	\$148,687,100	\$159,804,900	\$164,647,100	\$173,860,900	\$177,884,700
B. One-Two Mile Secondary Levy	6,519,500	6,630,500	7,014,800	6,958,900	6,955,900
C. Hazardous Levy	5,746,500	5,235,400	5,841,400	6,108,100	6,357,100
D. Total Financing (A + B + C)	<u>160,953,100</u>	<u>171,670,800</u>	<u>177,503,300</u>	<u>186,927,900</u>	<u>191,197,700</u>
E. Plus Additional Local Funding (Districts with expenditures greater than formula financing)	5,143,323	8,024,694	11,321,109	8,758,195	10,319,241
F. Minus Incentive Payments (Districts with formula financing greater than expenditures)	<u>(4,965,397)</u>	<u>(4,479,594)</u>	<u>(3,000,000)</u>	<u>(3,500,000)</u>	<u>(3,100,000)</u>
G. Total Authorized Expenditures	\$161,131,026	\$175,215,900	\$185,824,409	\$192,186,095	\$198,416,941

^aSummer School FTE Pupils are included for F.Y. 1985 and F.Y. 1986 only; FTE is calculated at 1/6 of pupil headcount.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 02 PUPIL TRANSPORTATION
AID: 01 TRANSPORTATION AID PROGRAM

PROGRAM DESCRIPTION: (Contd.)

Committee (EARC) valuation. In F.Y. 1987, the basic transportation levy limitation rate was raised to 2.25 mills times EARC valuation. The contract transportation levy limitation is equal to the difference between the district's actual regular financing and the amount computed for regular financing when the contract transportation factor is excluded from the determination of predicted cost. The effect of the contract levy subtraction is that districts contracting for transportation receive the same amount of state aid as comparable districts that operate district-owned buses. The contract transportation levy provides contracted districts with an additional revenue source equivalent to the bus purchase levy available to districts operating their own buses. In both cases, school districts have levy authority to finance a portion of the capital costs associated with transportation that are not financed through the regular transportation formula.

A district's total transportation aid equals its total formula financing minus the basic, contracted and nonregular transportation levy limits. Twelve districts were off the formula in F.Y. 1985, and 9 districts are estimated to be off the formula in F.Y. 1986 and F.Y. 1987.

School districts owning school buses or mobile units are required to transfer a portion of their transportation revenue to the reserved fund balance account for bus purchases. For regular school buses, the transfer is equal to 12.5% of the original cost of the vehicle until the original cost is fully amortized.

IV. Other Transportation Levies: In addition to the levies included in the calculation of transportation aid, school districts are permitted to levy for:

1. the actual cost of transportation or related services (such as adult crossing guards) which are necessary due to extraordinary traffic hazards,
2. the actual cost of transporting secondary nonhandicapped pupils living between one and two miles from school, and
3. the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases.

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
Transportation Aid	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Prorated Entitle- ment		90,246,100	81,295,400		
Plus Proration Amount		2,953,900	2,372,700		
Net Aid Entitle- ment	<u>\$ 81,473,672</u>	<u>\$ 93,200,000</u>	<u>\$ 83,668,100</u>	<u>\$ 95,578,000</u>	<u>\$ 88,160,000</u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	77,061,000	76,709,200	69,101,100	81,241,300	74,936,000
Final Adjust Appropriation	12,284,400	13,536,900	12,550,215 ^a	14,336,700	13,224,000
Deficiency Appro- priation Request		2,953,900	2,016,785 ^b		
Total	<u>\$ 89,345,400</u>	<u>\$ 93,200,000</u>	<u>\$ 83,668,100</u>	<u>\$ 95,578,000</u>	<u>\$ 88,160,000</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	81,473,672	90,246,100	81,651,315	95,578,000	88,160,000
State Payments Pending Cancellation		2,953,900	2,016,785		
	7,871,728				
Total	<u>\$ 89,345,400</u>	<u>\$ 93,200,000</u>	<u>\$ 83,668,100</u>	<u>\$ 95,578,000</u>	<u>\$ 88,160,000</u>

^aFifteen percent of net entitlement; includes \$355,905 related to deficiency.

^bCurrent 85% account (85% of proration amount less \$10 due to rounding of current appropriation).

EDUCATION AIDS
(Continuation)
PROGRAM: 02 PUPIL TRANSPORTATION
AID: 01 TRANSPORTATION AID PROGRAM

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 83,668,100	\$ 83,668,100
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- <u>Change in Regular Funding:</u>		
Adjust for Difference Between 6.0% Inflator Used to Compute F.Y. 1987 Aid and Actual Increase in Cost Per Pupil Between F.Y. 1985 and F.Y. 1987 (9.7%)	4,639,900	4,639,900
Increase in Number of Pupils Transported	1,699,200	3,016,100
- <u>Change in Nonregular Funding:</u>		
Program Growth	2,874,700	5,581,600
- <u>Change in Aid/Levy Mix:</u>		
Increase in Basic Levy Due to Equalization Aid Review Committee (EARC) Growth	(545,300)	(545,300)
Decrease in Contract Levy	181,100	126,800
Increase in Nonregular Levy	(493,400)	(1,053,900)
Decrease in Off-Formula Amount	(307,000)	(442,300)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 91,717,300	\$ 94,991,000
4. Proposed Policy Changes:		
- Inflation Adjustment of 2.5% Per Year	3,860,700	7,669,700
- Modified Funding Formula	-0-	(14,500,700)
5. Total Entitlement	\$ 95,578,000	\$ 88,160,000

GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications in the pupil transportation aid formula beginning in F.Y. 1989.

1. Use combined data for the regular, hazardous, and 1-2 mile secondary transportation categories in computing regular transportation funding allowances; and
2. Transfer noon kindergarten, desegregation, and late activity transportation from the regular category to the nonregular category.
3. Change the formula for computing nonregular basic aid to 40% of nonregular transportation cost in excess of \$30 per total pupil unit.

The Governor also recommends that the basic transportation mill rate for taxes payable in 1988 be established at a rate that raises \$71,437,580, and that "revenue equity" provisions shall be applied to this levy. The mill rate will be established by the Commissioner of Revenue using the procedure currently used to establish the basic maintenance mill rate.

The Governor also recommends that the statutory inflation factors used in computing regular transportation funding be set at 5.4% for F.Y. 1988 and 5.1% for F.Y. 1989.

The Governor recommends an appropriation of \$93,435,600 in F.Y. 1988 (\$12,194,300 for F.Y. 1987 and \$81,241,300 for F.Y. 1988) and \$89,272,700 in F.Y. 1989 (\$14,336,700 for F.Y. 1988 and \$74,936,000 for F.Y. 1989). This recommendation includes an inflation adjustment of 2.5% per year.

CAPITAL EXPENDITURE AND DEBT SERVICE

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE
AID: 01 CAPITAL EXPENDITURE - BASIC AND SPECIAL PURPOSE
STATUTORY AUTHORIZATION: M.S. 124.245, SUBD. 1 AND 2; 275.125, SUBD. 11a AND 11b

PROGRAM OBJECTIVE: To enable school districts to raise funds for capital expenditure purposes as follows:

- 1. Building improvements and remodeling.
- 2. Purchase of land, buildings, or equipment.
- 3. Construction of buildings, or lease of buildings for school purposes.
- 4. Lease of computer hardware and software, photocopy machines, and telecommunications equipment.
- 5. Purchase of textbooks, computer hardware, software and related supporting materials, photocopy machines, and telecommunications equipment.

Beginning in F.Y. 1988, the special purpose capital expenditure program is combined with basic capital expenditure. This merging adds several allowable uses for capital expenditure funds as follows:

- 6. Conducting energy audits on district-owned buildings, and funding of certain energy conservation and renewable energy measures as indicated by the energy audit.
- 7. Reducing or eliminating barriers to school facilities, or increasing access to school facilities, for handicapped persons.
- 8. Upgrading of district facilities to comply with Minnesota's uniform fire code.
- 9. Encapsulating or removing asbestos from school facilities.
- 10. Cleaning up and disposing of polychlorinated biphenyls (PCBs).
- 11. Paying the principal and interest on state energy conservation loans.
- 12. Cleaning, removal, disposing, and repairs related to storing transportation fuels.

PROGRAM DESCRIPTION: A district's maximum basic capital expenditure revenue for F.Y. 1985, F.Y. 1986, and F.Y. 1987 was computed as follows:

For districts with stable or declining weighted average daily membership (WADM) from the prior year: \$90 times total (WADM plus Aid for Dependent Children (AFDC)) pupil units, or \$95 times total pupil units if the district operated a secondary vocational or senior secondary industrial arts program.

For districts with growing WADM from the prior year: \$95 times total pupil units, or \$100 times total pupil units if the district operated a secondary vocational or senior secondary industrial arts program.

A district's maximum basic capital expenditure levy was equal to the lesser of 7 mills times the district's Equalization Aid Review Committee (EARC) valuation or the maximum revenue. A district's maximum aid was equal to the maximum revenue minus the maximum levy. To be eligible for aid, a district must have certified the maximum basic capital expenditure levy. Most districts received no state aid because they were able to raise the maximum revenue with a levy of less than 7 mills.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	44	41	44	0	45	76
Current Year	234	251	256	0	428	53,158
Subtotal	278	292	300	0	473	53,234
Other Funds:	0	0	0	0	0	0
Total	278	292	300	0	473	53,234

PROGRAM DESCRIPTION: (Contd.)

Beginning in F.Y. 1988, a district's maximum capital expenditure revenue under the new combined formula is equal to \$130 times total pupil units for the current year. The basic capital expenditure levy limitation for each school district is the lesser of 9 mills times the district's EARC valuation or the maximum revenue. A district's basic capital expenditure aid is the maximum revenue minus the levy limitation, multiplied by the ratio of the certified levy to the levy limitation.

Districts receiving aid plus levy revenue exceeding \$125 times total pupil units may expend the revenue in excess of \$125 times total pupil units only for equipment for secondary vocational or senior secondary industrial arts programs. The pupil unit growth allowance included in the old formula has been discontinued.

Program statistics and performance are shown in Tables 3-1 and 3-2.

PROGRAM STATISTICS:

TABLE 3-1
CAPITAL EXPENDITURE LEVY AND AID

Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
---------------------	---------------------	------------------------	------------------------	------------------------

BASIC

Local Levy

Levy Limitation	\$ 82,824,467	\$ 82,366,769	\$ 82,945,858	\$110,285,075	\$110,708,213
Certified Levy	76,781,886	80,671,260	81,438,730	108,299,944	108,215,411
Number of Districts with Certified Levy	431	431	433	433	433

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE

AID: 01 CAPITAL EXPENDITURE - BASIC AND SPECIAL PURPOSE

PROGRAM STATISTICS: (Contd.)

TABLE 3-1: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>State Aid</u>					
Amount	\$ 232,629	\$ 248,996	\$ 253,584	\$ 503,819	\$ 509,220
Number of Districts	13	12	12	23	23

Aid and Levy Revenue

Amount	\$ 77,014,515	\$ 80,920,256	\$ 81,692,314	\$ 108,803,763	\$ 108,724,631
Actual Pupil Units	806,102	804,704	806,658	804,552	802,216
Revenue Per Pupil Unit	\$ 95.54	\$ 100.56	\$ 101.27	\$ 135.24	\$ 135.53

SPECIAL PURPOSE

Local Levy

Levy Limitation	\$ 21,143,411	\$ 21,152,939	\$ 20,998,130	-----Included----- above with the Basic Program	
Certified Levy	14,905,729	16,912,205	18,666,184		
Number of Districts with Certified Levy	353	374	384		

<u>State Aid</u>			
Amount	\$ 42,340	\$ 46,668	\$ 47,407
Number of Districts	5	5	6

Aid and Levy Revenue

Amount	\$ 14,948,069	\$ 16,958,873	\$ 18,713,591
Actual Pupil Units	806,102	804,704	806,658
Revenue Per Pupil Unit	\$ 18.54	\$ 21.07	\$ 23.20

PROGRAM STATISTICS: (Contd.)

TABLE 3-1: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
--	---------------------	---------------------	------------------------	------------------------	------------------------

TOTALS

Local Levy

Levy Limitation	\$103,967,878	\$103,519,708	\$103,943,988	\$110,285,075	\$110,708,213
Certified Levy	91,687,615	97,583,465	100,104,914	108,299,944	108,215,411
Number of Districts with Certified Levy	431	431	433	433	433

State Aid

Amount	\$ 274,969	\$ 295,664	\$ 300,991	\$ 503,819	\$ 509,220
Number of Districts	13	12	12	23	23

Aid and Levy Revenue

Amount	\$ 91,962,584	\$ 97,879,129	\$100,405,905	\$108,803,763	\$108,724,631
Actual Pupil Units	806,102	804,704	806,658	804,552	802,216
Revenue Per Pupil Unit	\$ 114.08	\$ 121.63	\$ 124.47	\$ 135.24	\$ 135.53

TABLE 3-2
CAPITAL EXPENDITURE FUND
CAPITAL EXPENDITURES BY OBJECT

Object Category (Codes 460 and 500 Series):	Actual F.Y. 1985	Actual F.Y. 1986
Site Acquisition and Improvements	\$7,610,740	\$7,256,162
Building Acquisition and Additions	5,924,016	6,936,327
Building Improvements and Remodeling	37,714,825	39,579,602
Equipment Purchase (Excluding Library Books and Audiovisual (A/V) Equipment)	45,816,865	41,578,442
Library Books and A/V Equipment	4,100,032	4,993,149
Textbooks/Workbooks*	4,943,865	5,399,436
Other (i.e., building lease, equipment lease, vehicle purchase/lease, other)	8,367,849	8,495,583
Total Capital Expenditure Fund	<u>\$114,478,192</u>	<u>\$114,238,701</u>

*In addition, textbook expenditures in the General Fund totaled \$12,810,828 in F.Y. 1985 and \$14,621,666 in F.Y. 1986.

EDUCATION AIDS

(Continuation)

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE

AID: 01 CAPITAL EXPENDITURE - BASIC AND SPECIAL PURPOSE

1987-89 Biennial Budget

ANNUAL ENTITLEMENT AND FUNDING:

Capital Expenditure - Basic and Special Purpose	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Basic Program:	232,629	248,996	253,584		
Special Purpose:					
Prorated Entitle- ment		46,400			
Plus Proration Amount		268			
Total Special Purpose	42,340	46,668	47,407		
Net Aid Entitle- ment	\$ 274,969	\$ 295,664	\$ 300,991	\$ 503,819	\$ 62,538,753
B) PROGRAM FUNDING ^a					
Current Appro- priation	217,000	254,100	262,600	428,246	53,157,940
Deficiency	18,735				
Appropriation					
Final Adjust	41,300	44,900	45,149	75,573	9,380,813
Appropriation					
Transfer to		(3,336)	(6,758)		
Education Aids Control Account					
Total	\$ 277,035	\$ 295,664	\$ 300,991	\$ 503,819	\$ 62,538,753
C) FISCAL ACTIVITY ^a					
State Payments	274,969	295,664	300,991	503,819	62,538,753
Cancellation	2,066				
Total	\$ 277,035	\$ 295,664	\$ 300,991	\$ 503,819	\$ 62,538,753

^aData shown are combined totals for the basic and special purpose programs.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 300,991	\$ 300,991
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Change in total pupil units	7,781	25,862
- Change in Equalization Aid Review Committee (EARC) valuation	30,758	20,965
B) Existing Policy Changes Becoming Effective		
- Change in statutory formula	164,289	161,402
3. Subtotal, Estimate Under Current Law	\$ 503,819	\$ 509,220
4. Proposed Policy Changes:		
- Modified funding formula	-0-	62,029,533
5. Total Entitlement	\$ 503,819	\$ 62,538,753

GOVERNOR'S RECOMMENDATION: The Governor recommends that the maximum basic capital expenditure revenue per total pupil unit be increased to \$145, beginning in F.Y. 1989. The Governor also recommends that the maximum basic capital expenditure mill rate be reduced from 9 mills to 2 mills, beginning with the levy payable in 1988. These changes are made in recognition of the importance of continued investment in the use of technology for school improvement.

The Governor recommends an appropriation of \$473,395 in F.Y. 1988 (\$45,149 for F.Y. 1987 and \$428,246 for F.Y. 1988) and \$53,233,513 in F.Y. 1989 (\$75,573 for F.Y. 1988 and \$53,157,940 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE

AID: 02 CAPITAL EXPENDITURE - HAZARDOUS MATERIALS

STATUTORY AUTHORIZATION: M.S. 124.245, SUBD. 3 AND 275.125, SUBD. 11C

PROGRAM OBJECTIVE: To enable school districts to raise funds for removal or encapsulation of asbestos, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls (PCBs) found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in M.S. 296.01.

PROGRAM DESCRIPTION: A district's maximum hazardous substance capital expenditure revenue is equal to the formula rate per pupil unit multiplied by the district's total (Weighted Average Daily Membership (WADM) plus Aid to Families With Dependent Children (AFDC)) pupil units. A district's maximum hazardous substance capital expenditure levy is equal to the lesser of 2 mills multiplied by the district's Equalization Aid Review Committee (EARC) valuation or the maximum revenue. A district's maximum aid is equal to the maximum revenue minus the maximum levy. In order to be eligible for aid, a district must certify the maximum hazardous substance capital expenditure levy. Most districts receive no state aid because they are able to raise the maximum revenue with a levy of less than 2 mills.

Program statistics are shown in Table 3-3.

PROGRAM STATISTICS:

TABLE 3-3
HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY AND AID

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Local Levy					
a. Levy Limitation	\$21,535,603	\$21,297,898	\$21,261,803	\$21,251,375	\$21,235,325
b. Certified Levy	\$ 7,380,025	\$ 9,156,037	\$ 9,787,908	\$10,625,688	\$10,617,663
c. Number of Districts	218	237	255	265	265
2. State Aid					
a. Amount	\$ 41,100	\$ 42,875	\$ 44,885	\$ 51,473	\$ 51,980
b. Number of Districts	4	2	4	10	10
3. Aid and Levy Revenue					
a. Formula rate per pupil unit	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
b. Actual Pupil Units	806,102	804,704	806,658	804,552	802,216
c. Amount	\$ 7,421,125	\$ 9,198,912	\$ 9,832,793	\$10,677,161	\$10,669,643
d. Average Revenue per pupil unit	\$ 9.21	\$ 11.43	\$ 12.19	\$ 13.27	\$ 13.30

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	6	6	0	7	8
Current Year	35	36	38	0	44	51
Subtotal	35	42	44	0	51	59
Other Funds:	0	0	0	0	0	0
Total	35	42	44	0	51	59

PROGRAM EFFECTIVENESS: All school districts that have asbestos, PCB hazards or stored fuel in school buildings are eligible for this program. In the 1985-86 school year, 237 districts participated.

ANNUAL ENTITLEMENT AND FUNDING:

Capital Expenditure - Hazardous Material	Actual		Estimated F.Y. 1987	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986		F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Prorated Entitlement		42,300			
Plus Proration Amount		575			
Net Aid Entitlement	\$ 41,100	\$ 42,875	\$ 44,885	\$ 51,473	\$ 60,000
B) PROGRAM FUNDING					
Current Appropriation	38,000	35,900	43,800	43,752	51,000
Final Adjust Appropriation	6,200	6,400	6,733	7,721	9,000
Deficiency Appropriation Request		575			
Transfer to Education Aids Control Account			(5,648)		
Total	\$ 44,200	\$ 42,875	\$ 44,885	\$ 51,473	\$ 60,000

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION: (Contd.)

The Governor recommends an appropriation of \$50,485 in F.Y. 1988 (\$6,733 for F.Y. 1987 and \$43,752 for F.Y. 1988) and \$58,721 in F.Y. 1989 (\$7,721 for F.Y. 1988 and \$51,000 for F.Y. 1989).

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE
AID: 02 CAPITAL EXPENDITURE - HAZARDOUS MATERIALS

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Capital Expenditure - Hazardous Materials	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Payments	41,100	42,300	44,885	51,473	60,000
State Payments Pending		575			
Cancellation	3,100				
Total	\$ 44,200	\$ 42,875	\$ 44,885	\$ 51,473	\$ 60,000

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 44,885	\$ 44,885
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Change in total pupil units	3,751	5,645
- Change in Equalization Aid Review Committee (EARC) valuation	2,837	1,450
B) Existing Policy Changes Becoming Effective		
3. Subtotal, Estimate Under Current Law	\$ 51,473	\$ 51,980
4. Proposed Policy Changes:		
- Modified funding formula	-0-	8,020
5. Total Entitlement	\$ 51,473	\$ 60,000

GOVERNOR'S RECOMMENDATION: The Governor recommends that the current funding formula be replaced with a new formula beginning in F.Y. 1989. Under the new formula, school districts will be permitted to levy for the approved cost of hazardous substance removal/encapsulation/cleanup projects. The levy will be equalized by the state at 50% of the foundation program equalizing factor for the current school year.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE
AID: 03 MAXIMUM EFFORT SCHOOL LOAN
STATUTORY AUTHORIZATION: M.S. 124.36-124.47

PROGRAM OBJECTIVE: This program provides financial support to school districts with capital bonding needs which are greater than the local property tax base can support. The program utilizes the bonding authority of the state to provide adequate resources for loan payment.

PROGRAM DESCRIPTION: Minnesota Statutes provide for a maximum effort school loan fund which is maintained in the state general fund. The fund is divided into 3 accounts (debt service loan account, capital loan account, and loan repayment account). The operation of the 3 accounts is as follows:

1. Debt Service Loan Account - This account consists of the proceeds of the sale of any state school loan bonds and all income received from the investment of bond proceeds.

Any school district in which the required levy for debt service in any year will exceed its maximum effort debt levy (16 mills) by 10% or \$5,000, whichever is less, is qualified for a debt service loan. The amount of the loan cannot be greater than 1% of the net debt of the district and it cannot exceed the difference between the required and the maximum effort debt service levy.

Applications for debt service loans must be filed with the Commissioner of Education by September 15 of each year. If approved, each district is notified by October 1.

In order to repay the debt service loan the district must levy for debt service each year until all obligations to their local debt service fund are paid. When the maximum effort debt service levy (16 mills) is greater than the required debt service levy, the district remits to the Commissioner of Education that portion of the maximum effort debt service tax collections which is greater than the required debt service levy.

2. Capital Loan Account - This account consists of funds transferred from the debt service loan account which are in excess of the amount required to make debt service loans.

Any school district whose capital bonding needs are greater than their local property tax base can support, may make application to the State Board of Education for a capital loan. Proceeds from this loan can be used only for the replacement of facilities which are dangerous to the health and safety of children, or to provide facilities where no adequate facilities exist and such facilities could not be made available through consolidation or leasing.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	3,222	827	1,512	0	1,615	2,025
Subtotal	3,222	827	1,512	0	1,615	2,025
Other Funds:	0	0	0	0	0	0
Total	3,222	827	1,512	0	1,615	2,025

PROGRAM DESCRIPTION: (Contd.)

Capital Loan Account: (Contd.)

The amount of the capital loan for any district cannot exceed the total of the amount approved by the district plus the total of all existing bonded debt minus the net debt limit or 24% of the Equalization Aid Review Committee (EARC) valuation, whichever is less. An example of the computation for a capital loan amount is as follows:

Total Approved Project Cost	\$2,850,000
Bonds Outstanding	270,000
Total	3,120,000
24% EARC Limitation	-1,065,000
Capital Loan Amount	\$2,055,000

To repay the capital loan, the district must levy for debt service each year as long as it is indebted to the state. When the maximum effort debt service levy (16 mills) is greater than the required debt service levy, the district remits to the Commissioner of Education that portion of the debt service tax collections which is greater than the debt service levy. In any year when the receipts from a district are not sufficient to pay the interest accrued on any of its loans, the deficiency is added to the principal. If the loan is not repaid in 30 years, the debt is forgiven.

3. Loan Repayment Account - This account receives all principal and interest paid by school districts on debt service or capital loans. Each November 1 and December 1, funds are transferred from the loan repayment account to the school loan bond account in the state bond fund to pay all principal and interest due on the school loan bonds issued for the purpose of making debt service or capital loans. In recent years the Minnesota Department of Finance has refunded outstanding bonds to take advantage of more favorable interest rates. This procedure has reduced the overall bonding debt due to the lower interest costs. In addition, the refunding procedure has altered principal and interest schedules such that the state transfer payment requirements have been reduced during the F.Y. 1986-1989 period.

EDUCATION AIDS
(Continuation)

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE
AID: 03 MAXIMUM EFFORT SCHOOL LOAN

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

Loan Repayment Account (Contd.)

If monies are not available from the loan repayment account, the state auditor is required to levy a state-wide property tax to meet the deficiency. However, for the past 3 biennia a general fund appropriation to the maximum effort school loan fund for the payment of principal and interest on school loan bonds has been made in order to prevent a state-wide property tax. The state's cost of administering the maximum effort school loan law is paid out of this account not to exceed \$10,000 per year.

There are currently 18 capital loans, 17 debt service loans and 4 school construction loans involving 15 school districts. The \$4,975,000 remaining in the bond authority would provide for loans of approximately \$4,425,000, after having placed in escrow required interest pre-payments.

Table 3-4 provides actual and estimated data on all current loans (approximately 94% are capital) as well as repayments from districts and the amount required for principal and interest on school loan bonds.

PROGRAM STATISTICS:

TABLE 3-4
MAXIMUM EFFORT SCHOOL LOAN FUND

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Loans Outstanding:					
Capital	\$ 40,823,658	\$ 41,264,734	\$ 40,260,000	\$ 39,720,000	\$ 39,120,000
Debt Service	899,058	925,381	975,00	1,025,000	1,075,000
School Construction	1,469,000	1,425,000	1,381,000	1,337,000	1,293,000
Interest Deficiency	7,629,043	9,338,407	11,284,000	13,388,000	15,602,000
Total Outstanding	50,820,759	52,953,522	53,900,000	55,470,000	57,090,000
Loan Repayment from Schools:					
Principal and Interest	1,356,206	1,305,978	1,350,000	875,000	900,000
Investment Income	84,200	84,950	78,700	52,500	48,600
Total Receipts	1,440,406	1,390,928	1,428,700	927,500	948,600

PROGRAM STATISTICS: (Contd.)

TABLE 3-4: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
State Bond Fund Requirement:	\$	\$	\$	\$	\$
Funds on Hand	3,584,581	3,484,887	1,374,657	1,257,314	1,195,367
Investment Income	530,152	619,255	457,392	279,386	274,733
Current Transfer Requirement	4,593,128	2,267,181	2,903,303	3,043,900	2,952,600
Total Requirement (21 months)	8,707,861	6,371,323	4,735,352	4,580,600	4,422,700
State Bond Fund Payment:					
Current Transfer Requirement	4,593,128	2,267,181	2,903,303	3,043,900	2,952,600
Less Loan Repayment Transfer	1,370,965	1,440,406	1,390,928	1,428,700	927,500
State Appropriation Needed	3,222,163	826,775	1,512,375	1,615,200	2,025,100

Projections for investment income were calculated at 6.0% of the average monthly balance for F.Y. 1988 and 5.4% for F.Y. 1989.

ANNUAL ENTITLEMENT AND FUNDING:

Maximum Effort School Loan	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitlement	\$ 3,222,163	\$ 826,775	\$ 1,512,375	\$ 1,615,200	\$ 2,025,100
B) PROGRAM FUNDING					
Appropriation	923,906				
Balance Forward					
Current Appropriation	3,672,000	2,390,300	2,585,300	1,615,200	2,025,100
Transfer to Education Aids Control Account		(1,563,525)	(1,072,925)		
Total	\$ 4,595,906	\$ 826,775	\$ 1,512,375	\$ 1,615,200	\$ 2,025,100

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 03 CAPITAL EXPENDITURE AND DEBT SERVICE

AID: 03 MAXIMUM EFFORT SCHOOL LOAN

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Maximum Effort School Loan	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Transfer	3,222,163	826,775	1,512,375	1,615,200	2,025,100
Payment					
Cancellation	1,373,743				
Total	<u>\$ 4,595,906</u>	<u>\$ 826,775</u>	<u>\$ 1,512,375</u>	<u>\$ 1,615,200</u>	<u>\$ 2,025,100</u>

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,512,375	\$ 1,512,375
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increased level of principal and interest due on bonds outstanding	140,597	49,297
- Change in level of repayments from districts	(37,772)	463,428
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 1,615,200</u>	<u>\$ 2,025,100</u>
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	<u>\$ 1,615,200</u>	<u>\$ 2,025,100</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$1,615,200 for F.Y. 1988 and \$2,025,100 for F.Y. 1989.

PROFESSIONAL DEVELOPMENT

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 01 TEACHER EXAMINATIONS - EVALUATION (BOARD OF TEACHING)

STATUTORY AUTHORIZATION: LAWS 1985, FIRST SPECIAL SESSION, CHAPTER 12,
ARTICLE 8, SECTION 46, 48

PROGRAM OBJECTIVE: (1) To implement a system which requires persons applying for initial teaching licenses and teachers applying for additional fields of licensure to successfully complete an examination of academic knowledge in each field of licensure, and, for persons applying for initial licensure, an examination of skills in reading, writing, and mathematics. (2) To develop a plan to evaluate, before a continuing license is issued, the teaching skills of beginning teachers.

PROGRAM DESCRIPTION: Through a competitive bidding process, the Board of Teaching selected a contractor to implement skill area examinations. Validation and pilot testing of these examinations occurred during the fall of 1986. This part of the examination system will be implemented in the fall of 1987. Also, a contractor was selected to assist the Board in identifying various models for evaluating the teaching skills of beginning teachers.

Specific activities are as follows:

- A task force of 8 teachers and 1 university faculty member was convened to assist in adopting and field testing proposed examinations.
- A progress report was prepared and submitted to the Legislature in January, 1986.
- Requests for Proposals to implement a system of teacher examinations and to develop models for assessing the teaching skills of beginning teachers were solicited.
- Contracts were awarded for implementation of a system for skill area examinations and for development of models for assessing the teaching skills of beginning teachers.
- Validation procedures for skill area examinations were conducted with panels of educators.
- Field testing of students currently enrolled in teacher education programs was conducted.
- Cut scores were determined for skill area examinations.
- A progress report regarding teacher examinations was prepared and submitted to the Legislature in January 1987.
- A plan for assessing the teaching skills of beginning teachers was submitted to the Legislature in January 1987.
- Teacher examination rules were promulgated.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	8	163	0	0	0
Subtotal	0	8	163	0	0	0
Other Funds:	0	0	0	0	0	0
Total	0	8	163	0	0	0

PROGRAM STATISTICS: The 1985-87 biennium appropriation totaled \$171,000. Of this amount, \$141,000 was budgeted for the implementation of a system for skill area examinations. As reported to the Legislature in January 1986, it was not possible to implement examinations of academic knowledge because of insufficient appropriations. The remaining \$30,000 was budgeted for the development of models for assessing the teaching skills of beginning teachers.

ANNUAL ENTITLEMENT AND FUNDING:

Teacher Examinations - Evaluation	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Examinations		8,392	132,608	-0-	-0-
Evaluations of Skills		--	30,000	-0-	-0-
Net Aid Entitle- ment	<u>\$ --</u>	<u>\$ 8,392</u>	<u>\$ 162,608</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
B) <u>PROGRAM FUNDING</u>					
Appropriation			96,608 ^a		
Balance Forward					
Current Appro- priation		105,000 ^a	66,000	-0-	-0-
Total	<u>\$ --</u>	<u>\$ 105,000</u>	<u>\$ 162,608</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 01 TEACHER EXAMINATIONS - EVALUATION (BOARD OF TEACHING)

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Teacher Examinations - Evaluation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Payments		8,392	162,608	-0-	-0-
Balance Forward to F.Y. 1987		96,608 ^a			
Cancellation					
Total	\$ --	\$ 105,000	\$ 162,608	\$ -0-	\$ -0-

^aIncludes \$30,000 for evaluation of teaching skills of beginning teachers.CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 162,608	\$ 162,608
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 appropriation balance forward	(66,608)	(66,608)
B) Existing Policy Changes Becoming Effective		
- Plan for evaluation of teaching skills of beginning teachers is nonrecurring	(30,000)	(30,000)
3. Subtotal, Estimate Under Current Law	\$ 66,000	\$ 66,000
4. Proposed Policy Changes:		
- Consolidate in a new program	(66,000)	(66,000)
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new State Teacher Program Standards and Licensing program. See Program 04-03 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 02 EXEMPLARY TEACHER EDUCATION (BOARD OF TEACHING)
STATUTORY AUTHORIZATION: M.S. 126.81

PROGRAM OBJECTIVE: To support research, planning, and developing alternative educational practices within teacher education institutions.

PROGRAM DESCRIPTION: This act authorized the Board of Teaching to award at least 3 grants to public postsecondary teacher preparation institutions to develop exemplary teacher education programs. The majority of these grants were to be awarded to colleges and universities which jointly conducted programs with 1 or more school districts and were, to the extent possible, to represent a broad range of proposals.

PROGRAM STATISTICS: The 1985-87 biennium appropriation totaled \$285,000. From 8 proposals that were submitted, 3 were selected. Grant amounts totaled \$269,000 and included the University of Minnesota - Twin Cities \$83,318, St. Cloud State University \$89,802, and Southwest State University \$95,880. In addition, \$16,000 was allocated for evaluation purposes.

PROGRAM EFFECTIVENESS: Formative and summative evaluation of these programs is being conducted by an external evaluator. At this time, quantifiable data are not available. The following criteria are being evaluated:

1. Is the program founded on and supported by the research, planning, and development of alternative educational practices conducted within the institution?
2. Does the program differ significantly from that institution's currently approved teacher education program?
3. Does the program prepare college graduates to teach through structural internships in participating school districts or other methods?
4. Is the program compatible with current research in child development and teacher effectiveness?
5. Does the program show evidence of incorporating provisions of the Minnesota Improved Learning and Principal-Teacher, Counselor-Teacher, and Career Teacher Act (M.S. 129B.45-129B.47)?
6. Does the program allow for the integration of students with special educational needs?
7. Has the program been evaluated internally by both staff and students? Are the internal evaluation results compatible with those of the external evaluation?
8. Is the program staffed and equipped to accomplish its objectives?
9. What resulted from implementing each alternative teacher education program? Would the results indicate that each program was or was not successful and why?

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	71	214	0	0	0
Subtotal	0	71	214	0	0	0
Other Funds:	0	0	0	0	0	0
Total	0	71	214	0	0	0

PROGRAM EFFECTIVENESS: (Contd.)

10. How do the 3 programs compare and/or contrast and what are the advantages and/or disadvantages of each?
11. What future impact should the knowledge gained from this study have on the preparation of teachers within Minnesota?

ANNUAL ENTITLEMENT AND FUNDING:

Exemplary Teacher Education	Actual	Actual	Estimated	Governor's	
	F.Y. 1985	F.Y. 1986		F.Y. 1987	Recommendation
			F.Y. 1987	F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ --	\$ 71,376	\$ 213,624	\$ -0-	\$ -0-
B) <u>PROGRAM FUNDING</u>					
Appropriation			78,624		
Balance Forward					
Current Approp- riation		150,000	135,000	-0-	-0-
Total	\$ --	\$ 150,000	\$ 213,624	\$ -0-	\$ -0-

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 02 EXEMPLARY TEACHER EDUCATION (BOARD OF TEACHING)

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Exemplary Teacher Education	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Payments		71,376	213,624	-0-	-0-
Balance Forward to F.Y. 1987		78,624			
Total	\$ --	\$ 150,000	\$ 213,624	\$ -0-	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 213,624	\$ 213,624
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 appropriation balance forward	(78,624)	(78,624)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 135,000	\$ 135,000
4. Proposed Policy Changes:		
- Consolidate in a new program	(135,000)	(135,000)
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new State Teacher Program Standards and Licensing Program. See Program 04-03 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 03 STATE TEACHER PROGRAM STANDARDS AND LICENSING
STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To strengthen undergraduate and graduate teacher education programs, develop increased program standards, and assure the existence of appropriate levels of licensure, including continuing education requirements.

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$66,000 for F.Y. 1988 and \$66,000 for F.Y. 1989 for Teacher Exams-Evaluation (Program 04-01); \$25,000 for F.Y. 1988 and \$25,000 for F.Y. 1989 for research on evaluating the teaching skills of beginning teachers (Program 04-01); and \$135,000 for F.Y. 1988 and \$135,000 for F.Y. 1989 for Exemplary Teacher Education (Program 04-02).

The total of these recommendations is \$226,000 for F.Y. 1988 and \$226,000 for F.Y. 1989.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	226	226
Subtotal	0	0	0	0	226	226
Other Funds:	0	0	0	0	0	0
Total	0	0	0	0	226	226

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 04 EXCELLENCE IN TEACHING AND CURRICULUM

STATUTORY AUTHORIZATION: M.S. 126.70-126.72

PROGRAM OBJECTIVE: To provide educators with educational renewal and development opportunities to address needs analyzed and identified by school districts related to quality curriculum and instruction which results in increased learning for learners.

PROGRAM DESCRIPTION: For the 1983-85 biennium, a state appropriation of \$770,000 was provided for a program of grants for subject area inservice training of school district staff. The emphasis was on inservice training of elementary and secondary staff in mathematics, science, and social science; and the training programs were designed to provide a broad spectrum of experiences including activities which required active participation rather than classroom lectures. Grant proposals were sought from institutions of higher education, nonprofit organizations, educational cooperative service units, and school districts. The appropriation also included funds for program administration, evaluation, and assessment of need for future subject area training and planning grants.

Also for the 1983-85 biennium, appropriations totaling \$1,586,000 were provided for technology utilization planning (\$650,000) and technology inservice training (\$936,000). The purpose of the planning program was for school districts to develop plans for the use of technology to provide educational opportunities, and for the means for technology implementation in the district, including proposed teacher inservice training. The technology inservice program included aid to districts to provide inservice training for elementary and secondary school staff on the use of technology in education, as well as funds for the Minnesota Department of Education (MDE) to provide for supplemental regional or statewide inservice training for district staff.

In addition, appropriations totaling \$550,000 for the 1983-85 biennium were provided for the development, testing and evaluation of a model for training school district staff in instructional (educational) effectiveness (\$300,000), and for MDE to provide instructional effectiveness training for district staff through school building level leadership teams (\$250,000). See Program 05-05 for further information on the educational effectiveness program.

Legislation concerning school district planning and programming for excellence in teaching and curriculum was enacted by the 1985 Legislature. The intent of this law is to enhance professional development and improve curriculum and instruction efforts in schools. As provided in the legislation, the MDE, in cooperation with various advisory groups and agencies, has developed exemplary plans for use by districts in planning for excellence in teaching and curriculum.

Historical Expenditures and Governor's Recommendations By Fund Source						
Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	1,118	0	0	0	0	0
Subtotal	1,118	0	0	0	0	0
Other Funds:	0	0	0	0	0	0
Total	1,118	0	0	0	0	0

ANNUAL ENTITLEMENT AND FUNDING:

Excellence in Teaching and Curriculum	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Subject Area	465,650				
Inservice					
Technology Plan- ning - Inservice	652,656				
Educational Effectiveness Inservice ^a					
Net Aid Entitle- ment	\$ 1,118,306	\$ --	\$ --	\$ -0-	\$ -0-
B) PROGRAM FUNDING					
Appropriation	968,844				
Balance Forward					
Current Appo- piation	270,000				
Total	\$ 1,238,844	\$ --	\$ --	\$ -0-	\$ -0-
C) FISCAL ACTIVITY					
State Payments	1,118,306				
Cancellation	120,538				
Total	\$ 1,238,844	\$ --	\$ --	\$ -0-	\$ -0-

^aSee Educational Effectiveness Program 05-05 for teacher inservice activity in F.Y. 1985 and F.Y. 1986.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 04 EXCELLENCE IN TEACHING AND CURRICULUM

GOVERNOR'S RECOMMENDATION: The Governor recommends that this program be included as an option under the new Local Professional Development Program. See Program 04-06 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 05 STATE PROFESSIONAL DEVELOPMENT PROGRAMS
STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To support state-level professional development programs for teachers, principals, superintendents, and support staff so that their knowledge, skills, and attitudes will make it possible to provide a higher level and different kinds of learning. In addition, this program will support the movement of teachers to higher standards of education and performance, so that they can expand to new and more professional roles.

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$690,300 for F.Y. 1988 and \$690,300 for F.Y. 1989 for Educational Effectiveness (Program 05-05); \$167,300 for F.Y. 1988 and \$167,300 for F.Y. 1989 for School Management Assessment Center (Program 04-07), and Principal's Academies; \$100,000 for F.Y. 1988 and \$100,000 for F.Y. 1989 to plan for the establishment of Research and Development Centers for Teachers; \$125,000 for F.Y. 1988 and \$125,000 for F.Y. 1989 to establish a program for mentor teachers, including a formal induction period for beginning teachers; \$50,000 for F.Y. 1988 and \$50,000 for F.Y. 1989 to develop a state strategy for reducing class size in Grades K-3; and \$50,000 for F.Y. 1988 and \$50,000 for F.Y. 1989 for Department of Education administrative support.

The total of these recommendations is \$1,182,600 for F.Y. 1988 and \$1,182,600 for F.Y. 1989.

Historical Expenditures and Governor's Recommendations By Fund Source.

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	1,183	1,183
Subtotal	0	0	0	0	1,183	1,183
Other Funds:	0	0	0	0	0	0
Total	0	0	0	0	1,183	1,183

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 06 LOCAL PROFESSIONAL DEVELOPMENT PROGRAMS
STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To support local professional development programs for teachers, principals, superintendents, and support staff so that their knowledge, skills, and attitudes will make it possible to provide a higher level and different kinds of learning. In addition, this program will support the movement of teachers to higher standards of education and performance, so that they can expand to new and more professional roles.

GOVERNOR'S RECOMMENDATION: The Governor recommends that the \$10 per pupil unit available in Tier 3 of the Foundation Program, beginning in F.Y. 1989, be used for any of the following programs:

- 1. Excellence in Teaching and Curriculum (M.S. 126.70-126.72);
- 2. The Minnesota Improved Learning and Principal-Teacher, Counselor-Teacher, and Career Teacher Act (M.S. 129B.42-129B.47); and/or
- 3. Any other local professional development programs approved by the Commissioner of Education. School districts will be required to have their annual local professional development plan approved prior to certifying the levy provided for in Tier 3 of the Foundation Program.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Other Funds:	0	0	0	0	0	0
Total	0	0	0	0	0	0

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 07 SCHOOL MANAGEMENT ASSESSMENT CENTER

STATUTORY AUTHORIZATION: LAWS 1985, FIRST SPECIAL SESSION, CHAPTER 12,
ARTICLE 8, SECTION 62, SUBD. 14

PROGRAM OBJECTIVE: To support the operation of a school principal assessment center at the University of Minnesota, and to assist in determining the types of inservice training that are needed for principals and assistant principals.

PROGRAM DESCRIPTION: The School Management Task Force, consisting of 13 members representing professional education associations and school principal preparation institutions, recommended the establishment of a school principal assessment center at the University of Minnesota and has made further recommendations concerning principal inservice training needs consistent with data based on research on effective schools. In F.Y. 1985, the assessment center, in joint sponsorship with the University of Minnesota, trained 23 assessors and conducted 1 session for assessing skills of 12 participants. In F.Y. 1986, an additional 20 assessors were trained and 36 participants were assessed. In F.Y. 1987, it is expected that 1 training session for another 20 assessors will be held and 6 sessions will assess 68 participants in 12 skill areas.

In August 1986, the U.S. Congress provided funding for the Leadership in Educational Administration Development (LEAD) Program. This program will provide a \$143,500 annual grant for 3 years to each state which submits and secures an approved proposal for staff development for school administration. The purpose of the federal law and criteria for approval are compatible with the recommendations of our School Management Task Force. The current support of the principal assessment center (provided by the State Legislature, University of Minnesota, professional education associations, etc.) is expected to qualify as the state matching contribution necessary for approval for federal funding. The LEAD program, when in operation, will provide complimentary activities in support of the identified needs of school principals.

A proposal will be submitted to the U.S. Office of Education by December 1986 on behalf of a consortium of Minnesota administrator organizations, associations, preparation institutions, and business partnerships. If approved, the first annual grant would be available during the 1986-87 school year.

PROGRAM EFFECTIVENESS: The following data would be valuable in determining the effect of the school principal assessment center:

1. A report on the recommendations of the types of inservice training that are needed according to the task force.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	25	26	24	0	0	0
Subtotal	25	26	24	0	0	0
Other Funds:	0	0	0	0	0	0
Total	25	26	24	0	0	0

PROGRAM EFFECTIVENESS: (Contd.)

2. A report on the establishment of the assessment center at the University of Minnesota including:
 - a. Process for assessing principal skills;
 - b. Number of assessor training sessions;
 - c. Number of successfully trained assessors;
 - d. Number of assessment sessions;
 - e. Number of principals completing process;
 - f. Survey of supervisors of participants;
 - g. Number of districts using the results.
3. Survey of participant opinions on value of program and examples of impact directly associated to the program.

ANNUAL ENTITLEMENT AND FUNDING:

School Management Assessment Center	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Grants -	20,000	25,900	24,300	-0-	-0-
Nondistrict					
Task Force	4,993				
Administration					
Net Aid Entitle- ment	<u>\$ 24,993</u>	<u>\$ 25,900</u>	<u>\$ 24,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 04 PROFESSIONAL DEVELOPMENT

AID: 07 SCHOOL MANAGEMENT ASSESSMENT CENTER

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

School Management Assessment Center	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
B) PROGRAM FUNDING					
Current Approp- riation	25,000	25,900	24,300	-0-	-0-
Total	<u>\$ 25,000</u>	<u>\$ 25,900</u>	<u>\$ 24,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
C) FISCAL ACTIVITY					
State Payments Cancellation	24,993 7	25,900	24,300	-0-	-0-
Total	<u>\$ 25,000</u>	<u>\$ 25,900</u>	<u>\$ 24,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 24,300	\$ 24,300
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 24,300</u>	<u>\$ 24,300</u>
4. Proposed Policy Changes:		
- Consolidate in a new program	(24,300)	(24,300)
5. Total Entitlement	<u>\$ -0-</u>	<u>\$ -0-</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new State Professional Development Program. See Program 04-05 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 08 FEDERAL TEACHER INSERVICE
STATUTORY AUTHORIZATION: P.L. 98-377, EDUCATION FOR ECONOMIC SECURITY ACT,
TITLE II

PROGRAM OBJECTIVE: To provide funds to school districts and institutions of higher education for training and retraining teachers in order to improve instruction in mathematics, science, foreign languages, and computer learning.

PROGRAM DESCRIPTION: This program has 3 major components: formula flow-through funds for local school districts; a competitive proposal process for funding demonstration and exemplary projects in local districts; and a competitive proposal process for funding higher education institutions to train and/or retrain teachers of mathematics, science, foreign languages, and computer learning. The formula for fund distribution and other program components are specified in Public Law 98-377, including a process for application and review, an assessment of need, the type of technical assistance to be rendered, and a program evaluation requirement. In accordance with federal law, the Minnesota Department of Education (MDE) channels 30% of the total grant to the Higher Education Coordinating Board (HECB) for a competitive proposal process. MDE retains 70% for programs involving local districts. The federal law also stipulates that no more than 5% of the grant may be used in rendering technical assistance; and that no more than 5% of the grant may be used for assessment, evaluation, or administration.

The formula flow-through funds are allotted to local districts as follows:

1. 50% distributed on the basis of average daily membership (ADM) in public and nonpublic schools.
2. 25% distributed on the basis of number of Education Consolidation and Improvement Act (ECIA), Chapter I children who are from families below the poverty level.
3. 25% distributed on the basis of number of ECIA Chapter I children who are from families above the poverty level.

Because of the variation in number and types of ECIA Chapter I children, the total per student dollar amount available to local school districts under the formula varies from district to district. The federal law also provides for nonpublic school teachers to participate in the program. Thus, if there are nonpublic schools located within a school district, a proportional amount must be expended for training of their staff.

PROGRAM STATISTICS: Information on program funding and teacher participation is shown in Table 4-1.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:		868	413	0	413	413
Total	0	868	413	0	413	413

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and state-wide accounting period closing requirements.

PROGRAM STATISTICS: (Contd.)

TABLE 4-1
FEDERAL TEACHER INSERVICE PROGRAM

	Actual F.Y. 1986	Estimated F.Y. 1987*	Estimated F.Y. 1988	Estimated F.Y. 1989
FUNDING LEVEL				
Formula Flow-through	\$ 740,000	\$321,000	\$321,000	\$321,000
Demonstration and Exemplary Projects	212,000	92,000	92,000	92,000
Subtotal	952,000	413,000	413,000	413,000
Higher Education	453,000	196,000	196,000	196,000
Administrative and Technical Costs	105,000	46,000	46,000	46,000
Total Funding	\$1,510,000	\$655,000	\$655,000	\$655,000

EDUCATION AIDS
(Continuation)

PROGRAM: 04 PROFESSIONAL DEVELOPMENT
AID: 08 FEDERAL TEACHER INSERVICE

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 4-1: (Contd.)

	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987*</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
<u>TEACHER PARTICIPATION</u>				
Flow-through (teacher inservice)	11,526	9,220	3,965	3,965
Demonstration/Exemplary Projects (15 different districts)	745	320	320	320
Higher Education Projects	<u>1,656</u>	<u>712</u>	<u>712</u>	<u>712</u>
Total Participation	13,927	10,252	4,997	4,997

*Funding was reduced to about 43% of the F.Y. 1986 level.

During the 1985-86 school year, 352 applications for formula flow-through were processed, providing an allotment to districts of about \$707,000. The average allotment was about \$1,600 (that is, about \$20 per teacher and about \$1 per student). The largest allotment was \$71,000 (Minneapolis) and the smallest allotment was \$83 (Strandquist). Twenty districts had allotments under \$200. Eighty-two (19%) districts did not apply for these flow-through funds. The most frequent reason given for not applying was the paperwork required for such a small allotment. Sixteen K-12 demonstration and exemplary projects were funded at a cost of about \$205,900. Included were 4 math projects, 10 science projects, and 2 foreign language projects. Thirteen post-secondary projects were funded including 7 math projects and 6 science projects.

PROGRAM EFFECTIVENESS: During the 1985-86 school year, the Title II staff conducted a preliminary needs assessment, a statewide needs assessment, and a program evaluation for each of the 352 participating districts. Findings relating to improving teacher training and instruction in mathematics, science, foreign languages, and computer learning are as follows:

1. The need for teacher retraining is growing due to aging of the teaching force.
2. Although mathematics, physical science, and earth science teachers are in relatively low but adequate supply, the Minnesota Department of Education (MDE) and the Alliance for Science do not agree on the issue of a shortage after 1990.

PROGRAM EFFECTIVENESS: (Contd.)

3. Tests for teacher licensure will be implemented in Minnesota.
4. Small rural districts face problems in offering all science and mathematics classes each year, and in hiring licensed teachers for less than half-time assignments.
5. A large number of elementary teachers feel inadequately or moderately qualified to teach computers, science, and mathematics.
6. Over 40% of secondary mathematics and science teachers participating have not attended inservice classes or workshops in the past 3 years.
7. Over 90% of the districts indicated they are not able to fully resolve specific training needs in the subject(s) specified in the first-year applications.
8. Educators need to address the under-representation of minorities in advanced mathematics and science classes and the higher dropout rate for minorities.

Based on the above findings, the following priority initiatives will be addressed through the Title II Flow-Through Program:

1. Retraining elementary science and mathematic teachers.
2. Retraining junior high and middle school physical science and earth science teachers.
3. Retraining senior high school physical science and mathematics teachers.
4. Retraining teachers to interest minority students in enrolling and achieving at higher levels in advanced mathematics and science courses. The exception is Asian students in certain classes where they are already well represented.
5. Training teachers to interest girls in enrolling and achieving at higher levels in science courses.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 01 STATE PER PROGRAMS

STATUTORY AUTHORIZATION: M.S. 123.742, SUBD. 1a; 3a; 9

PROGRAM OBJECTIVE: The purposes of these parts of the Planning, Evaluation, and Reporting (PER) Law are to provide advice to the State Board of Education and the Minnesota Department of Education (MDE) on PER; to assure individual pupil mastery in communications and mathematics; and to provide for the availability of model learner expectations for school district consideration.

PROGRAM DESCRIPTION: An 11-member state curriculum advisory committee has been named to provide information and recommendations on MDE procedures relating to PER, to identify and disseminate information about exemplary district PER procedures and ways to improve the PER law. All members of the committee are past or present members of a local PER committee. The committee's recommendations to the Legislature are included in the Commissioner's annual report on PER.

During the 1986-87 school year, the school board in every district will adopt a policy for implementing procedures to assure pupil mastery in communications and mathematics. District assurance of mastery procedures must include the establishment of minimum curricular expectations in communications and mathematics; the identification of all regular education pupils who are not achieving the district-determined standards; the development of individual remediation plans and appropriate parental involvement for those pupils; and the reporting of the district's plan for assurance of mastery in the district's report to residents. The MDE has provided information and technical assistance to districts and has contracted with Educational Cooperative Service Units (ECSUs) to provide assistance to districts regarding assurance of mastery. In addition, a catalog of alternative implementation strategies and district-developed assurance of mastery models have been disseminated to all districts during F.Y. 1986.

The MDE has established a 5-year curriculum review cycle (see Table 5-1) which incorporates all general and vocational subject areas. The steps in the cycle include:

1. Research on effectiveness, efficiency, and future needs in each discipline from a statewide perspective. Limited resources have resulted in minimal attention to this activity in the past.
2. Development of model outcomes and test procedures for those outcomes. Outcomes for 5 disciplines were developed in F.Y. 1986 and 6 more are scheduled for F.Y. 1987. (See Program 05-05 for details on the development of the assessment item bank).
3. Provision of staff development activities on the newly developed outcomes. First-round activities in staff development on using the model outcomes as a resource to districts will not occur until F.Y. 1987. Insufficient resources require that such staff development activities be limited.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and Entitlement Year</u>	Actual	Actual	Est.	Recommendation		
	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	117	108	0	518	1,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Subtotal</i>	0	117	108	0	518	1,000
<i>Other Funds:</i>	0	0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total</i>	0	117	108	0	518	1,000

PROGRAM DESCRIPTION: (Contd.)

4. Implementation of instructional programs leading to the outcomes. Since no discipline is in the fourth or fifth year on the cycle, activities to assist districts in implementing instructional programs aimed specifically at locally adopted outcomes will not occur until F.Y. 1988 and beyond.

In addition to the above described activities, the MDE, at the request of school districts, developed a set of model processes for district consideration. These processes are organized into a set of documents titled, The Coordinated Model For Educational Improvement. They include suggested processes for PER, Goal and Outcome Specification, Assessment and Feedback, Instruction, Personalized Learning, Staff Development, Partnerships, and Management. The documents are designed to assist districts in implementing existing legislative mandates and State Board of Education rules in a manner consistent with the latest research.

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 01 STATE PER PROGRAMS

TABLE 5-1
MINNESOTA DEPARTMENT OF EDUCATION CURRICULUM REVISION CYCLE

ACTIVITY	1986-87 SCHOOL YEAR	1987-88 SCHOOL YEAR	1988-89 SCHOOL YEAR	1989-90 SCHOOL YEAR	1990-91 SCHOOL YEAR
Research Effectiveness Future Need	Industrial Technology Business Occupations Information Technology Music Health and Nutrition Physical Education and Safety	Humanities Marketing Occupations Agriculture Visual Arts Environmental Education Early Childhood Education	Language Development Career Education Health Occupations Service Occupations	Science Social Studies Media Home Economics World Languages	Language Arts Mathematics Industrial Technology Preparation for Post- Secondary Severely Handicapped Gifted
Develop Outcomes Develop Standards	Language Arts Mathematics Industrial Technology Preparation for Post- Secondary Severely Handicapped Gifted	Industrial Technology Business Occupations Information Technology Music Health and Nutrition Physical Education and Safety	Humanities Marketing Occupations Agriculture Visual Arts Environmental Education Early Childhood Education	Language Development Career Education Health Occupations Service Occupations	Science Social Studies Media Home Economics World Languages
Provide Staff Development	Science Social Studies Media Home Economics World Languages	Language Arts Mathematics Industrial Technology Preparation for Post- Secondary Severely Handicapped Gifted	Industrial Technology Business Occupations Information Technology Music Health and Nutrition Physical Education and Safety	Humanities Marketing Occupations Agriculture Visual Arts Environmental Education Early Childhood Education	Language Development Career Education Health Occupations Service Occupations
Implement		Science Social Studies Media Home Economics World Languages	Language Arts Mathematics Industrial Technology Preparation for Post- Secondary Severely Handicapped Gifted	Industrial Technology Business Occupations Information Technology Music Health and Nutrition Physical Education and Safety	Humanities Marketing Occupations Agriculture Visual Arts Environmental Education Early Childhood Education
Implement			Science Social Studies Media Home Economics World Languages	Language Arts Mathematics Industrial Technology Preparation for Post- Secondary Severely Handicapped Gifted	Industrial Technology Business Occupations Information Technology Music Health and Nutrition Physical Education and Safety

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 01 STATE PER PROGRAMS

PROGRAM STATISTICS:	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of State Curriculum Advisory Committee meetings	0	8	10	10	10
Number of districts attending regional workshops on assurance of mastery	0	390	320	300	300
Number of districts receiving individual technical assistance on assurance of mastery	0	25	50	100	100
Number of copies of assurance of mastery models/catalogs disseminated	0	1,200	1,500	1,500	1,500
Number of committees of teachers formed to develop model outcomes	0	5	6	6	6
Number of staff development sessions held for districts on model outcomes	0	0	20	20	20
Number of copies of model outcome documents disseminated	0	0	5,000	6,000	6,000
Number of reaction and information sessions held for districts on the Coordinated Model	0	25	10	10	10
Number of copies of the Coordinated Model disseminated	0	1,000	500	500	2,000

PROGRAM EFFECTIVENESS: Evaluation of these activities is not possible at this time because the program began during F.Y. 1986. The State Board of Education is in the process of initiating a pilot demonstration program for performance-based education. The program asks volunteer districts to develop learner outcomes, to design instruction and assessment procedures to assure student progress toward the outcomes, to address individual student needs, and to provide for staff development, as needed. In turn, the districts may receive waiver for certain State Board curriculum rules. There are no other incentives available and there is no information at this time as to which districts, if any, will apply for pilot status.

ANNUAL ENTITLEMENT AND FUNDING:

State PER Programs	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ --	\$ 116,554	\$ 108,000	\$ 518,000	\$ 1,000,000
B) PROGRAM FUNDING					
Current Appro- priation		120,000	108,000	518,000	1,000,000
Transfer to Education Aids Control Account		(3,446)			
Total	\$ --	\$ 116,554	\$ 108,000	\$ 518,000	\$ 1,000,000

C) FISCAL ACTIVITY

State Payments		116,554	108,000	518,000	1,000,000
Total	\$ --	\$ 116,554	\$ 108,000	\$ 518,000	\$ 1,000,000

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 108,000	\$ 108,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 108,000	\$ 108,000
4. Proposed Policy Changes:		
- To Consolidate Assessment Programs	270,000	270,000
- To Research and Develop Learner Expectations and Development Assessment Techniques	248,000	722,000
5. Total Entitlement	\$ 518,000	\$ 1,000,000

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 01 STATE PER PROGRAMS

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$45,000 for F.Y. 1988 and \$45,000 for F.Y. 1989 for Assurance of Mastery (Program 05-01); \$95,000 in F.Y. 1988 and \$95,000 in F.Y. 1989 to develop and maintain Model Learner Expectations (Program 05-01), including higher levels and different kinds of learning; \$24,000 for F.Y. 1989 for exploring foreign language and intercultural exchange issues; \$18,000 for F.Y. 1988 and \$18,000 for F.Y. 1989 for the State Advisory Committee (Program 05-01); \$270,000 for F.Y. 1988 and \$270,000 for F.Y. 1989 for the Assessment Item Bank (Program 05-04); \$233,000 for F.Y. 1989 for Local Assessment Program (Program 05-03); \$40,000 for F.Y. 1988 and \$240,000 for F.Y. 1989 for a comprehensive sampling program to determine the achievement level of Minnesota students; \$50,000 for F.Y. 1988 and \$75,000 for F.Y. 1989 for Minnesota Department of Education administrative support.

The total of these recommendations is \$518,000 for F.Y. 1988 and \$1,000,000 for F.Y. 1989.

The Governor also intends that this consolidated program and appropriation support shared decision making and parental involvement at the local level, in accordance with the recommendations of the Governor's Discussion Group.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 02 LOCAL PER PROGRAMS
STATUTORY AUTHORIZATION: M.S. 123.74; 123.741; 123.7431

PROGRAM OBJECTIVE: This program exists to promote involvement of the public in the planning, evaluation, and reporting (PER) of learning results in the public schools.

PROGRAM DESCRIPTION: A PER law was enacted in 1976 and significantly amended in 1984 to establish a special state aid for public school districts participating in the process. Districts are required to adopt a policy establishing instructional goals with measurable learner objectives, develop an instruction plan to implement the goals, annually evaluate progress toward the goals, and report the results of the evaluation to all residents of the school district. A curriculum advisory committee must also be established in each district. The intent of this program is to improve curriculum planning, evaluation, and reporting in such a way as to increase community involvement with the schools, improve school-community public relations, and to provide a vehicle for sharing information about the accomplishments of public schools with school district residents. This law is a process-oriented approach to public school district program accountability.

The annual evaluation requirement of the law specifies that districts conduct a professional staff evaluation including test results and local assessment testing data, and a consumer evaluation including opinions of students, parents and other residents of the district. Evaluation of the district's testing program is mandated on an alternate year basis. Districts must disseminate the results of their evaluations to district residents annually and submit a copy of that report to the Commissioner of Education by September 1 of each year. Districts which complete the process and receive approval from the Commissioner of Education are eligible to receive \$1 times average daily membership (ADM) but not less than \$1,500 for the applicable school year.

Due to the broad nature of this legislation, the law has been referred to frequently in other legislative mandates such as technology utilization, school effectiveness, and interdistrict cooperation. The law continues to provide flexibility of implementation for school districts and has future capability for increased relationships with new educational legislation. Statistical information for the program aid is shown in Table 5-2.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	986	1,001	0	1,014	1,022
Subtotal	0	986	1,001	0	1,014	1,022
Other Funds:	0	0	0	0	0	0
Total	0	986	1,001	0	1,014	1,022

PROGRAM STATISTICS:

TABLE 5-2
PLANNING, EVALUATION, AND REPORTING PROCESS AID

	Actual 1984-85 Paid in F.Y. 1986	Actual 1985-86 Paid in F.Y. 1987	Estimated 1986-87 Paid in F.Y. 1988	Estimated 1987-88 Paid in F.Y. 1989
1. Number of districts with less than 1,500 ADM	323	330	330	334
2. Minimum formula aid	\$1,500	\$1,500	\$1,500	\$1,500
3. State aid entitlement	\$484,500	\$495,000	\$495,000	\$501,000
4. Number of districts with 1,500 or more ADM	97	97	101	101
5. Formula aid rate per ADM	\$1.00	\$1.00	\$1.00	\$1.00
6. State aid entitlement	\$501,215	\$505,974	\$519,304	\$520,819
7. Total state aid	\$985,715	\$1,000,974	\$1,014,304	\$1,021,819

PROGRAM EFFECTIVENESS: The Department of Education collects district PER reports, reviews the reports for commissioner approval and aid distribution, and reports back to the district regarding district compliance with the legislation. Quantitative program measures are as follows:

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 02 LOCAL PER PROGRAMS

PROGRAM EFFECTIVENESS: (Contd.)

	Actual 1984-85	Actual 1985-86	Estimated 1986-87	Estimated 1987-88
Number of school district planning, evaluation, and reporting (PER) reports received	420	427	431	435
Number of school district PER reports approved	420	427	431	435
Number of school districts receiving PER technical assistance	420	427	431	435

FISCAL INFORMATION: This is a reimbursement aid. The F.Y. 1985 appropriation was used to fund the 1984-85 program and the aid was paid in 1985-86. Beginning in F.Y. 1987, the current appropriation is for funding the aid for the previous year program.

ANNUAL ENTITLEMENT AND FUNDING:

PER Process Aid	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ --	\$ 985,715	\$ 1,000,974	\$ 1,014,304	\$ 1,021,819
B) PROGRAM FUNDING					
Appropriation		1,020,000			
Balance Forward					
Current Appo- riation	1,020,000	--	1,004,500	1,014,304	1,021,819
Transfer to Education Aids Control Account			(3,526)		
Total	\$ 1,020,000	\$ 1,020,000	\$ 1,000,974	\$ 1,014,304	\$ 1,021,819

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

PER Process Aid	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) FISCAL ACTIVITY					
State Payments		985,715	1,000,974	1,014,304	1,021,819
Balance Forward to F.Y. 1986	1,020,000				
Cancellation		34,285			
Total	\$ 1,020,000	\$ 1,020,000	\$ 1,000,974	\$ 1,014,304	\$ 1,021,819

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,000,974	\$ 1,000,974
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in district participation	-0-	6,000
- Increase in average daily membership (ADM)	13,330	14,845
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 1,014,304	\$ 1,021,819
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 1,014,304	\$ 1,021,819

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$1,014,304 for F.Y. 1988 and \$1,021,819 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 03 LOCAL ASSESSMENT OPTION
STATUTORY AUTHORIZATION: M.S. 123.742

PROGRAM OBJECTIVE: To provide all Minnesota school districts with measurement services related to the administration of mandated State Assessment tests in 1 major curriculum area at 3 grade levels as a part of the Planning, Evaluation, and Reporting (PER) process.

PROGRAM DESCRIPTION: Measurement services to local districts have existed since F.Y. 1975 as a local district option referred to as the "Piggyback Program." Services were provided at cost under an agreement for service with the Minnesota Department of Education. The 1984 Legislature mandated that this program be used by all local districts in 1 curriculum area at 3 grade levels starting in F.Y. 1985 and continuing through F.Y. 1986. Funds to implement this mandate were allocated to the Assessment Section of the Department. Services provided as a part of this mandate are similar to services provided on an optional basis. The 1984 legislation allows for the continuation of optional testing as before in addition to mandated, state funded testing.

The 1985 Legislature modified the testing mandate. Beginning with F.Y. 1987 districts must test 3 different grades in at least 2 curricular areas. However, districts are not required to use tests from the Local Assessment Program. Those tests are listed as 1 option. In addition, beginning in F.Y. 1987 districts must pay for the cost of Local Assessment Services.

The Local Assessment Program provides proven testing services and processes for the improvement of curriculum and instruction in local districts. Tests are currently available in 14 curriculum areas, and offerings represent a relatively comprehensive array of general curriculum evaluation and specialized individual instruments. The general implementation model involves local districts in, at least, the following: 1) reviewing objectives and tests; 2) selecting areas to be tested; 3) establishing local standards for performance; 4) testing students and analyzing results in terms of local criteria and comparison group performance; 5) summarizing results and making recommendations for improvement; 6) reporting results; and, 7) identifying and utilizing resources for instructional changes. Results provided allow for the comparison of local district student performance data with the following groups and criteria: 1) national performance; 2) Central United States performance; 3) Minnesota performance; 4) similar size and type of district performance; 5) performance relative to state standards; and 6) performance relative to local standards.

Assessment Section staff are involved in all aspects of program implementation with local districts. Thirty regional workshops are conducted yearly and approximately 100 additional local visits are made yearly. The Assessment Section provides all tests and testing materials as well as computerized scoring and reporting services.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	324	158	0	0	0	0
<hr/>						
Subtotal	324	158	0	0	0	0
Other Funds:	0	0	0	0	0	0
<hr/>						
Total	324	158	0	0	0	0

PROGRAM STATISTICS:	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987
Number of Local Districts Served	436	435	200
Number of Informational, Standard Setting and Reporting Workshops Conducted	30	30	30
Number of Additional District School Visits	100	100	100
Number of Students Tested	173,000	173,000	173,000

PROGRAM EFFECTIVENESS: Testing services were provided in a timely and efficient manner to 435 districts that returned results promptly, so that the districts could more effectively evaluate program strengths as part of the PER process. An evaluation report published in February 1986, analyzing the success of the Local Assessment Program, contained the following conclusions:

1. Participants in the Program hold positive opinions about the usefulness of the assessment process including its basic concept, committee involvement, and the reporting of results. Three out of every 4 felt the program was worthwhile.
2. A high degree of satisfaction was reported relative to assessment materials and services provided by the Assessment Section.
3. As recommended by the Assessment Section, most districts are involving local personnel in many phases of their assessment program. Both the percent of districts who involve local personnel and the numbers of personnel involved have increased dramatically since 1982.
4. Survey results indicate that the Program has had a major, positive impact on educational decision-making in Minnesota school districts. Impacts were expressed at the district, building and classroom levels and almost 3/4 of the districts felt they would continue to use the Local Assessment Program.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 03 LOCAL ASSESSMENT OPTION

PROGRAM EFFECTIVENESS: (Contd.)

Finally, it is significant to note that in F.Y. 1985, 176 districts chose to go beyond the mandate and contracted for testing service in at least 1 additional curricular area. In F.Y. 1986, the number of districts doing this was 170.

ANNUAL ENTITLEMENT AND FUNDING:

Local Assessment Option	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ 324,041	\$ 158,369	\$ --	\$ -0-	\$ -0-
<u>B) PROGRAM FUNDING</u>					
Current Appro- priation	575,000	233,000		-0-	-0-
Transfer to Education Aids Control Account		(74,631)			
Total	\$ 575,000	\$ 158,369	\$ --	\$ -0-	\$ -0-
<u>C) FISCAL ACTIVITY</u>					
State Payments	324,041	158,369		-0-	-0-
Cancellation	250,959				
Total	\$ 575,000	\$ 158,369	\$ --	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in State Planning, Evaluation, and Reporting (PER) Programs. See Program 05-01 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 04 ASSESSMENT ITEM BANK
STATUTORY AUTHORIZATION: M.S. 123.742

PROGRAM OBJECTIVE: To develop a computerized item bank/test generation capability in 2 curriculum areas per year (up to a minimum of 10 areas) in order to provide customized measurement services to all interested school districts.

PROGRAM DESCRIPTION: This developmental activity will allow for the improvement of measurement services to local districts in Minnesota by applying currently available technology to customize tests for local districts. One major limitation of standardized testing is often that the match between curriculum objectives and testing can be quite spurious. This activity is designed to efficiently maximize the probability of matches between curriculum objectives and test items in order to enhance more precise data utilization in the improvement of curriculum and instruction.

The process for developing this capability involves the following sub-activities:
1) developing item structures and objectives for which test items will be written;
2) developing content valid items for objectives; 3) editing items; 4) field testing items; 5) loading items into the computer; 6) developing computer software to generate test and computer reports; and 7) developing a variety of computerized delivery systems which can stand alone in school districts.

Objectives are developed for each major area and cover grades 3 through 12 and are classified as knowing, applying, and integrating. If a local district is interested in a test for 9th grade Life Science, it will specify the objectives which it wants measured, and a customized test for that purpose can be generated. Test items and scoring services will not be restricted to multiple choice tests. "Hands on" performance indicators will be included. The information about the customized test will be stored in the computer and 6 computer reports will be generated describing student performance in Life Science in that district.

This approach is aimed at educational improvement and large numbers of Minnesota educators are involved in all aspects of the development of this service. Assessment Section staff coordinate all activities. The areas of Language Skills, Science, Math, and Social Studies have been under development and pilot testing during F.Y. 1985 and F.Y. 1986. All 4 areas will be available for full use during F.Y. 1987.

PROGRAM STATISTICS:	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987
Curriculum Areas to be Developed	Language Skills Science	Mathematics Social Studies	Reading Speech/ Communications
Scope of Objectives	Grades 3-12	Grades 3-12	Grades 3-12
Number of Items Developed, Edited, Tested, and Loaded/Curriculum Area	10,000	50,000	40,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	206	213	270	0	0	0
Subtotal	206	213	270	0	0	0
Other Funds:	0	0	0	0	0	0
Total	206	213	270	0	0	0

PROGRAM STATISTICS: (Contd.)

Nine regional workshops were conducted in August 1986 with 222 persons attending representing 169 school districts. Many other districts have received training at other workshops or have requested training. Educational Cooperative Service Units (ECSUs) staff will be trained to help support the districts using the system.

PROGRAM EFFECTIVENESS: This kind of service is totally unique on a statewide basis. A survey done by the Assessment Section in 1981 indicated that 78% of the districts in Minnesota would utilize such a service. That 78% figure is a reasonable goal for a fully developed service. Initial utilization will be lower. Every effort will be made to foster utilization and evaluate the ongoing development relative to local district needs.

ANNUAL ENTITLEMENT AND FUNDING:

Assessment Item Bank	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ 205,933	\$ 213,481	\$ 270,000	\$ -0-	\$ -0-
B) PROGRAM FUNDING					
Current Appro- priation	320,000	300,000	270,000	-0-	-0-
Transfer to Education Aids Control Account		(86,519)			
Total	\$ 320,000	\$ 213,481	\$ 270,000	\$ -0-	\$ -0-

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 04 ASSESSMENT ITEM BANK

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Assessment Item Bank	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Payments	205,933	213,481	270,000	-0-	-0-
Cancellation	114,067				
Total	\$ 320,000	\$ 213,481	\$ 270,000	\$ -0-	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 270,000	\$ 270,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 270,000	\$ 270,000
4. Proposed Policy Changes:		
- Consolidate in Another Program	(270,000)	(270,000)
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in State Planning, Evaluating, and Reporting (PER) Programs. See Program 05-01 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 05 EDUCATIONAL EFFECTIVENESS
STATUTORY AUTHORIZATION: M.S. 121.608-121.609

PROGRAM OBJECTIVE: To develop and implement a program for improving the educational effectiveness of Minnesota's schools.

This program enables schools throughout the state to embark on improvement efforts which utilize school effectiveness characteristics identified in educational research. Inservice training models for school district staff to implement strategies that address these characteristics are part of the program. The program will be updated and revised, based on field tests at pilot sites, new information based on current research, and new research data.

PROGRAM DESCRIPTION: Utilizing the assistance of the Educational Effectiveness Advisory Task Force, the Minnesota Department of Education (MDE) has developed and implemented a program for improving the educational effectiveness of Minnesota's schools. The comprehensive program outlines 15 characteristics of schools shown through research to promote student achievement and the research which describes how to create conditions which will support building-based improvement efforts. These are as follows:

1. Common sense of purpose and clearly defined goals and expectations related to student achievement.
2. School climate which supports those goals and expectations.
3. Building-level leadership which encourages and monitors progress toward high goals and expectations.
4. School-site management with considerable autonomy in determining the exact means by which the goals and expectations are to be met.
5. District-level support for building-level management of improvement efforts.
6. Collaborative planning and collegial relationships among staff and administration at the building level.
7. A building-level staff development program directed toward school goals and closely related to the instructional program of the school.
8. Curriculum articulation and organization, with appropriate time devoted to planned, purposeful instruction focused on the desired outcomes, and coordinated across grade levels.
9. Parent involvement in their child's education and parental support of the goals and expectations of the school.
10. High expectations commonly shared among staff for the performance of all students.
11. Teacher-designed instruction that maximizes substantive learning time, monitors student progress, and gives regular feedback to students regarding progress.
12. Grouping that is flexible, promotes high expectations for all learners, and encourages social cohesion and interaction among all students.
13. Effectively structured and appropriately managed cooperative group learning emphasized.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	926	999	690	0	0	0
Subtotal	926	999	690	0	0	0
Other Funds:	0	0	0	0	0	0
Total	926	999	690	0	0	0

PROGRAM DESCRIPTION: (Contd.)

14. Positive teacher-student interaction.
15. Order and discipline communicating the seriousness and purposefulness with which the school takes its tasks.

To enhance the effectiveness of involved schools, a training model which encompasses organizational characteristics, instructional characteristics and the components of planned change was developed and tested at 26 pilot sites. Revision and updating of the plan addresses both the area of the research-based 15 characteristics and the training models utilized in the field test.

To assure that the most current information is available to districts, the Department will continuously update the findings of the Research and Development (R & D) sites and create an information network, both computerized and print, for educational effectiveness.

MDE continuously monitors the research on effective schools, evaluates the experiences and recommendations of the 26 R & D sites and a random sample of subsequent sites, and revises the plan based on that information. All recommendations for revision are reviewed by the Educational Effectiveness Advisory Task Force.

Technical assistance in educational effectiveness also is provided to Minnesota schools through Regional Facilitators contracted through the Educational Cooperative Service Units (ECSUs). The Regional Facilitators have responsibility to:

1. Provide ongoing communication between the Minnesota Educational Effectiveness Program (MEEP) sites, regional staff, and MDE.
2. Facilitate implementation of the Educational Effectiveness model in each of the Educational Effectiveness sites in the region.
3. Create regional awareness of MEPP.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 05 EDUCATIONAL EFFECTIVENESS

PROGRAM DESCRIPTION: (Contd.)

4. Provide access by school sites to the research base of the Minnesota Educational Effectiveness Program (MEEP).
5. Develop regional staff expertise for ongoing delivery and maintenance of MEEP.

Specific tasks of the regional facilitators are to:

1. Establish and coordinate a regional networking committee representing each MEEP site in the region.
2. Participate in state plan for program evaluation.
3. Assist in the assessment and analysis of site needs.
4. Assist in Leadership Team in establishing school and improvement goals.
5. Aid in designing staff development activities.
6. Provide appropriate materials for school staff to learn about school improvement or characteristics of effective schools.
7. Assist in designing implementation activities.
8. Assist in collection and review of evaluation data and in developing improvement plans utilizing the data.
9. Provide regional workshops based on assessed needs of the sites in the region.
10. Maintain a resource center of articles, books, journals, training kits, and audio-visual materials for review and/or use by schools in the region.
11. Disseminate information regarding regional, statewide, and other training opportunities as they relate to the identified characteristics of effective schools.

PROGRAM STATISTICS: The Educational Effectiveness Program has proven to be extremely successful and popular with schools. Evaluations and testimonials are very positive. Personnel from a total of 231 buildings are trained and participating in this program.

PROGRAM STATISTICS: (Contd.)

Appropriations available for F.Y. 1985 provided \$926,000 for funding the original 26 pilot sites. The F.Y. 1986 appropriation of \$1,034,000 provided funding for 97 sites. The appropriation for funding of 108 new sites in F.Y. 1987 was reduced from a level of \$781,000 to \$690,300. The lower appropriations resulted in reductions in the number of schools that could participate and the quality of services provided the schools. Specifically, there were many districts that could not pay the travel, lodging and salary expenses for teachers attending the summer sessions and thus had to delay their participation. Department and regional staff were unable to provide on-going assistance and collegial support through the networking of participants.

PROGRAM EFFECTIVENESS: The general statement that can be made about the Educational Effectiveness Program is that it is proving extremely successful because it provides a comprehensive plan for improving education. However, because of resource limitations, less than 1/7 of the buildings have had an opportunity to participate.

All program components are being implemented. Training modules have been developed and are being used in 5 areas: They are:

1. Readiness, with components in awareness, commitment, team building, vision building, needs assessment, establishing priorities.
2. Planning, with components on focusing vision, developing outcome expectations, utilizing task forces, and designing program.
3. Meeting Diverse Learning Styles and Needs.
4. Implementation, with components in coaching, feedback, and networking.
5. Evaluation, including components in formative and summative evaluation.

The official preliminary evaluation report entitled Minnesota Educational Effectiveness Program, 1985 Evaluation Report indicated the following:

- I. The MEEP is being operationalized in 26 Research and Development (R & D) sites and 95 schools selected as 1985-86 Educational Effectiveness sites representing 121 schools and 86 school districts throughout Minnesota.
 - A. All sites, except 1 R & D site, are perceived by the Regional Facilitators as making satisfactory progress in their implementation of MEEP.
 - B. The staff in R & D sites were found to have:
 1. A high level of awareness about MEEP in their school.
 2. A high frequency of participation in educational effectiveness activities.
 3. An overwhelming perception that MEEP assisted the faculty identify and solve problems in their school.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 05 EDUCATIONAL EFFECTIVENESS

PROGRAM EFFECTIVENESS: (Contd.)

4. A perception that involvement in the Minnesota Educational Effectiveness Program (MEEP) has brought about changes in their school.
5. A generally "supportive" attitude among faculty for MEEP.
6. A perception that MEEP is a staff development program.

Only in 1 Research and Development (R & D) site did the majority of the staff respondents consistently report neutral or negative perceptions about their involvement in MEEP.

- C. The lack of satisfactory implementation of MEEP in a site or the presence of neutral or negative attitudes of staff about involvement in educational effectiveness efforts appears to be related to site-specific characteristics (e.g., large faculty) and/or circumstances (e.g., contract negotiations) rather than a flaw in MEEP itself.

II. Three major outcomes are attributed to involvement in MEEP by R & D sites. They are:

- A. Improved communication primarily among staff within schools, although between staff and such groups as the administration, parents, and students was also mentioned. MEEP provided a common language for staff to discuss school and educational concerns;
- B. Improved climate, particularly demonstrated in a willingness among staff to work cooperatively; and
- C. An awareness and sensitivity to the strengths, weaknesses, needs, and concerns of others.

The data for this report were gathered through interviews with and surveys from leadership team members, principals and staff in the 26 R & D sites; interviews with principals from 20 Educational Effectiveness sites randomly selected from the 95 newly selected MEEP sites; surveys from the 12 Regional Facilitators; and ongoing communication with the staff in the Minnesota Department of Education (MDE). These data were collected and analyzed between April and November 1985. The data collection and analysis as well as the preparation of this report were completed by an independent evaluator under a consultant contract with the Elementary and Secondary Education Section in MDE.

ANNUAL ENTITLEMENT AND FUNDING:

Educational Effectiveness	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Effectiveness	205	68,932			
Plans					
Effectiveness	336,592	338,812			
Inservice					
Regional Technical Services	330,000	440,000	478,926		
Evaluation	206,517	69,342			
Program Implementation			125,599		
Administration	53,044	82,192	85,775		
Net Aid Entitlement	<u>\$ 926,358</u>	<u>\$ 999,278</u>	<u>\$ 690,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
B) <u>PROGRAM FUNDING</u>					
Appropriation	193,733				
Balance Forward					
Current Appropriation	900,000	1,034,000	690,300		
Transfer to Education Aids Control Account		(34,722)			
Total	<u>\$ 1,093,733</u>	<u>\$ 999,278</u>	<u>\$ 690,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	926,358	999,278	690,300		
Cancellation	167,375				
Total	<u>\$ 1,093,733</u>	<u>\$ 999,278</u>	<u>\$ 690,300</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 05 EDUCATIONAL EFFECTIVENESS

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 690,300	\$ 690,300
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ <u>690,300</u>	\$ <u>690,300</u>
4. Proposed Policy Changes:		
- Consolidate in Another Program	(690,300)	(690,300)
5. Total Entitlement	\$ <u>-0-</u>	\$ <u>-0-</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new State Professional Development program. See Program 04-05 for details.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
 AID: 06 MASTERY LEARNING PROGRAM
 STATUTORY AUTHORIZATION: M.S. 129B.61, SECTION 38-42

PROGRAM OBJECTIVE: The overall goal of the Mastery Learning through Individualized Learning Plans Act is to establish demonstration sites that will research, develop, implement, evaluate, and disseminate information about successful mastery learning practices and technologies. The sites are expected to increase the quality of mastery learning efforts so that they can be replicated in other schools.

The specific purposes of this legislation are to:

1. Offer mastery learning programs in reading that account for the entry reading level of each pupil and provide individualized instruction and appropriate learning time based on that level;
2. Provide design models for individualized pupil learning plans demonstrating the use of mastery management programs in reading;
3. Encourage continuous progress in reading using variable class-size groupings; and
4. Recognize that sequential, measurable learning for all pupils can occur in a reading program that is planned, taught, and managed for mastery.

In response to the major educational needs of society, this program will employ models of instructional delivery that maximize student learning, instructional time, staff capabilities, available technologies, dollars, and community resources.

PROGRAM DESCRIPTION: Although all sites will be implementing the same basic program components, the emphasis for each funding category will be slightly different. The differentiated staffing sites will examine how to structure the educational setting and role of teachers to facilitate the mastery learning process; start-up sites will be considered primarily developmental; and the exemplary sites, with many components already in place, will be involved in extensive dissemination efforts.

The basic program components, defined in legislation as design and mandatory plan components, have been condensed by Minnesota Department of Education staff and site directors to 6 basic program components: curriculum, instruction, assessment and evaluation, school and classroom management, parental involvement, and staff development. The sites are encouraged to research and explore a variety of approaches to implementing a mastery learning program using these components. Consistency among the sites is provided through a common system of beliefs developed by the site directors for dissemination of this program.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	160	1,218	0	0	0
Subtotal	0	160	1,218	0	0	0
Other Funds:	0	0	0	0	0	0
Total	0	160	1,218	0	0	0

PROGRAM DESCRIPTION: (Contd.)

With the implementation of a common philosophy and exploration of numerous program variables, changes in student achievement are anticipated through improvement of:

1. Student processing of learner outcomes,
2. Student attitude and accountability toward learning,
3. Curriculum integrated with thinking skills and processes,
4. Instructional techniques and strategies,
5. Instructional materials and educational technologies,
6. Assessment and evaluation procedures.

PROGRAM STATISTICS: The department received 93 preliminary proposals. From this pool, 25 school districts were selected to prepare detailed plans. On March 15, 1986, 10 districts were selected as demonstration sites and received awards of \$118,750 each. Selection criteria included quality, geography, and funding category. The sites are:

District	Funding Category	Number of Schools
Stillwater	Differentiated Staffing	1
Staples	Differentiated Staffing	2
Montgomery	Start-up	1
Wheaton	Start-up	1
Minneapolis	Start-up	4
Hopkins	Exemplary	6
Minnetonka	Exemplary	3
St. Cloud	Exemplary	9
Montevideo	Exemplary	3
Deer River	Exemplary	2

EDUCATION AIDS
(Continuation)
PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 06 MASTERY LEARNING PROGRAM

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

Three separate pieces of legislation have addressed the question of mastery: Assurance of Mastery (local control), Mastery Management (computerized tool), and Mastery Learning (process). A coherent approach to these efforts is imperative. The various approaches and technologies used at the various Mastery Learning Sites illustrate such an approach.

Schools have expressed strong interest in applying the mastery learning process and mastery management system to the assurance of mastery procedures required of all school districts in Minnesota. As a result, nearly 1,200 participants attended 31 mastery learning and mastery management workshops or conference sessions. In addition, there is specific application of the mastery learning program to the 8 components of the Department's "Coordinated Model for Educational Improvement".

PROGRAM EFFECTIVENESS: As part of the formal evaluation process, the legislation requires a preliminary evaluation and a yearly report on the results of the designated sites. Materials, services, and replication assistance will be verified, as well as overall quality of the mastery learning process through a meta-evaluation. The goal is to evaluate and improve staff and program effectiveness.

ANNUAL ENTITLEMENT AND FUNDING:

Mastery Learning Program	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
Prorated Grants to Districts		35,000			
Plus Proration Amount		2,500			
Total Grants to Districts		<u>37,500</u>	<u>1,187,500</u>		
Mastery Manage- ment System		125,000			
Administration/ Evaluation			30,000		
Net Aid Entitle- ment	<u>\$ --</u>	<u>\$ 162,500</u>	<u>\$ 1,217,500</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Mastery Learning Program	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation		160,000	1,217,500		
Deficiency Appro- priation Request		2,500			
Total	\$ --	\$ 162,500	\$ 1,217,500	\$ -0-	\$ -0-
C) <u>FISCAL ACTIVITY</u>					
State Payments		160,000	1,217,500		
State Payments Pending		2,500			
Total	\$ --	\$ 162,500	\$ 1,217,500	\$ -0-	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,217,500	\$ 1,217,500
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 1,217,500	\$ 1,217,500
4. Proposed Policy Changes:		
- Eliminate this aid	(1,217,500)	(1,217,500)
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends eliminating this aid.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: .05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 07 VENTURE FUND GRANTS
STATUTORY AUTHORIZATION: M.S. 129B.01-129B.05; 129B.43-129B.47

PROGRAM OBJECTIVE: To provide state grants to local school districts in support of pilot projects to design, implement and evaluate cost effective innovations and improved learning programs, and to disseminate practices and programs found to be successful to other school districts statewide for incorporation into ongoing school offerings.

PROGRAM DESCRIPTION: The Venture Fund grant program was established by the Legislature in 1971. It has been administered since 1971 by the Council on Quality Education, a 19 member body created in statute. The 1986 Legislature transferred the Council's responsibilities to the Commissioner of Education for F.Y. 1987. Cost-effective innovative (CE/I) projects under investigation in school year 1986-87 include global awareness curriculum, language immersion method for international studies, outcome based instruction, and services to decrease student dropouts. Seven successfully completed projects are being adopted by 41 schools for use in 1986-87. Those 7 projects and the school districts that held the original developmental grant are:

"Writing in the Content Areas"	St. Paul Public Schools
"21st Century Educator"	St. Louis Park Public Schools
"Improvement of Instruction Model for Small Schools"	Red Lake Falls Public Schools
"Mathematics - The Piaget Way"	Tower-Soudan Public Schools
"The Revolving Door"	Burnsville Public Schools
"High Potential Programs"	Mankato Public Schools
"Programming for the High Potential Student"	Edina Public Schools

In a second program, the Venture Fund is providing grants for Improved Learning Programs. These programs extend the contract of a principal-teacher, career-teacher or counselor through summer months to improve educational services for students and to increase the professionalism of the educator. Parents and community members are involved in a mandatory advisory committee and student/participant ratios are also prescribed.

Venture Fund grants are distributed geographically throughout the state. Grant recipients are monitored by Minnesota Department of Education (MDE) staff through on-site and desk reviews, and all programs are evaluated annually by contracted evaluators. A biennial report on all grants awarded and the project evaluations is submitted to the Legislature on November 15 of even numbered years. An annual report on the Improved Learning Program is submitted on February 1.

In response to the 1985 mandate to collect and disseminate education research and related information, the Council in cooperation with MDE established the Education Research Information Service (ERIS) database. Abstracts of information from the Council on Quality Education, Education Effectiveness Sites, Technology Demonstration sites, school districts and postsecondary institutions are being prepared and entered into the system. Dissemination to school districts and other interested parties will begin during school year 1986-87.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	101	64	75	0	64	0
Current Year	703	514	414	0	0	0
Subtotal	804	578	489	0	64	0
Other Funds:	0	0	0	0	0	0
Total	804	578	489	0	64	0

PROGRAM STATISTICS: In F.Y. 1986, there were 25 CE/I grants funded, 8 of which were new. In F.Y. 1987, there are 16 funded, and the average grant amount is \$10,003. Due to decreases in the legislative appropriation to the Venture Fund in both the 1985 and 1986 sessions, no new grant projects were solicited for funding in F.Y. 1987; only projects entering their second and third year of continuation were funded. Also in F.Y. 1987, 41 replication mini-grants, under the statutory limit of \$5,000, have been awarded to school districts wishing to adopt successful projects.

In F.Y. 1986, 15 Improved Learning programs were funded. In F.Y. 1987, 8 programs are funded, and the average grant amount is \$6,528. Improved Learning programs are eligible for up to 3 years of funding. There were 5 new programs begun in F.Y. 1986; no new grants were awarded in F.Y. 1987.

In summary, the activity for the Venture Fund grant program for F.Y. 1985, F.Y. 1986, and F.Y. 1987 is as follows:

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987
CE/I Projects			
Number funded	30	25	16
Average grant	\$10,620	\$15,126	\$10,003
Improved Learning			
Number funded	18	15	8
Average grant	\$6,326	\$7,510	\$6,528

PROGRAM EFFECTIVENESS: The number of schools adopting and using successful projects has increased fivefold. Five regional workshops were presented in February 1986 to disseminate information on 7 successful projects that were ready to be replicated in other schools. Forty-one schools applied for and received mini-grants to install the new practices. The research information dissemination center that the Council on Quality Education was mandated to establish and operate has been developed jointly with MDE and will continue to expand. The abstracted information is available to school districts statewide.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 07 VENTURE FUND GRANTS

PROGRAM EFFECTIVENESS: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of districts replicating successful Venture Fund projects	8	8	41	50	50
Number of abstracts in Education Research Information Service (ERIS)	--	--	1,000	2,000	3,000

ANNUAL ENTITLEMENT AND FUNDING:

Venture Fund Grants	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Grants to Districts	767,453	574,265	425,964	-0-	-0-
Dissemination Grant (ERIS)	--	14,670	52,268	-0-	-0-
Net Aid Entitle- ment	<u>\$ 767,453</u>	<u>\$ 588,935</u>	<u>\$ 478,232</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>B) PROGRAM FUNDING</u>					
Appropriation	46,205		169,438		
Balance Forward					
Current Appro- priation	694,000	595,300	244,900	-0-	-0-
Final Adjust Appropriation	122,400	105,100	63,894	-0-	-0-
Total	<u>\$ 862,605</u>	<u>\$ 700,400</u>	<u>\$ 478,232</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Venture Fund Grants	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
<u>C) FISCAL ACTIVITY</u>					
State Payments	767,453	588,935	478,232	-0-	-0-
Balance Forward, Current Account	--	81,013 ^a			
Balance Forward, Final Account	57,973 ^a	30,452 ^b			
Cancellation	37,179				
Total	<u>\$ 862,605</u>	<u>\$ 700,400</u>	<u>\$ 478,232</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

^aF.Y. 1986 appropriations for F.Y. 1985 final and F.Y. 1986 current, forwarded to F.Y. 1987 current account.^bF.Y. 1987 appropriation for F.Y. 1986 final, forwarded to F.Y. 1987 current account.CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 478,232	\$ 478,232
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for prior year appropriation balances forward	(169,438)	(169,438)
- Change in level of grants awarded	(20,594)	(20,594)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 288,200</u>	<u>\$ 288,200</u>
4. Proposed Policy Changes:		
- Eliminate this aid	(288,200)	(288,200)
5. Total Entitlement	<u>\$ -0-</u>	<u>\$ -0-</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends eliminating this aid beginning in F.Y. 1988. The Governor recommends an appropriation of \$63,894 in F.Y. 1988 for the final F.Y. 1987 adjustment payment.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 08 TECHNOLOGY DEMONSTRATION SITES
STATUTORY AUTHORIZATION: M.S. 129B.20

PROGRAM OBJECTIVE: To establish technology demonstration sites where visitors may see a variety of technologies in different settings and receive assistance in implementing appropriate applications of educational technology in their own schools.

PROGRAM DESCRIPTION: This program was envisioned as a 6-year effort. The first 2 years (1983-85) were devoted to selection and development. The second 2 years (1985-87) have emphasized implementation, dissemination, and evaluation. The final 2 years (1987-89) are intended for replication in other locations and for refining promising research efforts.

The original law required that sites be selected on the basis of the technical quality of proposals and the ability of sites to provide assistance to other districts. Selected sites were required to demonstrate use of technology in education. Fifteen proposals involving 75 school districts were funded from a pool of 50 submissions. Grant amounts during the first biennium ranged from \$98,000 to \$125,120 per site. A total of \$300,000 was allocated for travel expenses of Minnesota public school educators who visited the demonstration sites. An additional \$15,000 was allocated for administrative purposes and \$40,000 for evaluation. Thirteen of the original 15 sites were granted second phase funding of \$125,000 in basic grant money and between \$5,000 and \$40,000 in supplementary program money.

The technology sites allow visitors to observe a variety of technologies in very different settings. Visitors are able to see 5 different delivery formats for two-way television and observe appropriate use of computers and video tools in almost every subject area. The sites address needs of students of every age and ability. Especially promising are the applications of multiple technologies.

In order to complete the final phase of the plan, it will be necessary to reallocate most of the site funding to categorical replication funding, based on an aid and levy formula. This categorical funding would be linked to specific consortium expectations designated by the Legislature. At a minimum, it would require an educational plan, a feasibility study, a joint powers agreement, and fiscal agreement.

PROGRAM STATISTICS: The interest in the technology demonstration sites has exceeded expectations. A formal evaluation due February 1, 1987, will provide official counts. However, January 1, 1986 totals reported by technology site directors revealed the following statistics:

Historical Expenditures and Governor's Recommendations By Fund Source						
Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	182	2,652	305	0	0	0
Subtotal	182	2,652	305	0	0	0
Other Funds:	0	0	0	0	0	0
Total	182	2,652	305	0	0	0

PROGRAM STATISTICS: (Contd.)

TECHNOLOGY SITE	PRODUCTS	PROMOTIONAL ITEMS	VISITORS	PARTICIPANTS	TOTAL CONTACTS
BITS	28	31	349	1,532	1,881
BEACON	10	16	847	1,170	2,017
DDD	10	1	1,672	995	2,667
ECMECC	2	1	1,347	850	2,197
High Technology Coop.	2	1	117	593	593
Hopkins	17	2	1,358	2,684	4,042
In-Tech	108	2	2,580	2,340	4,920
KIDS	3	1	806	310	1,116
Mid-State Ed. Coop. ^a	0	0	0	0	0
Minneapolis	35	1	1,086	740	1,826
Minnesota Valley	4	1	2,120	1,111	3,231
Mounds View ^a	0	0	0	0	0
Northeast Consortium	10	1	1,243	980	2,223
Shakopee	6	2	1,039	885	1,924
Sherburne-Wright Ed. Coop.	0	0	156	260	416
Four Sibley County Schools	0	0	0	0	0
SMART	12	0	0	980	980
SW MN Telecommunications	0	0	0	0	0
TLC	11	2	266	165	431
Woodland Cooperative	4	1	263	860	1,123
TOTALS	262	63	15,249	16,455 ^b	31,587

^aNew site

^bWorkshop participant numbers are higher than visitor numbers because many learning opportunities were provided off-site.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 08 TECHNOLOGY DEMONSTRATION SITES

PROGRAM EFFECTIVENESS: The "TECHNOLOGY DEMONSTRATION PROGRAM: FINAL 1984-85 EVALUATION REPORT" noted that:

1. Technology site funding has served as a catalyst for significant expenditures of school district funds spent in cooperative consortiums. Often partnerships with private business have resulted in benefit to both parties. State grants represent only 30% of the funding in demonstration sites.
2. Technology is being used to expand learning opportunities. This is especially true in small schools where the introduction of technology has made new courses available.
3. Technology is being used as an instructional tool rather than as a topic of study and it is being used in many subject areas for a variety of purposes.
4. Teacher and student satisfaction is very high.
5. Initial costs for installation of technology are quite high because of new equipment purchases.

FISCAL INFORMATION: For the 1985-87 biennium, the state appropriation includes \$2,347,600 provided in Laws 1985, First Special Session, Chapter 12, Article 8, Section 62, Subdivision 10; and \$610,000 for 4 additional sites as provided in Sections 51-54 of the same law.

ANNUAL ENTITLEMENT AND FUNDING:

Technology Demonstration Sites	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Net Aid Entitlement	\$ 182,315	\$ 2,652,386	\$ 305,214	\$ -0-	\$ -0-
<u>B) PROGRAM FUNDING</u>					
Appropriation	325,927		305,214		
Balance Forward					
Current Appropriation		2,957,600		-0-	-0-
Total	\$ 325,927	\$ 2,957,600	\$ 305,214	-0-	-0-

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Technology Demonstration Sites	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>C) FISCAL ACTIVITY</u>					
State Payments	182,315	2,652,386	305,214	-0-	-0-
Balance Forward to F.Y. 1987		305,214			
Cancellation	143,612				
Total	\$ 325,927	\$ 2,957,600	\$ 305,214	\$ -0-	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 305,214	\$ -0-
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- F.Y. 1986 Aid Entitlement (to adjust to biennial basis)	2,652,386	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 2,957,600	\$ -0-
4. Proposed Policy Changes:		
- Eliminate this aid	(2,957,600)	-0-
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: Over the past 4 years, the Technology Demonstration Sites have provided visitors with an opportunity to observe and evaluate the use of technology in education. Districts now have adequate information for judging the feasibility of adopting the applications in their own schools. The Governor recommends eliminating this aid.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 09 STATE CURRICULUM AND TECHNOLOGY INTEGRATION SERVICES
STATUTORY AUTHORIZATION: M.S. 129B.35 AND 129B.37-129B.40

PROGRAM OBJECTIVE: To assist districts in integrating technology into the curriculum and using technology to help students learn at higher levels of thinking and different ways of learning by making high quality courseware materials available to districts free or at greatly reduced costs and by providing technical assistance on instructional design modifications appropriate for use of those materials.

PROGRAM DESCRIPTION: The need for students to acquire new learning skills, and the increasing technological sophistication of Minnesota educators has provided an opportunity to exploit the potential of technology for this purpose. This program would help school districts make use of technology at a more sophisticated and integrated instructional level. It would modify the existing Technology Services program by directing resources away from technological and software awareness, and instead focus on integrating technology into appropriate instructional designs that promote higher levels of thinking and different ways of learning. This effort would utilize high quality materials which the State of Minnesota has rights to, and develop curriculum and instructional design materials that would provide assistance in the various subject areas.

Approximately 15% of the proposed funding would be used to design instructional materials that use technology in advanced applications, such as data bases, and to develop subject specific instructional materials. Because of the increasing complexity and specialization of assistance required, approximately 30% of the money would be spent on contracting for assistance from Minnesota Educational Computing Corporation (MECC), Technology and Information Educational Services (TIES), Educational Cooperative Service Units (ECSUs), private organizations, higher educational institutions, former technology demonstration staff and exemplary practicing educators, as needs dictate.

The remaining 55% of the funding would continue to be used for purchase of state rights materials. The Minnesota Department of Education (MDE) obtains rights to courseware packages that are recommended by the State Rights Courseware Committee. Most of the materials are discounted between 45 to 98% from what districts would pay for the same items if they were purchased separately. Occasionally, if needs are apparent for which there are no materials, MDE will contract for development of specific materials. Department purchase or development of courseware state rights materials is a program which districts value very highly.

Evaluation of courseware efforts would be significantly reduced. Instead of evaluating courseware comprehensively, special needs would be targeted. As already planned, the two-year competitive contracts for technology regional coordinators presently held by MECC, TIES and the ECSUs would need to be modified to reflect new priorities.

PROGRAM STATISTICS: At this time, under the Technology Services activity, 1,662 courseware programs are in the process, or have been evaluated, and 768 programs have been rated as high quality. As previously indicated, Technology Services allows the state to provide materials at a fraction of the cost which each district would pay if the items were bought separately. This service, combined with MECC materials, has significantly increased the availability of high quality courseware to districts.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	939	718	935	0	1,505	1,315
Subtotal	939	718	935	0	1,505	1,315
Other Funds:	0	0	0	0	0	0
Total	939	718	935	0	1,505	1,315

PROGRAM STATISTICS: (Contd.)

Nevertheless, good materials will remain unused unless educators are taught to use them. Because the demand for assistance is much greater than department staff can meet, MDE contracted for 9 regional coordinators on a competitive proposal basis. The regional contractors have provided the following kinds of services in F.Y. 1986:

Educational Cooperative Service Unit (ECSU) Technology Regions	Contractor	Districts Visited	Workshops - Utilization	Workshops - Inservice	Totals
Northwest - 1 & 2	MECC	13	29	13	55
Northeast - 3	MECC	42	28	18	88
West Central - 4	MECC	22	32	35	89
North Central - 5	MECC	27	24	17	68
Southwest & West Central - 6 & 8	ECSU	97	25	60	182
Central - 7	MECC	30	25	16	71
South Central - 9	ECSU	22	36	58	116
Southeast - 10	MECC	17	26	13	56
Metropolitan - 11	TIES	93	150	94	337
TOTALS		363	375*	324*	1,062

*Each workshop involves an average of 18 people, therefore, approximately 12,600 people participated.

PROGRAM EFFECTIVENESS: A major reason for the success of the current Technology Services activity is that it is evaluated on an ongoing basis. Nine regional technology committees and a statewide courseware committee meet several times a year to indicate their needs, problems and satisfaction with the various services and products provided. Changes are instituted to address concerns as soon as possible. This arrangement means that representatives of school districts throughout the state are providing direction for the program, based on their needs.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY

AID: 09 STATE CURRICULUM AND TECHNOLOGY INTEGRATION SERVICES

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
Technology Services					
A) <u>AID ENTITLEMENT</u>					
Courseware Package Develop. (MECC)	125,000				
Technology Regional Coord. (MECC)	280,000				
Courseware Package Evaluation	95,018				
Courseware Purchase Subsidy	273,909	70,740			
Courseware Duplication Rights	164,792				
Combined Technology Services		647,753	935,100		
Net Aid Entitlement	\$ 938,719	\$ 718,493	\$ 935,100	\$ 1,505,100	\$ 1,315,100
B) <u>PROGRAM FUNDING</u>					
Appropriation	1,542,688				
Balance Forward					
Current Appropriation	280,000	1,000,000	935,100	1,505,100	1,315,100
Transfer to Education Aids Control Account		(281,507)			
Total	\$ 1,822,688	\$ 718,493	\$ 935,100	\$ 1,505,100	\$ 1,315,100
C) <u>FISCAL ACTIVITY</u>					
State Payments	938,719	718,493	935,100	1,505,100	1,315,100
Cancellation	883,969				
Total	\$ 1,822,688	\$ 718,493	\$ 935,100	\$ 1,505,100	\$ 1,315,100

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 935,100	\$ 935,100
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 935,100	\$ 935,100
4. Proposed Policy Changes:		
- Consolidate Programs	355,000	355,000
- Purchase Courseware	190,000	-0-
- Disseminate Information on Technology Demonstration Sites	25,000	25,000
5. Total Entitlement	\$ 1,505,100	\$ 1,315,100

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$935,100 for F.Y. 1988 and \$935,100 for F.Y. 1989 for Technology Services; \$355,000 for F.Y. 1988 and \$355,000 for F.Y. 1989 for Courseware Integration Centers; \$190,000 for F.Y. 1988 for purchase of Principles of Technology courseware; \$25,000 for F.Y. 1988 and \$25,000 for F.Y. 1989 for disseminating information about promising technological innovations identified in the Technology Demonstration sites.

The total of these recommendations is \$1,505,100 for F.Y. 1988 and \$1,315,100 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 05 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 10 COURSEWARE INTEGRATION CENTERS
STATUTORY AUTHORIZATION: M.S. 129B.375; LAWS 1985, FIRST SPECIAL SESSION,
CHAPTER 12, ARTICLE 8, SECTION 55

PROGRAM OBJECTIVE:

The courseware integration centers provide 1) access for teachers to major exemplary courseware, 2) opportunities for teachers to become familiar with a variety of technology resources, and 3) assistance in integrating technology materials into the curriculum. The Courseware Integration Centers were created so that teachers could see new and effective computer software programs and become familiar with a variety of technology materials.

PROGRAM DESCRIPTION:

MOBILE COURSEWARE INTEGRATION CENTERS

The mobile centers bring a computer lab and exemplary courseware to schools for teacher inservice. The mobile Courseware Integration Centers are located in Bemidji and New Ulm. Each mobile Courseware Integration Center consists of 10 computer stations, a Corvus network and a video system on a converted transit bus. High quality courseware is available on the buses for preview and inservice. The mobile integration centers share responsibility for mobile lab workshops with the area's regional technology coordinators. Both the Bemidji and New Ulm sites sponsored summer technology institutes for teachers.

Initial funding was used for bus conversion, bus operating expenses, lab equipment, and project staff salaries. Future funding is needed for purchasing the latest in technology equipment, exemplary courseware, bus operating expenses, and project staff salaries. In particular, the project directors wish to demonstrate various interface devices that expand a computer's capabilities.

FIXED-SITE COURSEWARE INTEGRATION CENTERS

The fixed-site model media centers demonstrate how exemplary courseware is being integrated into the school's curriculum, provide teachers with opportunities to preview exemplary courseware, and offer training in using technology in instruction. They are located in Brainerd and Minneapolis. Extensive collections of high-quality courseware are available at the centers for teacher preview and inservice. Each center will sponsor at least 4 technology integration workshops during the 1986-87 school year. In addition, professional organizations have been contacted about co-sponsoring workshops for their members at the Courseware Integration Center sites.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	707	3	0	0	0
Subtotal	0	707	3	0	0	0
Other Funds:	0	0	0	0	0	0
Total	0	707	3	0	0	0

PROGRAM STATISTICS:

MOBILE COURSEWARE INTEGRATION CENTERS

The Courseware Integration Center mobile labs were operational in Spring 1986. Use has been limited by the short time the converted buses have been available to the Courseware Integration Center sites. For the 1986-87 school year, project directors anticipate 10 to 12 days of inservice per month. The buses are made available to the region technology coordinators on an equal basis.

The New Ulm bus was used for 31 days of teacher inservice through August 1986. The bus was also used at the June Summer Technology Institute, attended by 242 participants and offering 42 different sessions over 5 days. The average participant attended 3 days of sessions. Over 100 teachers were turned away due to space limitations at this workshop.

The Bemidji bus was used for 9 days of teacher inservice through August 1986. The bus was also used at the August Summer Technology Institute, attended by 45 participants and offering 4 different sessions over 3 days.

FIXED-SITE COURSEWARE INTEGRATION CENTERS

In the Spring of 1986, the model media centers sent out a survey to determine areas of interest in technology workshops for the coming school year. Five workshops are scheduled for the 1986-87 school year at the Brainerd site. Each workshop focuses on integrating technology into the curriculum in specific subject areas. Seven workshops are scheduled for the 1986-87 school year at the Minneapolis site. Workshop topics focus on specific content areas or courseware packages.

PROGRAM STATISTICS: (Contd.)

Up to August 1986, the Minneapolis center held a computer software fair, participated in 4 events, and conducted 5 summer inservice sessions. The Brainerd center conducted 3 weeks of courseware preview for 30 teachers, at which curriculum user guides were written. It has also sponsored teacher inservice sessions on word processing and data-bases, and has done extensive planning with St. Cloud State University on an inter-active link for resource sharing. Both sites are coordinating their efforts with the regional technology coordinators.

PROGRAM EFFECTIVENESS:

An evaluator is to be hired to evaluate whether the Courseware Integration Centers have achieved the goals stated in each site's original proposal for the first year of the program. In addition, future evaluation will assess the extent to which the site is serving the purposes stated in the legislative program objectives.

ANNUAL ENTITLEMENT AND FUNDING:

Courseware Integration Centers	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ --	\$ 707,100	\$ 2,900	\$ -0-	\$ -0-
B) <u>PROGRAM FUNDING</u>					
Appropriation Balance Forward			2,900		
Current Appro- priation		710,000		-0-	-0-
Total	\$ --	\$ 710,000	\$ 2,900	\$ -0-	\$ -0-
C) <u>FISCAL ACTIVITY</u>					
State Payments Balance Forward to F.Y. 1987		707,100 2,900	2,900	-0-	-0-
Total	\$ --	\$ 710,000	\$ 2,900	\$ -0-	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 2,900	\$ -0-
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- F.Y. 1986 Aid Entitlement (to adjust to biennial basis)	707,100	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 710,000	\$ -0-
4. Proposed Policy Changes:		
- Consolidate in a new program	(710,000)	-0-
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new State Curriculum and Technology Integration Services program. See Program 05-09 for details.

INTERDISTRICT COOPERATION

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 06 EXPECTATIONS, EDUCATION EFFECTIVENESS, AND TECHNOLOGY
AID: 01 STATE MANAGEMENT ASSISTANCE
STATUTORY AUTHORIZATION: M.S. 121.918

PROGRAM OBJECTIVE: To provide services to a school district or districts that will facilitate a local school board or boards to make decisions concerning district management, financial or organizational alternatives that will result in increased educational opportunities for students or more cost effective district management.

PROGRAM DESCRIPTION: Local school districts contact the Minnesota Department of Education and request, with school board approval, that a study be done within a certain time limit and dealing with a specific issue. If the request fits the general criteria of dealing with the areas of district financial management, district administrative organization or multi-district cooperation, the project is approved. A project director, either a Department staff person or a non-Department consultant with appropriate training and experience, is assigned to complete the project. Depending upon the size of the project, the budget ranges from \$500 to \$5,000. Final reports are prepared and submitted to the requesting local school districts. The Department then works with the district or districts to help them implement the recommendations they decide are needed. With increasing school costs and reduced enrollments in many school districts, there is an increasing number of districts studying and probably requesting management assistance in order to be able to offer quality comprehensive educational programs for students.

PROGRAM STATISTICS: Information on program activity is as follows:

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Requests	10	28	30	30	30
Studies Completed	10	28	30	30	30
Participating Districts	14	65	80	80	80
Follow-up Studies	--	5	15	20	20
Districts in Follow-up Activities	--	19	30	40	40
Special Projects Dealing with School Management Issues	1	1	2	2	2

PROGRAM EFFECTIVENESS: The effectiveness of the Management Assistance program is determined by the usefulness of the reports to the school districts. Reports contain alternative recommendations for dealing with issues pertaining to a district or districts. Local school boards determine what recommendations will be most useful and effective for their own use. An evaluation is done 1 year after the completion of each study to determine its usefulness and utilization by the participating districts.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	31	45	0	305	305
Subtotal	0	31	45	0	305	305
Other Funds:	0	0	0	0	0	0
Total	0	31	45	0	305	305

PROGRAM EFFECTIVENESS: (Contd.)

Evaluation results to date indicate that 17 districts have established pairing agreements and 2 districts have agreements for secondary education as a result of Management Assistance Program studies. In addition, technical assistance was provided to 4 districts who developed pairing agreements. Currently, approximately 17 districts are planning possible pairing agreements.

ANNUAL ENTITLEMENT AND FUNDING:

Management Assistance	Actual		Estimated		Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1989
A) AID ENTITLEMENT						
Net Aid Entitle- ment	\$ --	\$ 30,528	\$ 45,000	\$ 305,000	\$ 305,000	
B) PROGRAM FUNDING						
Current Appro- priation		50,000	45,000	305,000	305,000	
Transfer to Education Aids Control Account		(19,472)				
Total	\$ --	\$ 30,528	\$ 45,000	\$ 305,000	\$ 305,000	
C) FISCAL ACTIVITY						
State Payments		30,528	45,000	305,000	305,000	
Total	\$ --	\$ 30,528	\$ 45,000	\$ 305,000	\$ 305,000	

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 45,000	\$ 45,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 45,000	\$ 45,000
4. Proposed Policy Changes:		
- Expanded Program, General Management Assistance Supervision, Cash Flow Management, Risk Management, and School Bus Safety	260,000	260,000
5. Total Entitlement	\$ 305,000	\$ 305,000

GOVERNOR'S RECOMMENDATION: The Governor recommends that the State Management Assistance Program be continued and expanded. The expanded program is to include support for 4 State Department employees working in the areas of general management assistance (including assistance to small rural districts); risk management (insurance); cash flow management; and school bus safety. Also, the general program funding is available for contracted services and expenses.

The Governor recommends a current appropriation of \$305,000 for F.Y. 1988 and \$305,000 for F.Y. 1989. This appropriation includes, for each year, \$60,000 for a general management assistance supervisor (with 1 complement to be converted from federal to state); \$50,000 for a risk management position (with 1 state complement); \$50,000 for a cash-flow management position (with 1 state complement); \$50,000 for a school bus safety program coordinator (to develop and administer a comprehensive bus safety training program); and \$95,000 for contracted services and expenses.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 06 INTERDISTRICT COOPERATION

AID: 02 INTERDISTRICT COOPERATION PROGRAM

STATUTORY AUTHORIZATION: M.S. 124.272; 275.125, SUBD. 8a

PROGRAM OBJECTIVE: To encourage school districts to cooperate with other districts in increasing or maintaining curriculum offerings in the academic areas of science, mathematics, foreign language, and computer usage, as well as other programs recommended by the State Board of Education.

PROGRAM DESCRIPTION: Beginning in F.Y. 1985, a district that has entered into a cooperative agreement and has received approval of the Commissioner of Education of its 3-year Interdistrict Cooperation Plan (ICP), is eligible to receive the revenue provided by this program. Districts in the cities of the first class, Anoka District 11, and districts which are members of Intermediate School Districts 287, 916, and 917, are not eligible for this program. This leaves 400 school districts able to qualify for program revenue.

The maximum revenue available to each eligible district is the lesser of:

- 1. \$50 multiplied by actual pupil units (weighted average daily membership (WADM)) for the current school year;
- 2. Estimated instructional cost to the district of the ICP for the school year in which the levy is attributed; or
- 3. \$50,000.

The maximum levy is the lesser of:

- 1. the maximum revenue; or
- 2. one mill multiplied by the Equalization Aid Review Committee (EARC) valuation of the district for the preceding year.

The district's maximum aid is equal to the difference between the maximum revenue and the maximum levy. Many districts receive no state aid because they are able to raise the maximum revenue with a levy of less than 1 mill.

Program statistics and performance measures are shown in Table 6-1.

PROGRAM STATISTICS:

TABLE 6-1
INTERDISTRICT COOPERATION PROGRAM

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Districts with Approved Programs	235	239	257	306	346
Maximum Revenue	\$6,899,829	\$7,054,546	\$7,437,407	\$9,121,515	\$10,168,246

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	159	222	0	266	360
Current Year	1,067	1,260	1,506	0	2,040	3,124
Subtotal	1,067	1,419	1,728	0	2,306	3,484
Other Funds:	0	0	0	0	0	0
Total	1,067	1,419	1,728	0	2,306	3,484

PROGRAM STATISTICS: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Levy					
Limit	\$5,530,151	\$5,536,520	\$5,665,115	\$6,711,759	\$7,481,961
Certified	4,529,428	5,248,592	5,610,299	6,646,819	7,409,566
Number of Districts	219	234	252	305	340
Certifying Levy					
State Aid					
Maximum Aid	\$1,369,678	\$1,518,026	\$1,772,293	\$2,409,756	\$2,686,285
Aid Entitlement	1,225,344	1,482,501	1,772,293	2,400,039	2,675,453
Number of Districts	111	136	161	207	230
Receiving Aid					

PROGRAM EFFECTIVENESS: During the 1986-87 school year, 252 school districts will be participating in more than 75 cooperative units providing improved and/or expanded curriculum offerings for students. The areas of cooperation are: Academic - 222, Special Education - 48, Vocational Education - 201, Computers - 96, Arts and Gifted - 124, and Elementary and other - 39.

ANNUAL ENTITLEMENT AND FUNDING:

Interdistrict Cooperation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ 1,225,344	\$ 1,482,501	\$ 1,772,293	\$ 2,400,039	\$ 3,675,453
--------------------------	--------------	--------------	--------------	--------------	--------------

EDUCATION AIDS
(Continuation)
PROGRAM: 06 INTERDISTRICT COOPERATION
AID: 02 INTERDISTRICT COOPERATION PROGRAM

1987-89 Biennial Budget

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Interdistrict Cooperation	Governor's Recommendation				
	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	F.Y. 1988	F.Y. 1989
B) PROGRAM FUNDING					
Current Approp- riation	850,000	1,307,200	1,854,300	2,040,033	3,124,135
Deficiency Appropriation	255,000				
Final Adjust Appropriation	187,100	230,700	265,844	360,006	551,318
Transfer to Education Aids Control Account		(55,399)	(347,851)		
Total	\$ 1,292,100	\$ 1,482,501	\$ 1,772,293	\$ 2,400,039	\$ 3,675,453
C) FISCAL ACTIVITY					
State Payments Cancellation	1,225,344 66,756	1,482,501	1,772,293	2,400,039	3,675,453
Total	\$ 1,292,100	\$ 1,482,501	\$ 1,772,293	\$ 2,400,039	\$ 3,675,453

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,772,293	\$ 1,772,293
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in district participation	448,419	727,666
- Net decrease in Equalization Aid Review Committee (EARC) valuation	193,096	193,096
- Decrease in Weighted Average Daily Membership (WADM) pupil units	(13,769)	(17,602)

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 2,400,039	\$ 2,675,453
4. Proposed Policy Changes:		
- Modified funding formula in F.Y. 1989	-0-	1,000,000
5. Total Entitlement	\$ 2,400,039	\$ 3,675,453

GOVERNOR'S RECOMMENDATION: In order to provide increased learning opportunities for students and increased operating efficiencies in school districts, the Governor recommends continuing the present program and adding 2 additional components in F.Y. 1989. The 3 components of the program would then be:

- a) Present Program (F.Y. 1988 and F.Y. 1989) - to continue the present eligibility criteria for \$50 per WADM pupil unit, with a \$50,000 maximum, and a 1 mill local property tax levy.
- b) Voluntary School District Reorganization (F.Y. 1989) - for districts discontinuing at least 1 grade pursuant to M.S. 122.535 (Agreement for Secondary Education) or M.S. 122.541 (Interdistrict Cooperation), this component provides an additional \$50 per WADM pupil unit, up to \$50,000, plus the cost of teacher severance pay for up to 1 year for professional staff losing their positions due to discontinuance of grade levels. The districts would levy 1 local mill. Also, to amend M.S. 275.125, Subd. 12, to include the debt service portion of tuition paid to another school district when discontinuing grades.
- c) Student Opportunity Areas - for districts joining voluntary groupings of 3 or more districts which provide additional student opportunities and operating efficiencies, additional revenue is provided equal to \$25 per WADM pupil unit, up to \$25,000. The local levy contribution would be 1/2 mill.

The Governor recommends an appropriation of \$2,305,877 in F.Y. 1988 (\$265,844 for F.Y. 1987 and \$2,040,033 for F.Y. 1988) and \$3,484,141 in F.Y. 1989 (\$360,006 for F.Y. 1988 and \$3,124,135 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 06 INTERDISTRICT COOPERATION
AID: 03 EDUCATIONAL COOPERATIVE SERVICE UNITS
STATUTORY AUTHORIZATION: M.S. 123.58

PROGRAM OBJECTIVE: Educational Cooperative Service Units (ECSUs) exist to provide educational planning on a regional basis to Minnesota school districts and to assist member districts in meeting specific educational needs of their students.

PROGRAM DESCRIPTION: There are 9 ECSUs operational in Minnesota. For F.Y. 1987 this program provides \$748,000 in state aid, with 7 ECSUs funded at \$68,000 each and 2 ECSUs (the Metropolitan ECSU, Region 11, and Southwest and West Central ECSU, Regions 6 and 8) funded at \$136,000 each.

The basic state support for each ECSU is to pay administrative costs. These include the director's salary, secretarial, and administrative and fiscal support. Beyond this, however, the range of services provided by the ECSU units is extensive and support is available from various funding sources.

In F.Y. 1987, the ECSUs are expecting to distribute over \$17,000,000 in services to local districts. The financial support for these services comes from a variety of sources. Table 6-2 shows total ECSU funding from all sources by fiscal year.

TABLE 6-2

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
State (Direct)					
Administrative Grant	\$ 694,980	\$ 719,300	\$ 748,000	\$ 748,000	\$ 748,000
Grants or Aids	1,223,985	2,284,991	2,784,991	2,784,991	2,784,991
Subtotal	1,918,965	3,004,291	3,532,991	3,532,991	3,532,991
Federal (Direct or from state)	3,134,653	3,550,732	3,550,732	3,550,732	3,550,732
From School Districts					
Service fees, dues, memberships	2,754,264	2,869,025	2,869,025	2,869,025	2,869,025
Flow-through (i.e., cooperative purchasing)	5,624,617	6,805,000	6,805,000	6,805,000	6,805,000
Subtotal	8,378,881	9,674,025	9,674,025	9,674,025	9,674,025
Other (i.e., private grants, sale or rental of equipment)	368,799	458,345	458,345	458,345	458,345
TOTAL	\$13,801,298	\$16,687,393	\$17,216,093	\$17,216,093	\$17,216,093

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjtmnt	0	104	108	0	112	112
Current Year	591	611	636	0	636	636
Subtotal	591	715	744	0	748	748
Other Funds:	0	0	0	0	0	0
Total	591	715	744	0	748	748

PROGRAM STATISTICS: The 9 ECSUs serve approximately 425 of the state's 435 school districts. Programs and services common to 6 or more ECSUs include Educational Planning Assistance, Staff Development Programs, Special Education, Technology Assistance, Film Loans and Media Services, Cooperative Purchasing, Career Education, Energy Education, Driver Education, and several others. Over 40 other programs and services are available through individual ECSUs in response to divergent and unique local needs.

PROGRAM EFFECTIVENESS: Each year every ECSU must conduct a needs assessment related to programs and services, and prepare an annual plan and annual report for submission to member districts and the State Board of Education. The ECSU enabling legislation was designed to make ECSUs accountable to the local school districts and the State Board of Education, however, each district, in any ECSU area, has the right to become a member or to decline membership. This decision can be made on an annual basis. Nonpublic schools and private or public colleges can also become ECSU members. This structure assures that each ECSU is providing programs and services which demonstrate an efficient and cost-effective use of educational resources, and which are responsive to the needs of their member districts. Since ECSUs have neither regulatory nor supervisory responsibility, they should be viewed as a service extension of both the participating school district and of the State Board of Education. This ECSU structure has demonstrated that it is an efficient delivery system for educational services to the districts while maintaining local school district autonomy. Quantitative program measures are as follows:

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of member public school districts	425	425	425	425	425
Numbers of member nonpublic schools and colleges	52	55	55	60	65
Number of common programs and services offered to members (programs offered in 6 or more ECSUs)	22	24	24	26	26
Number of unique programs and services offered to members by all ECSUs	53	55	55	60	60

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 06 INTERDISTRICT COOPERATION

AID: 03 EDUCATIONAL COOPERATIVE SERVICE UNITS

ANNUAL ENTITLEMENT AND FUNDING:

Educational Cooperative Service Unit (ECSU)	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Administration					

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ 694,980	\$ 719,300	\$ 748,000	\$ 748,000	\$ 748,000
--------------------------	------------	------------	------------	------------	------------

B) PROGRAM FUNDING

Current Approp- riation	591,000	611,400	635,800	635,800	635,800
Final Adjust Appropriation	104,300	107,900	112,200	112,200	112,200
Total	\$ 695,300	\$ 719,300	\$ 748,000	\$ 748,000	\$ 748,000

C) FISCAL ACTIVITY

State Payments	694,980	719,300	748,000	748,000	748,000
Cancellation	320				
Total	\$ 695,300	\$ 719,300	\$ 748,000	\$ 748,000	\$ 748,000

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$748,000 in F.Y. 1988 (\$112,200 for F.Y. 1987 and \$635,800 for F.Y. 1988) and \$748,000 in F.Y. 1989 (\$112,200 for F.Y. 1988 and \$635,800 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 06 INTERDISTRICT COOPERATION

AID: 04 REGIONAL MANAGEMENT INFORMATION CENTERS

STATUTORY AUTHORIZATION: M.S. 121.935; SUBD. 5

PROGRAM OBJECTIVE: To provide a stable environment in which school districts will have adequate and appropriate computer based management information, and be able to provide required data to state level decision makers.

PROGRAM DESCRIPTION: School districts are mandated to comply with the Uniform Financial and Accounting Reporting Standards (UFARS) by using Elementary Secondary Vocational Finance System (ESV-FIN) or an approved microcomputer-based finance system meeting UFARS standards. All financial data from the districts is processed by Regional Computer Centers where it is edited, summarized, and transmitted to the Minnesota Department of Education (MDE). Beginning in F.Y. 1988, districts will have options in how they submit student-staff data to MDE through the Regional Centers in lieu of paper/pencil reports sent to MDE by each district.

Responsibility to fund the 7 regional computer centers is split between school districts and MDE. The state was to provide 50% of the cost of operating the mandated ESV-FIN. This level of support was a compromise recommendation to the Legislature by the ESV Council following meetings with school superintendents, MDE staff, and legislative staff who concluded that \$3.4 million was the state 50% share of ESV-FIN in F.Y. 1985. The level of support for F.Y. 1985, F.Y. 1986 and F.Y. 1987 was established below the 50% share level at \$3,100,000, \$2,986,560 and \$3,054,411 respectively. The state funds also support technical assistance to each school district not only in the use of the computer equipment and software but also to train staff and ensure compliance with UFARS. This technical assistance is provided by Regional Accounting Coordinators (RACs) located in each of the ESV Regional Computer Centers.

To provide uniformity and control over the development, modification, and maintenance of the computer software, the state provides the funds to make the changes necessary to continue operation of the computer programs for the finance, personnel, payroll, and student systems. These changes are made by Metro II (ESV Region VI) under contract with the MDE and then distributed and used in each of the regional centers or school districts.

School districts have the option to access the mainframe computer via terminals, or to access the mainframe computer using a microcomputer to perform first level editing, or to use the authorized microcomputer based finance system (MICRO-FIN) or other microcomputer based systems that meet local needs and facilitate state reporting.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	3,539	3,269	3,414	0	3,583	3,583
Subtotal	3,539	3,269	3,414	0	3,583	3,583
Other Funds:	0	0	0	0	0	0
Total	3,539	3,269	3,414	0	3,583	3,583

PROGRAM STATISTICS:

Funding by source of ESV
Regions

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
District Support	\$8,582.0	\$ 8,976.7	\$ 9,847.1	\$10,785.4	\$11,723.7
State Support	\$ 3,100.0	2,986.5	3,054.4	3,054.4	3,054.4
Total Amount of Funding	\$11,682.0	\$11,963.2	\$12,901.5	\$13,839.8	\$14,778.1

Amount of funding for Software
Support

Number of Elementary Secondary
Vocational Information System
(ESV-IS) Computer Program
Modifications completed by
system:

ESV-FIN	170	164	250	250	275
ESV-PPS	140	180	300	300	250
ESV-SSS	--	218	250	250	300
ESV-FIN-APPLE (Apple)	3	--	12	12	12
ESV-PAY-APPLE (Apple)	--	--	12	12	12
ESV-MICRO-FIN	--	pilot	pilot	20	30
ESV-MICRO-PAY	--	18	10	15	20

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 06 INTERDISTRICT COOPERATION

AID: 04 REGIONAL MANAGEMENT INFORMATION CENTERS

PROGRAM STATISTICS: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
Number of Users of ESV-IS by system:					
ESV-FIN	520	550	550	550	550
ESV-PPS	333	338	345	345	345
ESV-SSS	105	94	95	95	95
ESV-FIN-APPLE (Apple)	59	143	143	143	143
ESV-PAY-APPLE (Apple)	8	8	9	9	9
ESV-MICRO-FIN	5	11	14	14	14
ESV-MICRO-PAY	27	32	33	33	33
ESV-Micro-student	17	7	9	9	9

<u>PROGRAM EFFECTIVENESS:</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
Percent of districts using Elementary Secondary Vocational Finance System (ESV-FIN)	100%	100%	100%	100%	100%
Percent of reporting units using regional computers to report financial data	100%	100%	100%	100%	100%
Percent of Elementary Secondary Vocational (ESV) regional total funding supported by State appropriations	26%	25%	24%	23%	21%

ANNUAL ENTITLEMENT AND FUNDING:

<u>Regional MIS-ESV Support</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
MIS Regional Support	3,099,996	2,986,552	3,054,419	3,226,911	3,226,911
ESV Software Support	438,729	282,465	360,005	356,261	356,261
Net Aid Entitle- ment	<u>\$ 3,538,725</u>	<u>\$ 3,269,017</u>	<u>\$ 3,414,424</u>	<u>\$ 3,583,172</u>	<u>\$ 3,583,172</u>

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

<u>Regional MIS-ESV Support</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
-------------------------------------	-----------------------------	-----------------------------	--------------------------------	----------------------------------------------------	------------------

B) PROGRAM FUNDING

Appropriation			3,752		
Balance Forward					
Current Approp- riation, MIS	3,100,000	2,986,560	3,054,411	3,226,911	3,226,911
Current Approp- riation, ESV	440,000	286,209	356,261	356,261	356,261
Total	<u>\$ 3,540,000</u>	<u>\$ 3,272,769</u>	<u>\$ 3,414,424</u>	<u>\$ 3,583,172</u>	<u>\$ 3,583,172</u>

C) FISCAL ACTIVITY

State Payments	3,538,725	3,269,017	3,414,424	3,583,172	3,583,172
Balance Forward to F.Y. 1987		3,752			
Cancellation	1,275				
Total	<u>\$ 3,540,000</u>	<u>\$ 3,272,769</u>	<u>\$ 3,414,424</u>	<u>\$ 3,583,172</u>	<u>\$ 3,583,172</u>

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 3,414,424	\$ 3,414,424
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 Appropriation Balance Forward	(3,752)	(3,752)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 3,410,672</u>	<u>\$ 3,410,672</u>
4. Proposed Policy Changes:		
- To provide appropriate state share of MIS support	172,500	172,500
5. Total Entitlement	<u>\$ 3,583,172</u>	<u>\$ 3,583,172</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$3,583,172 for F.Y. 1988 and \$3,583,172 for F.Y. 1989.

EXPANDED STUDENT OPPORTUNITIES

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 01 ACADEMIC EXCELLENCE FOUNDATION
STATUTORY AUTHORIZATION: M.S. 121.612

PROGRAM OBJECTIVE: To promote academic excellence in Minnesota public schools, through a public-private partnership, by encouraging and stimulating excellence in learning and the fostering of learning; and to recognize performance and achievement in learning by public school students in Grades K-12, as well as the performance and contributions of staff and community members who encourage this excellence in learning.

PROGRAM DESCRIPTION: The Minnesota Academic Excellence Foundation (MAEF) is a non-profit organization governed by a board of directors consisting of the Governor/his designee, legislators, the Commissioner of Education, and 15 members appointed by the Governor. The MAEF, in order to attain the achievement of its objectives, has initiated or will initiate and/or support the following programs (F.Y. designates fiscal year(s) conducted):

1. Academic Decathlon ... F.Y. 1986, F.Y. 1987

A 10-event academic competition at the school district, regional, and State Bowl level. Competition will be among 6-member teams comprised of 2 students from each of the following Grade Point Average (GPA) areas: Varsity - 0.00-2.99, Scholastic - 3.00-3.74, and Honors - 3.75-4.00.

2. Academic High School League Task Force ... F.Y. 1986, F.Y. 1987

The 1985 Legislature authorized the MAEF to organize a task force to study and make recommendations regarding the establishment of an Academic High School League. The Task Force will make a recommendation to the 1987 Legislature.

3. Arts and Academics Awards Program ... F.Y. 1986, F.Y. 1987

A program encouraging grade K-6 students to excel in academics and the arts. Conduct teacher workshops and reward all students for achievement in self-expression and creativity, as demonstrated by their art and academic projects.

4. Distinguished Leader in Education Awards ... F.Y. 1985

A program honoring and publicly recognizing the significant contribution to education of classroom teachers, education administrators, and civic leaders.

5. Elementary Schools of Excellence ... F.Y. 1987

A program to establish standards for quality elementary schools and, based upon those standards, recognize Elementary Schools of Excellence.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	128	89	76	0	150	150
Subtotal	128	89	76	0	150	150
Other Funds:	0	0	0	0	0	0
Total	128	89	76	0	150	150

PROGRAM DESCRIPTION: (Contd.)

6. Inventor's Fair ... F.Y. 1986, F.Y. 1987

A statewide Grade 4-9 program to stimulate scientific creativity and problem-solving. Recognition and awards for inventions will be exhibited at regional and state-level events.

7. Knowledge Bowl ... F.Y. 1985, F.Y. 1986, F.Y. 1987

A state-level Knowledge Bowl. Competition for Grade 9-12 students designed to encourage knowledge development in approximately 30 interdisciplinary categories at the school district, regional, and statewide level.

8. Minnesota Future Problem-Solving Program ... F.Y. 1986, F.Y. 1987

A problem-solving program which will develop higher-order thinking skills among Grade K-12 students within a team-oriented context.

9. Minnesota Governor's Scholar Program ... F.Y. 1985, F.Y. 1986, F.Y. 1987

A statewide program for high school seniors focusing on leadership skills and community projects.

10. Minnesota Talent Search ... F.Y. 1985

Provided scholarships to gifted and talented 9th grade students who also demonstrated a need for financial support of their attendance at college-based summer programs.

EDUCATION AIDS

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 01 ACADEMIC EXCELLENCE FOUNDATION

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

11. Odyssey of the Mind ... F.Y. 1986

A statewide creative problem-solving program with a teacher-coach training component as well as a systematic structure for promoting and developing creative problem-solving skills for Grade K-12 students, culminating in district, state, and national competition.

12. Presidential Scholars Program ... F.Y. 1985

Coordinated selection and recognition of Presidential Scholars based upon academic and artistic success, demonstrated leadership and involvement in school and community.

13. Scholarships and Other Financial Aids ... F.Y. 1985

Publication of book listing sources of financial help available to Minnesota students.

14. Scholastic Art Awards ... F.Y. 1985, F.Y. 1986, F.Y. 1987

Promotion and support of a Grade 9-12 scholastic arts awards program. The program will include a statewide exhibition and the opportunity for the submission of outstanding student productions to a national art awards competition.

15. Selection of Excellence: The Arts in Minnesota Schools ... F.Y. 1987

Research, design, and publish a booklet on model art teaching programs, including a recognition component for program contributors.

16. Spelling Bee ... F.Y. 1985

Promoted and supported a skill-oriented competition, of students in Grades 5-8 at the local, district, regional, state, and national levels.

17. Summer Academic Excellence Institute ... F.Y. 1986

"101 Ways to Promote Academic Excellence" - Implemented, designed, and published a collection of "hands-on" strategies and techniques submitted by state educators, culminating in a recognition event for contributors, and an institute providing a forum for sharing ideas among educators.

18. Summer Scholarships for Academic Enrichment Program ... F.Y. 1985

Publicize summer school programs for Grade 7-12 gifted and talented students.

PROGRAM DESCRIPTION: (Contd.)

The partnership function, pursuant to M.S. 121.612, Subd. 4, is designed to solicit either fiscal, personnel support, and/or materials resources for programs. MAEF programs will be delivered in partnership with the following concerns:

Minnesota Department of Education
Minnesota Association for Secondary School Principals
Minnesota Elementary School Principals Association
Minnesota Educational Cooperative Service Unit (ECSU) Directors Association
Minnesota Education Association
Minnesota Federation of Teachers
Minnesota Council for the Gifted and Talented
Minnesota Association for Supervision and Curriculum Development
Minnesota Association of Commerce and Industry
Minnesota Business Partnerships
Minnesota Foundation for Business Economics Education
U.S. Office of Education, Commission on Presidential Scholars
Art Educators of Minnesota
Jostens Foundation
American Association of University Women
Daytons Department Store
St. Paul Downtown Council and Chamber of Commerce
St. Paul Radisson Hotel
St. Paul Companies
Radisson South Hotel
Quality Inn Civic Center
KTCA and Other Regional Public Broadcast Service (PBS) Television Stations

Students who demonstrate competence in learning and excellence in academic performance will receive public commendation and awards designed to acknowledge achievement and motivate continued high quality academic development.

Teachers, administrators, and others who contribute to academic excellence will receive recognition and awards designed to acknowledge accomplishments and motivate continued high quality performance.

Information on program statistics and performance is shown in Table 7-1.

PROGRAM STATISTICS:

TABLE 7-1
MINNESOTA ACADEMIC EXCELLENCE FOUNDATION

Activities	Actual	Actual	Estimated	Estimated	Estimated
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Foundation initiated programs (by fiscal year conducted)	9	11	11	11	11

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 01 ACADEMIC EXCELLENCE FOUNDATION

PROGRAM STATISTICS: (Contd.)

TABLE 7-1: (Contd.)

Activities	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Board of Directors meetings	8	8	6	6	6
Public and private partnerships	9	21	30	40	50
Schools participating in programs (N=1,514 public schools)	1,715*	619	677	787	809
Publication of newsletter	--	4	4	4	4
Public hearings on feasibility of Minnesota Academic High School League	--	1	5	--	--

*Includes 1 program in which public and nonpublic schools participated.

ANNUAL ENTITLEMENT AND FUNDING:

Academic Excellence Foundation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Academic Excellence Program	82,057	83,913	75,487	75,400	75,400
Administration	45,774	-- ^a	-- ^a	75,000	75,000
Academic High School Task Force		4,954	46	-0-	-0-
Net Aid Entitle- ment	\$ 127,831	\$ 88,867	\$ 75,533	\$ 150,400	\$ 150,400

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Academic Excellence Foundation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
B) PROGRAM FUNDING					
Appropriation	147,919		133		
Balance Forward					
Current Approp- riation		89,000	75,400	150,400	150,400
Total	\$ 147,919	\$ 89,000	\$ 75,533	\$ 150,400	\$ 150,400
C) FISCAL ACTIVITY					
State Payments	127,831	88,867	75,533	150,400	150,400
Balance Forward to F.Y. 1987		133			
Cancellation	20,088				
Total	\$ 147,919	\$ 89,000	\$ 75,533	\$ 150,400	\$ 150,400

^aProgram administration is funded in the Minnesota Department of Education (MDE) Agency Budget. For the 1985-87 biennium, the appropriations are \$60,300 per year plus salary supplements of \$2,148 in F.Y. 1986 and \$3,562 in F.Y. 1987.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 75,533	\$ 75,533
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 Appropriation Balance Forward	(133)	(133)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 75,400	\$ 75,400

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 01 ACADEMIC EXCELLENCE FOUNDATION

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
4. Proposed Policy Changes:		
- To Provide Needed Additional Administrative Support	75,000	75,000
5. Total Entitlement	<u>\$ 150,400</u>	<u>\$ 150,400</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$150,400 for F.Y. 1988 and \$150,400 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 02 POSTSECONDARY ENROLLMENT OPTIONS PROGRAM
STATUTORY AUTHORIZATION: M.S. 123.3514

PROGRAM OBJECTIVE: To promote rigorous academic pursuits and provide a wider variety of options to Grade 11 and 12 public school students.

PROGRAM DESCRIPTION: This program, enacted in June 1985, allows eligible secondary students to apply to eligible Minnesota postsecondary institutions to enroll, on a full-time or part-time basis for secondary credit, in postsecondary nonsectarian courses or programs. High schools are responsible for providing information about the program and for providing counseling services to students and parents. Students have the responsibility of informing the school district of their intent to participate, of applying at the postsecondary institution, and of assuring that they and their parents sign a statement indicating that they have received information about the program and are aware of their responsibilities when participating in the program.

Instructional costs (tuition, fees, texts, and materials) incurred by the student's postsecondary registration are billed to the state by the postsecondary institution.* The student's school district reports the annual hours of student membership; the annual hours the student was enrolled in high school courses; and the annual hours of instructional time available, in that district, to a full-time secondary student. The payment to the postsecondary institution is made after the completion of the school year by the Minnesota Department of Education (MDE). The amount paid is the lesser of the actual cost billed by the postsecondary institution or an amount equal to a limit determined for the individual student based on the student hours reported by the student's district.

The payment limit is defined by the following calculation:

Student Membership hours - Hours enrolled in high school courses for credit

Annual Hours instructional time available in the district

multiplied by an amount equal to the foundation formula allowance plus tier revenue raised by a full-time secondary student (1.4 weighting) in the district.

MDE reduces the resident district's state aid payments by an amount equal to the postsecondary institution payments.

*Students choosing to take a postsecondary course for postsecondary credit are responsible for tuition and all other costs for the course.

PROGRAM STATISTICS:

TABLE 7-2
POSTSECONDARY ENROLLMENT OPTIONS PROGRAM

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Public School Students-Statewide				
1. Total: Grade 11 and Grade 12	113,881	115,852	115,387	108,893
2. Number Grade 12	55,625	57,032	57,584	56,590
3. Number Grade 11	58,256	58,820	57,803	52,303
B. Student Participation				
1. Number of Participants	3,518	3,600	3,600	3,500
2. Percent of total (B1/A1)	3.1%	3.1%	3.1%	3.2%
3. Percent Grade 12	73	73	74	75
4. Percent Grade 11	27	27	26	25
5. Percent Female	62	60	60	60
6. Percent Male	38	40	40	40
7. Percent by Post- secondary System				
Community College	49	50	50	50
State University	18	18	18	18
University of Minnesota	17	17	17	17
Area Vocational Technical	6	5	5	5
Private Colleges	10	10	10	10

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 02 POSTSECONDARY ENROLLMENT OPTIONS PROGRAM

PROGRAM STATISTICS: (Contd.)

TABLE 7-2: (Contd.)

	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
<u>C. Institutional Participation</u>				
1. Public School Districts	292	300	300	300
2. Postsecondary Institutions	77	75	75	75
<u>D. Fiscal Information</u>				
1. District Foundation Revenue Under Current Law - Statewide	\$1,697,590,000	\$1,835,266,300	\$1,878,793,200	\$1,877,643,200
2. Paid to Postsecondary Institutions				
a. Amount	\$2,119,644	\$2,203,000	\$2,255,000	\$2,253,000
b. Percent (D2a/D1)	0.12%	0.12%	0.12%	0.12%
3. Percent of Total Paid: Postsecondary System:				
Community College	45	45	45	45
State University	19	20	20	20
University of Minnesota	15	15	15	15
Area Vocational Technical	9	10	10	10
Private Colleges	12	10	10	10

PROGRAM EFFECTIVENESS: The Postsecondary Enrollment Options Program, which promotes the concept of choice, was signed into law in June 1985 and implemented during the 1985-86 school year. The Minnesota Department of Education conducted an in-depth evaluation of the programs on students, parents, district high schools, and postsecondary institutions during the first year of operation. Preliminary analysis suggests that participating students and their parents, or guardians, are highly satisfied with the program and support its continuation. Administratively, while the program does result in an increased workload due to the processing of students and the large increase in counseling for individual students, the overall impact on curriculum, staff size, and district funding appears to be less than initially expected. The full report on the evaluation study will be published in January 1987.

GOVERNOR'S RECOMMENDATION: The Governor recommends continuation of this program, based on the results of the legislatively required evaluation.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 03 POSTSECONDARY ENROLLMENT OPTIONS TRANSPORTATION
STATUTORY AUTHORIZATION: M.S. 123.3514, SUBD. 8

PROGRAM OBJECTIVE: To provide state aid to school districts which reimburse eligible students for transportation expenses incurred while enrolled in the Postsecondary Enrollment Option Program.

PROGRAM DESCRIPTION: Upon application, eligible students (or the parent or guardian) are reimbursed for the expense incurred in travel to and from the postsecondary institution attended under the Program. Eligibility is based on a determination of financial need as established under the guidelines set forth by the State Board of Education. Total reimbursement may not exceed the actual cost of transportation or 20 1/2 cents per mile traveled, whichever is less. Maximum reimbursement may not exceed an amount equal to 250 miles of travel per week (5 round trips) unless the nearest postsecondary institution is more than 25 miles from the student's resident secondary school. In those cases, the maximum reimbursement may not exceed an amount equal to the rate of reimbursement multiplied by the actual distance between the secondary school and the closest postsecondary institution multiplied by 10 (i.e., 5 round trips).

PROGRAM STATISTICS:	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Districts	33*	37	50	50
Amount of Reimbursement	\$46,993	\$53,007	\$75,000	\$75,000
Average Reimbursement Per District	\$1,424	\$1,433	\$1,500	\$1,500

*For F.Y. 1986, all postsecondary institutions and districts were located outside of the 7 county metropolitan area.

PROGRAM EFFECTIVENESS: Reimbursement for transportation expenses is provided to all eligible students who apply.

FISCAL INFORMATION: The biennial appropriation of \$50,000 funded expenditures of about \$47,000 for F.Y. 1986. In order to provide funds for the second year of the biennium, an appropriation transfer of \$50,000 was processed under M.S. 124.14, subd. 7.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	47	53	0	77	79
Subtotal	0	47	53	0	77	79
Other Funds:	0	0	0	0	0	0
Total	0	47	53	0	77	79

ANNUAL ENTITLEMENT AND FUNDING:

Postsecondary Options Transportation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ --	\$ 46,993	\$ 53,007	\$ 76,875	\$ 78,797
B) PROGRAM FUNDING					
Appropriation			3,007		
Balance Forward					
Current Approp- riation		50,000	--	76,875	78,797
Appropriation Transfer In, M.S. 124.14			50,000		
Total	\$ --	\$ 50,000	\$ 53,007	\$ 76,875	\$ 78,797
C) FISCAL ACTIVITY					
State Payments		46,993	53,007	76,875	78,797
Balance Forward to F.Y. 1987		3,007			
Total	\$ --	\$ 50,000	\$ 53,007	\$ 76,875	\$ 78,797

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 03 POSTSECONDARY ENROLLMENT OPTIONS TRANSPORTATION

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 53,007	\$ 53,007
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation	21,993	21,993
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ <u>75,000</u>	\$ <u>75,000</u>
4. Proposed Policy Changes:		
- Inflation adjustment at 2.5% per year	1,875	3,797
5. Total Entitlement	\$ <u>76,875</u>	\$ <u>78,797</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$76,875 for F.Y. 1988 and \$78,797 for F.Y. 1989, assuming 2.5% annual inflation.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 04 PROGRAMS OF EXCELLENCE
STATUTORY AUTHORIZATION: M.S. 126.60; 126.62

PROGRAM OBJECTIVE: This program is designed to recognize an unlimited number of secondary academic programs of excellence according to predetermined criteria for which secondary schools make applications to be evaluated, and to provide academic opportunities not otherwise available to up to 100 select pupils who will attend these schools on a full-time basis.

PROGRAM DESCRIPTION: Due to limitations of enrollment size and financial resources, school districts do not provide exactly the same academic opportunities for their students. Some schools have as many as 300 courses available for study while others have as few as 18. This program is designed to allow students who are able, and are lacking of opportunities, to attend other school districts. The district of attendance is to count the pupil as a resident pupil for purposes of determining state aids and levies. Incentive grants are provided to schools who have students attending a designated program of excellence. Districts of residence are not permitted to receive foundation revenue for these students.

As required by law, a Programs of Excellence Advisory Committee has been established. With the advice of the committee, the Commissioner of Education designates programs which qualify as "Programs of Excellence." Designation as a program of excellence is for 2 school years and may be renewed upon reapplication. Designated schools are to demonstrate a willingness to accept at least 5 but no more than 10 pupils from other schools.

Pupils in grades 9-12 are selected on the basis of ability, future career plans, and a lack of academic opportunity in their current school. Pupils may stay with a host family in the host school district similar to the arrangements made for foreign exchange students. Based on the law, no more than 100 pupils can be selected. Transportation costs are reimbursed when a pupil demonstrates need (see Program 07-05).

PROGRAM STATISTICS: To date, Programs of Excellence have been designated for the 1985-86 and 1986-87 school years (Group 1), and the 1986-87 and 1987-88 school years (Group 2).

Students now have 107 programs from which to choose. The designated programs are located in 42 school districts. Of the 42 districts, 19 are located in the metropolitan area, 7 in the western part of the state, 6 in the southern part, and 10 in the north.

Information on the Programs of Excellence is shown in Table 7-3.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	12	21	23	0	23	23
Subtotal	12	21	23	0	23	23
Other Funds:	0	0	0	0	0	0
Total	12	21	23	0	23	23

PROGRAM STATISTICS: (Contd.)

TABLE 7-3
PROGRAMS OF EXCELLENCE

	Group 1	Group 2
Number of districts applying	34	32
Number of programs submitted for consideration	110	100
Number of districts with approved programs	28	20 ^a
Number of approved programs	80	27
Number of students applying	46	29 ^b
Number of students selected	36	25 ^b
Number of students participating ^c	19	10

^aSix of these districts also have Programs of Excellence designation in Group 1.

^bIncludes 6 students who also are represented in Group 1.

^cThe reasons for students not continuing in the program include the student not wishing to attend school away from home, and the host district's inability to find a host family.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 04 PROGRAMS OF EXCELLENCE

PROGRAM EFFECTIVENESS: This program has provided opportunities to selected students in several academic areas by allowing them to attend programs that would otherwise be unavailable to them.

However, participation in the program has been limited. Since this program was begun, other legislation has been enacted which allows grade 11 and 12 students to attend programs in postsecondary institutions.

ANNUAL ENTITLEMENT AND FUNDING:

Programs of Excellence	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Grants to Districts	--	17,500	15,750		
Administration	11,540	3,628	6,750		
Net Aid Entitle- ment	<u>\$ 11,540</u>	<u>\$ 21,128</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>
<u>B) PROGRAM FUNDING</u>					
Current Approp- riation	15,000	25,000	22,500	22,500	22,500
Transfer to Education Aids Control Account		(3,872)			
Total	<u>\$ 15,000</u>	<u>\$ 21,128</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>
<u>C) FISCAL ACTIVITY</u>					
State Payments	11,540	21,128	22,500	22,500	22,500
Cancellation	3,460				
Total	<u>\$ 15,000</u>	<u>\$ 21,128</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$22,500 for F.Y. 1988 and \$22,500 for F.Y. 1989 for this activity.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 05 PROGRAMS OF EXCELLENCE TRANSPORTATION
STATUTORY AUTHORIZATION: M.S. 126.62, SUBD. 6

PROGRAM OBJECTIVE: To reimburse school districts for transportation costs for those students participating in Programs of Excellence who demonstrate financial need.

PROGRAM DESCRIPTION: Students requiring transportation to the attending district and demonstrating financial need may be reimbursed for transportation costs as provided in the Programs of Excellence legislation.

Under the criteria established by the Commissioner of Education, transportation cost reimbursement is based on federal poverty income level guidelines, with the state reimbursing eligible families through the school district for 20 1/2 cents per mile. The parent and the attending school district principal cooperatively determine the manner in which the transportation service will be provided and the number of trips that are necessary each day.

PROGRAM STATISTICS: To date, none of the funds for this program have been distributed. Only 1 student participating in Programs of Excellence has applied for these funds, and the student did not qualify under the established eligibility criteria.

PROGRAM EFFECTIVENESS: Although no students have used these funds to date, this program provides a valuable service to those requiring transportation to their host districts who demonstrate financial need.

ANNUAL ENTITLEMENT AND FUNDING:

Programs of Excellence Transportation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ --	\$ --	\$ 17,000	\$ 17,000	\$ 17,000
--------------------------	-------	-------	-----------	-----------	-----------

B) PROGRAM FUNDING

Current Appro- priation		17,000	17,000	17,000	17,000
Transfer to Education Aids Control Account		(17,000)			
Total	\$ --	\$ --	\$ 17,000	\$ 17,000	\$ 17,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	17	0	17	17
Subtotal	0	0	17	0	17	17
Other Funds:	0	0	0	0	0	0
Total	0	0	17	0	17	17

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Programs of Excellence Transportation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

C) FISCAL ACTIVITY

State Payments			17,000	17,000	17,000
Total	\$ --	\$ --	\$ 17,000	\$ 17,000	\$ 17,000

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$17,000 for F.Y. 1988 and \$17,000 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 06 SUMMER PROGRAM SCHOLARSHIPS (HECB)
STATUTORY AUTHORIZATION: M.S. 126.56

PROGRAM OBJECTIVE: To provide financial aid for Minnesota students interested in enriching their learning beyond those academic experiences currently provided by the secondary schools.

PROGRAM DESCRIPTION: The Summer Scholarships for Academic Enrichment Program provides scholarships to Minnesota secondary students (grades 7-12) wishing to attend academic programs sponsored by Minnesota postsecondary institutions.

Secondary students are eligible for scholarships up to \$1,000. The minimum scholarship is \$100. Scholarship recipients must attend an eligible program sponsored by an eligible postsecondary institution.

An eligible institution must be accredited by the North Central Association of Colleges, offer at least an associate or baccalaureate degree program, and be located in Minnesota.

An eligible program must be approved by the State Board of Education and must: (1) provide academic instruction for student enrichment in curricular areas including, but not limited to: communications, humanities, social studies, social science, science, mathematics, fine or performing arts, or foreign language; (2) be an in-state program; (3) not be offered for credit to postsecondary students; and (4) not provide remedial instruction.

An advisory committee assists the State Board of Education in approving eligible programs and assists the Higher Education Coordinating Board (HECB) in planning, implementing, and evaluating the scholarship program.

The Higher Education Coordinating Board and the State Board of Education determine the time and manner for scholarship applications, awards, and program approval.

All scholarships are awarded by the HECB. Each eligible institution sponsoring eligible programs designates a representative responsible for assisting the HECB. This representative has responsibility for counseling potential applicants, verifying student eligibility, calculating each student's financial need, transmitting scholarship disbursements to award recipients, and refunding appropriate scholarship monies for students who withdraw or do not attend the program for which funds were awarded. All scholarship applications must be approved by the postsecondary institution sponsoring the eligible program and the HECB.

In order to be eligible for a scholarship, a student must: (1) be a Minnesota resident; (2) attend an eligible program; (3) have completed at least 1 year of secondary school (7th grade), but not have graduated from high school; (4) have earned at least a B average during the semester or quarter prior to application; and (5) demonstrate need for financial assistance.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	76	214	0	214	214
Subtotal	0	76	214	0	214	214
Other Funds:	0	0	0	0	0	0
Total	0	76	214	0	214	214

PROGRAM STATISTICS: Statistical information for this program is shown in Table 7-4.

TABLE 7-4
SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT PROGRAM

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Awarded (Thousands)	\$ 75.5	\$213.7	\$213.7	\$213.7
Private Institutions	\$ 58.0	\$164.4	\$164.4	\$164.4
Public Institutions	\$ 17.5	\$ 49.3	\$ 49.3	\$ 49.3
Average Award	\$ 320	\$ 403	\$ 403	\$ 403
Private Institutions	\$ 345	\$ 450	\$ 450	\$ 450
Public Institutions	\$ 257	\$ 300	\$ 300	\$ 300
Number of Programs	27	27	27	27
Private Institutions	17	17	17	17
Public Institutions	10	10	10	10
Number of Students Enrolled	5,348	5,350	5,350	5,350
Private Institutions	4,471	4,470	4,470	4,470
Public Institutions	877	880	880	880
Number of Students Awarded Scholarships	236	529	529	529
Private Institutions	168	365	365	365
Public Institutions	68	164	164	164

PROGRAM EFFECTIVENESS: Although this program served some students for Summer 1986, the late implementation did restrict usage. In addition, schools were unable to establish summer programs on such short notice. For Summer 1987, there should be more summer programs available and more public awareness of the scholarship program.

Based on recommendations of the advisory committee, HECB substantially altered the income requirements for students to receive a scholarship in Summer 1987. This will have an effect of increasing awards at medium income levels. In F.Y. 1986, all students with family income of less than \$12,000 received an award of 100% of program cost. In F.Y. 1987, all students with family income of less than \$20,000 will receive a 100% award.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 06 SUMMER PROGRAM SCHOLARSHIPS (HECB)

FISCAL INFORMATION: The 1985-87 biennial appropriation for this program is \$475,000. Of this amount, \$43,300 is budgeted for program administration and is being reported in the Higher Education Coordinating Board (HECB) Agency Budget. Only the scholarship portion is included in this budget. Because the program was initiated in F.Y. 1986, adequate historical information on the appropriate level of funding is not available and therefore a same-level of funding is requested for the 1987-89 biennium.

ANNUAL ENTITLEMENT AND FUNDING:

Summer Scholarship Program	Actual		Estimated F.Y. 1987	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986		F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Scholarships		75,500	213,700	213,700	213,700
Net Aid Entitle- ment	\$ --	\$ 75,500	\$ 213,700	\$ 213,700	\$ 213,700
<u>B) PROGRAM FUNDING</u>					
Appropriation Balance Forward			356,200	213,700	213,700
Current Approp- riation		431,700			
Total	\$ --	\$ 431,700	\$ 356,200	\$ 213,700	\$ 213,700
<u>C) FISCAL ACTIVITY</u>					
State Payments Balance Forward to F.Y. 1987		75,500 356,200	213,700	213,700	213,700
Cancellation			142,500		
Total	\$ --	\$ 431,700	\$ 356,200	\$ 213,700	\$ 213,700

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$213,700 for F.Y. 1988 and \$213,700 for F.Y. 1989.

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 07 GIFTED - TALENTED AID
STATUTORY AUTHORIZATION: M.S. 124.247

PROGRAM OBJECTIVE: To enable school districts to provide enriched educational opportunities for gifted and talented elementary and secondary students in Minnesota.

PROGRAM DESCRIPTION: School districts use the gifted-talented aid to implement programs which meet the unique needs of their gifted and talented students. These programs may include any or all of the following components: establishment of identification procedures; training of teachers; curriculum development for advanced or enriched courses; payment of salaries for teachers in gifted programs; purchase of appropriate instructional materials; evaluation of programs.

A district that establishes and maintains a program for gifted and talented students receives state aid based on the prescribed rate of entitlement times the number of gifted and talented students identified by the district. For F.Y. 1985, the rate was \$19 per student. Beginning in F.Y. 1986, the aid formula is the greater of \$40 per student or \$500 per district. The number of gifted and talented students that can be claimed is limited to not more than 5% of the district enrollment (Average Daily Membership (ADM)).

PROGRAM STATISTICS:

TABLE 7-5
GIFTED AND TALENTED EDUCATION

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Participating Districts	420	422	422	422	422
2. Eligible Students	34,311	34,955	35,246	35,296	35,345
3. <u>Aid Entitlement</u>					
Minimum Formula Aid*	--	\$500	\$500	\$500	\$500
Number of Districts	--	69	69	69	69
Aid Entitlement	--	\$34,500	\$34,500	\$34,500	\$34,500
Aid Rate Per Student	\$19	\$40	\$40	\$40	\$40
Number of Districts	420	353	353	353	353
Number of Gifted Students	33,303	33,131	33,407	33,454	33,500
Aid Entitlement	\$632,750	\$1,325,246	\$1,336,280	\$1,338,160	\$1,340,018
Total Aid Entitlement	\$632,750	\$1,359,746	\$1,370,780	\$1,372,660	\$1,374,518

*Minimum aid is effective beginning in F.Y. 1986. To qualify, a district must have enrollment of 250 or less based on ADM. Districts with greater than 250 ADM qualify for aid based on the rate per gifted student.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	85	93	204	0	206	206
Current Year	540	1,156	1,165	0	1,167	1,168
Subtotal	625	1,249	1,369	0	1,373	1,374
Other Funds:	0	0	0	0	0	0
Total	625	1,249	1,369	0	1,373	1,374

PROGRAM EFFECTIVENESS: The Department of Education has prepared 3 Reports on Gifted and Talented Aid: 1979-80, 1982-83, and 1985-86. These reports have indicated significant growth in the number of programs since the initiation of the Gifted and Talented Aid Program in 1979. Comparisons between base-line data from 1978-79 before State funding and the Reports on Gifted and Talented Aid for F.Y. 1980, F.Y. 1983, and F.Y. 1986 follow:

	F.Y. 1979	F.Y. 1980	F.Y. 1983	F.Y. 1986
1. Number of gifted-talented students served	13,465	52,365	54,139	55,171
Change F.Y. 1979 to F.Y. 1986				+41,706
2. Percent of total students	1.67%	6.86%	7.5%	8.65%
Change F.Y. 1979 to F.Y. 1986				+6.98%
3. Median amount of gifted-talented aid received by funded districts	\$ 0	\$593	\$490	\$1,536
Change F.Y. 1979 to F.Y. 1986				+\$1,536
Change F.Y. 1980 to F.Y. 1986				+\$943
4. Mean district contribution to programs		\$7,819	\$5,994	\$9,475
Change F.Y. 1980 to F.Y. 1986				+\$1,656

EDUCATION AIDS

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 07 GIFTED - TALENTED AID

1987-89 Biennial Budget

PROGRAM EFFECTIVENESS: (Contd.)

	<u>F.Y. 1979</u>	<u>F.Y. 1980</u>	<u>F.Y. 1983</u>	<u>F.Y. 1986</u>
5. Distribution of gifted-talented students:				
Elementary		43%	38%	42%
Junior High		16%	23%	24%
Senior High		42%	39%	34%
6. Evaluation (planning, in process, completed)	87	233	232	311
Change F.Y. 1979 to F.Y. 1986				+224

In addition, in the fall of 1984 a comprehensive analysis was conducted by the Department to determine the consensus of the needs expressed at a series of public forums on gifted education conducted throughout Minnesota during the summer of 1983. Over 90% of the 815 participants in the study stressed the importance of the following components of gifted programs:

1. Gifted students should have the opportunity to study at a pace commensurate with their ability.
2. At every grade, gifted and talented students should be provided with a curriculum which is intellectually challenging.
3. Districts should provide continuity with gifted programs from one grade to another, K-12.
4. Districts should provide stability in gifted programs from one year to another.

Further, the Department has initiated Gifted Education Program Reviews which are modeled on the North Central Association of Colleges and Schools Program. The strong response from local districts indicates that districts realize that they need to improve the quality of their gifted programs. The results of the Gifted Education Program Review will provide needed information about the current status of gifted education in Minnesota.

ANNUAL ENTITLEMENT AND FUNDING:

	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
Gifted and Talented					
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitlement	\$ 632,750	\$ 1,359,746	\$ 1,370,780	\$ 1,372,660	\$ 1,374,518
B) <u>PROGRAM FUNDING</u>					
Current Appropriation	563,000	1,183,500	1,186,600	1,166,761	1,168,340
Final Adjust Appropriation	99,100	208,900	205,617	205,899	206,178
Transfer to Education Aids Control Account		(32,654)	(21,437)		
Total	\$ 662,100	\$ 1,359,746	\$ 1,370,780	\$ 1,372,660	\$ 1,374,518

C) FISCAL ACTIVITY

State Payments	632,750	1,359,746	1,370,780	1,372,660	1,374,518
Cancellation	29,350				
Total	\$ 662,100	\$ 1,359,746	\$ 1,370,780	\$ 1,372,660	\$ 1,374,518

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 1,370,780	\$ 1,370,780
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation	1,880	3,738
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 1,372,660	\$ 1,374,518

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 07 GIFTED - TALENTED AID

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ <u>1,372,660</u>	\$ <u>1,374,518</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$1,372,378 in F.Y. 1988 (\$205,617 for F.Y. 1987 plus \$1,166,761 for F.Y. 1988) and \$1,374,239 in F.Y. 1989 (\$205,899 for F.Y. 1988 plus \$1,168,340 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 08 COMPREHENSIVE ARTS PLANNING
STATUTORY AUTHORIZATION: M.S. 129B.17-129B.21

PROGRAM OBJECTIVE: This program exists to improve arts education opportunities for Minnesota students, K-12.

Each participating district, through a self-appointed school-community team, develops a 5-year plan for arts education. The plan is presented to the local school board for endorsement. Implementation of the plan begins immediately following board endorsement.

Anticipated results include the following:

- 1. Better understanding and appreciation of the arts programs in the school and community.
- 2. Better-defined and more clearly articulated arts programs.
- 3. Written curricula developed in each of the arts areas.
- 4. Increased cooperation between arts disciplines and between the school and the community.
- 5. Greater emphasis on integration of the arts throughout the curriculum.
- 6. More and better opportunities for all students (K-12) in all arts disciplines.
- 7. Better trained leaders (both school personnel and community people) in designing and promoting arts education programs.

PROGRAM DESCRIPTION: Through a competitive application process, Minnesota school districts are selected to participate in the Comprehensive Arts Planning Program (CAPP). Upon selection, each district receives a grant to assist in the planning process. All public school districts in the state are eligible to participate in the program. Selection is based on need, commitment and geographic distribution. State law provides that up to 30 districts may be selected to receive a 2-year grant. For the 1983-85 biennium the statutory grant amount was \$1,000. For the 1985-87 biennium the amount is \$1,250 per year.

Participating districts appoint a chairperson and an 8 to 12-member committee consisting of teachers, administrators, board members, and people from the community. During the first year of the program, district committees enact a thorough planning process which includes evaluation of the current program, an identification of needs and a long range plan for improvement. Once a 5-year plan has been submitted, each district receives an additional grant for the second year.

The CAPP state steering committee, comprised of art specialists from the Minnesota Department of Education, the Minnesota State Arts Board, and the Minnesota Alliance for Arts in Education (MAAE) assists with the process. These specialists provide assistance to the districts by conducting workshops, supplying publications, and doing one-to-one consultation. In the 1985-87 biennium, a grant of about \$25,000 is allocated annually to the MAAE for purposes of providing technical assistance. The largest share of the legislative appropriation is used for special assistance of this kind.

Historical Expenditures and Governor's Recommendations By Fund Source						
<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Current Year</i>	<i>51</i>	<i>88</i>	<i>102</i>	<i>0</i>	<i>90</i>	<i>90</i>
<hr/> <i>Subtotal</i>	<hr/> <i>51</i>	<hr/> <i>88</i>	<hr/> <i>102</i>	<hr/> <i>0</i>	<hr/> <i>90</i>	<hr/> <i>90</i>
<i>Other Funds:</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<hr/> <i>Total</i>	<hr/> <i>51</i>	<hr/> <i>88</i>	<hr/> <i>102</i>	<hr/> <i>0</i>	<hr/> <i>90</i>	<hr/> <i>90</i>

PROGRAM DESCRIPTION: (Contd.)

The annual grants to districts are helpful in supporting planning efforts. For instance, teachers can be released from teaching responsibilities, mileage and expenses can be paid to community members, etc. Coupled with leadership and structure at the state level, the grants go a long way toward producing improvements.

PROGRAM STATISTICS: A total of 59 districts have participated in the program. In the 1983-85 biennium, 30 districts received grants. In the 1985-87 biennium, 29 districts are to receive \$1,250 per year. The 30 districts which participated in the 1983-85 biennium have received no additional grants, but they continue to receive publications and technical assistance and are invited to annual workshops. Size among participating districts ranges from St. Paul at 30,000 students, to Marietta at 150 students.

Regional CAPP committee workshops reached over 500 parents, teachers, administrators, board members and community members. This program has a potential impact for several hundred educators and community members and many thousands of students. Further information on program statistics is shown in Table 7-6.

TABLE 7-6
PROGRAM PARTICIPATION AND FUNDING

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
District Grants					
Number	30	29	29	30	30
Amount	\$15,000	\$36,250	\$ 36,250	\$37,500	\$37,500

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 08 COMPREHENSIVE ARTS PLANNING

PROGRAM STATISTICS: (Contd.)

TABLE 7-6: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>Non-Government Grants</u>					
Number	1	1	1	1	1
Amount	\$ 7,500	\$22,950	\$ 26,350	\$25,100	\$25,100
<u>Administration and Technical Assistance</u>	28,946	29,293	38,907	27,400	27,400
Total	\$51,446	\$88,493	\$101,507	\$90,000	\$90,000

PROGRAM EFFECTIVENESS: A thorough evaluation of the effects and outcomes of the program completed in 1985 shows that all districts made significant progress in implementing their local 5-year plan.

Seventy-seven percent of the Comprehensive Arts Planning Program (CAPP) districts reported the development of a 5-year Comprehensive Arts Plan; 57% reported a curriculum project and 53% stated that a needs assessment had been undertaken. Other projects found in CAPP districts include fund raising (40%), awareness (33%), recognition of the arts (23%), staff development (23%), inventory of arts resources (20%), additions to arts staff (20%), the integration of arts into other disciplines (20%), and art performances (17%). In addition, CAPP committees identified possible future activities, many of which have been proposed and are awaiting action by various administrative bodies.

The major outcome for the CAPP grantees was that the grants provided funding for local staff to focus on arts program enhancements. The team approach, as well as the training and materials provided by the CAPP Steering Committee, were generally perceived as facilitating the process. There was general agreement that few, if any, of the CAPP activities would have occurred had the districts not been involved in CAPP.

Many of the anticipated results cited in the objective statement will not be realized for several years. It will take that long for plans to be implemented and change to occur.

PROGRAM EFFECTIVENESS: (Contd.)

Evaluation considerations for the CAPP include:

1. Numbers of people actively participating in planning and implementation activities.
2. Kinds of people involved - is there an appropriate mix of people, including district policy makers?
3. The numbers of plans written and the quality of those plans.
4. The number and kind of events occurring in each district (e.g., committee meetings, board presentations, newspaper articles, etc.).

ANNUAL ENTITLEMENT AND FUNDING:

Comprehensive Arts Planning	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
--------------------------------	---------------------	---------------------	------------------------	-------------------------------------------	-----------

A) AID ENTITLEMENT

Net Aid Entitlement	\$ 51,446	\$ 88,493	\$ 101,507	\$ 90,000	\$ 90,000
---------------------	-----------	-----------	------------	-----------	-----------

B) PROGRAM FUNDING

Appropriation	51,446		11,507		
Balance Forward					
Current Appropriation		100,000	90,000	90,000	90,000
Total	\$ 51,446	\$ 100,000	\$ 101,507	\$ 90,000	\$ 90,000

C) FISCAL ACTIVITY

State Payments	51,446	88,493	101,507	90,000	90,000
Balance Forward to F.Y. 1987		11,507			
Total	\$ 51,446	\$ 100,000	\$ 101,507	\$ 90,000	\$ 90,000

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 08 COMPREHENSIVE ARTS PLANNING

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 101,507	\$ 101,507
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 appropriation balance forward	(11,507)	(11,507)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ <u>90,000</u>	\$ <u>90,000</u>
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ <u>90,000</u>	\$ <u>90,000</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$90,000 for F.Y. 1988 and \$90,000 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 09 ARTS EDUCATION AID
STATUTORY AUTHORIZATION: M.S. 124.275

PROGRAM OBJECTIVE: To enable local school districts to provide improved elementary educational programs in creative dramatics, dance, creative writing, music, and visual arts.

PROGRAM DESCRIPTION: The 1982 and 1985 Legislative Reports on arts education indicated that severe reductions had occurred in numbers of arts teachers and programs, and that elementary arts programs were not meeting state and national recommendations. Beginning in F.Y. 1986, the state categorical aid for elementary arts education is intended for districts to assess their arts programs and begin to develop long-range plans for improvement.

For both F.Y. 1986 and F.Y. 1987, the aid formula provides each district an amount equal to the greater of \$2.25 per average daily membership (ADM) in grades K-6 or \$1,200. Districts are encouraged to use the aid for new program efforts, rather than for existing programs, in 1 of 4 ways:

- 1. to develop long-range arts education plans or develop curricula in the arts,
- 2. to provide professional development for teachers to increase their art teaching skills,
- 3. to provide arts enrichment activities for pupils, or
- 4. to increase the number of elementary art and music teachers with a goal of 1 art teacher and 1 music teacher per 400 pupils.

Districts also are encouraged to cooperate with other districts.

PROGRAM STATISTICS: Statistical information for the arts education aid program is provided in Table 7-7.

TABLE 7-7
ELEMENTARY ARTS EDUCATION AID

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Formula	\$2.25/1,200	\$2.25/\$1,200	\$2.25/\$1,200	\$2.25/\$1,200
Less than 533 ADM				
Number of districts	289	288	288	285
K-6 ADM	68,609	69,051	69,973	68,973
Aid entitlement	\$346,800	\$345,600	\$345,600	\$342,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	990	990	0	1,049	1,071
Subtotal	0	990	990	0	1,049	1,071
Other Funds:	0	0	0	0	0	0
Total	0	990	990	0	1,049	1,071

PROGRAM STATISTICS: (Contd.)

TABLE 7-7 (Contd.)

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
534 or more ADM				
Number of districts	146	147	147	150
K-6 ADM	292,033	303,707	312,474	324,067
Aid entitlement	\$657,074	\$683,340	\$703,067	\$729,150
Totals				
Number of districts	435	435	435	435
K-6 ADM	360,642	372,756	382,447	393,040
Aid entitlement	\$1,003,874	\$1,028,940	\$1,048,667	\$1,071,150

ANNUAL ENTITLEMENT AND FUNDING:

Arts Education	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Prorated Entitle- ment		990,000	990,000		
Plus Proration Amount		13,874	38,940		
Net Aid Entitle- ment	\$ --	\$ 1,003,874	\$ 1,028,940	\$ 1,048,667	\$ 1,071,150

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 09 ARTS EDUCATION AID

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

B) PROGRAM FUNDING

Current Approp- riation		990,000	990,000	1,048,667	1,071,150
Deficiency Approp- riation Request		13,874	38,940		

Total	\$ --	\$ 1,003,874	\$ 1,028,940	\$ 1,048,667	\$ 1,071,150
-------	-------	--------------	--------------	--------------	--------------

C) FISCAL ACTIVITY

State Payments		990,000	990,000	1,048,667	1,071,150
State Payments Pending		13,874	38,940		

Total	\$ --	\$ 1,003,874	\$ 1,028,940	\$ 1,048,667	\$ 1,071,150
-------	-------	--------------	--------------	--------------	--------------

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,028,940	\$ 1,028,940
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation (K-6 Average Daily Membership (ADM))	19,727	42,210
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 1,048,667	\$ 1,071,150
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 1,048,667	\$ 1,071,150

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$1,048,667 for F.Y. 1988 and \$1,071,150 for F.Y. 1989.

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 10 ARTS SCHOOL AND RESOURCE CENTER
STATUTORY AUTHORIZATION: M.S. 129C.10

PROGRAM OBJECTIVE: To provide expanded opportunities in the creative and interpretative arts to meet the needs of the students of Minnesota.

PROGRAM DESCRIPTION: The Minnesota School and Resource Center for the Arts is a state-wide public school and resource center for the visual, performing, and literary arts. The 1985 Legislature authorized the formation of a Board of Directors who were given the authority to establish a charitable foundation, plan and develop an interdisciplinary arts and academic curriculum for artistically talented high school age students, determine a location for the School and Resource Center, develop a plan for enrollment of students in the school, hire employees, and operate a Resource Center which would offer programs directed at improving arts education in schools throughout the state. The Board of Directors has accomplished the authorized objectives of the 1985 legislation.

In addition, the Board of Directors has appointed a Resource Center Advisory Council which advises the Board regarding the direction and operation of the Resource Center. The Advisory Council has assessed the existing programs of the Resource Center, has looked at other arts education program offerings in the state, and has done extensive planning regarding the future operations of the Resource Center. The Advisory Council has recommended a plan to the Board, and the Board has adopted the recommendations.

The major focus of the Board of Directors for the 1985-87 biennium was the establishment and operation of a comprehensive arts Resource Center. Because the development of the School and the development of the Resource Center are different implementation sequences, available program information is mostly related to the Resource Center. The Center became operational in the summer of 1986 with a host of demonstration programs for students and teachers in 6 major arts areas.

The Resource Center is designed to directly impact students and teachers in the state. Teachers participate in training classes and workshops in the summer and throughout the school year, and students participate in classes and workshops during the summer. In addition, students, teachers, and citizens will attend concerts and presentations by the Resource Center. These presentations have a strong educational component which accompany the actual performance/presentation. Publications of the Resource Center will be distributed directly to schools, teachers, and community locations. The indirect impact of the Resource Center programs is extensive with each teacher sharing his or her acquired knowledge with many students.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	87	354	2,174	0	2,593	4,098
Subtotal	87	354	2,174	0	2,593	4,098
Other Funds:	0	0	0	0	0	0
Total	87	354	2,174	0	2,593	4,098

PROGRAM DESCRIPTION: (Contd.)

The School for the Arts, when it is fully implemented, will directly impact 0.3% of the high school population of the state, or 550 students; and will indirectly impact 5% of the high school population, or 10,400 students. The indirect impact will occur through staff development and sharing of curriculum development and curriculum delivery processes. Research literature reveals that approximately 5% of the school population possesses talent in the arts. This talent does not manifest itself in isolation, but in combination with a variety of other behaviors, including high academic ability and athletics among others. Through the learning processes developed at the School for the Arts, students with exceptional ability in the arts will be able to be identified and served at some level in their own schools.

PROGRAM EFFECTIVENESS: Because of the newness of this program, a full-scale external evaluation is underway. An evaluation team will be selected to monitor and report on the entire process of the School, from the first contacts with students and school districts through the serving of the students at the School. A descriptive research model which seeks maximum input from staff and students and which then observes, measures, and reports will be used. A similar process is being employed in the evaluation of the summer programs which were operated through the Resource Center. The programs of the Resource Center are also being evaluated through this descriptive research model. Specific details were unavailable for this budget presentation. A full report will be available during the 1987 Legislative session.

EDUCATION AIDS
(Continuation)
PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 10 ARTS SCHOOL AND RESOURCE CENTER

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL:

ANNUAL ENTITLEMENT AND FUNDING:

Arts School - Resource Center	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Arts Education Report ^a	86,962				
Arts School - Resource Center		353,572	2,174,428	2,592,610	4,097,534
Net Aid Entitle- ment	<u>\$ 86,962</u>	<u>\$ 353,572</u>	<u>\$ 2,174,428</u>	<u>\$ 2,592,610</u>	<u>\$ 4,097,534</u>
B) <u>PROGRAM FUNDING</u>					
Appropriation Balance Forward			137,428		
Current Approp- riation	148,000	491,000	2,037,000	2,592,610	4,097,534
Total	<u>\$ 148,000</u>	<u>\$ 491,000</u>	<u>\$ 2,174,428</u>	<u>\$ 2,592,610</u>	<u>\$ 4,097,534</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	86,962	353,572	2,174,428	2,592,610	4,097,534
Balance Forward to F.Y. 1987		137,428			
Cancellation	61,038				
Total	<u>\$ 148,000</u>	<u>\$ 491,000</u>	<u>\$ 2,174,428</u>	<u>\$ 2,592,610</u>	<u>\$ 4,097,534</u>

Category

	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 2,174,428	\$ 2,174,428
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Adjustment for F.Y. 1986 appropriation balance forward	(137,428)	(137,428)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 2,037,000</u>	<u>\$ 2,037,000</u>
4. Proposed Policy Changes:		
- To provide appropriate state level of operating support	555,610	2,060,534
5. Total Entitlement	<u>\$ 2,592,610</u>	<u>\$ 4,097,534</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$2,592,610 in F.Y. 1988 and \$4,097,534 in F.Y. 1989 for operating the new Minnesota School and Resource Center for the Arts.

^aIn addition to the Arts School - Resource Center, the report included components on Arts Education Aid (Program 07-09) and Comprehensive Arts Planning (Program 07-08).

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 11 NONPUBLIC PUPIL AIDS
STATUTORY AUTHORIZATION: M.S. 123.931-123.947

PROGRAM OBJECTIVE: To provide reimbursement for expenditures by local school districts that distribute educational materials and services to nonpublic elementary and secondary pupils.

PROGRAM DESCRIPTION: There are 3 basic categories of nonpublic pupil aids provided by Minnesota law.

1. Textbooks, Individualized Instructional Materials, and Standardized Tests

Eligible student instructional materials are made available by the public school district to the nonpublic pupils. To be eligible the materials must be secular, neutral, non-ideological and not capable of diversion to religious use. The district is reimbursed for the cost of purchase and delivery of eligible materials up to an amount equal to the statewide average expenditure per public school pupil for similar materials, adjusted by the percent of increase in the foundation formula allowance from the second preceding school year to the current school year, multiplied by the number of nonpublic pupils served (kindergarten pupils weighted 0.5).

The formula for computing the per pupil rate is as follows for F.Y. 1987:

F.Y. 1987 Per Pupil Rate = F.Y. 1985 Avg Expend. per Public Pupil for like materials x F.Y. 1987 Foundation Formula Allow. / F.Y. 1985 Foundation Formula Allow.

2. Health Services

Student health services similar to those provided by the district to public pupils are made available by the district to nonpublic pupils.

The district is reimbursed for the cost incurred in providing eligible services up to an amount equal to the statewide average expenditure per public school pupil for similar services in the second preceding school year, times the number of nonpublic pupils served (kindergarten pupils weighted 0.5).

3. Guidance and Counseling Services

Guidance and counseling services similar to those provided by the district to public secondary pupils are made available by the district to nonpublic secondary pupils.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	430	305	993	0	1,087	1,286
Current Year	5,414	5,624	6,160	0	7,289	7,764
Subtotal	5,844	5,929	7,153	0	8,376	9,050
Other Funds:	0	0	0	0	0	0
Total	5,844	5,929	7,153	0	8,376	9,050

PROGRAM DESCRIPTION: (Contd.)

Guidance or counseling in the planning or selection of particular courses or class-room activities of the nonpublic school is not eligible. Eligible services must be provided either at the public school or at a neutral site. The district is reimbursed for the cost incurred in providing eligible services up to an amount equal to the statewide average expenditure per public secondary pupil for similar services in the second preceding school year, times the number of nonpublic secondary pupils served.

In addition to the 3 nonpublic pupil aid reimbursements described above, school districts are reimbursed for their actual administrative costs for the nonpublic pupil aids program up to a maximum of 5% of program expenditures.

Information on program statistics and performance for the nonpublic pupil aid programs is provided in Table 7-8.

PROGRAM STATISTICS:

TABLE 7-8
NONPUBLIC PUPIL AIDS

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Textbooks, Individualized Instructional Materials, And Standardized Tests					
A. Districts Reporting	159	163	160	167	169
B. Pupil Units Enrolled	88,318	89,406	86,249	86,988	87,552
C. Pupil Units Participating	76,551	75,244	73,128	77,559	78,674
D. Allotment Per Pupil Unit	\$39.13	\$44.22	\$57.23	\$55.93	\$57.52
E. Commitment (C. x D.)	\$2,995,460	\$3,327,290	\$4,185,115	\$4,337,875	\$4,525,328
F. Aid Claimed	\$2,898,555	\$3,327,290	\$4,185,115	\$4,337,875	\$4,525,328
G. Average Cost (F./C)	\$37.86	\$44.22	\$57.23	\$55.93	\$57.52

EDUCATION AIDS

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 11 NONPUBLIC PUPIL AIDS

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 7-8: (Contd.)

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>Health Services</u>					
A. Districts Reporting	150	153	156	157	159
B. Pupil Units Enrolled	88,318	89,406	86,249	86,988	87,552
C. Pupil Units Participating	76,683	75,562	72,590.5	77,263	78,053
D. Allotment Per Pupil Unit	\$16.70	\$15.04	\$16.57	\$18.18	\$20.00
E. Commitment (C. x D.)	\$1,280,598	\$1,136,452	\$1,202,825	\$1,404,641	\$1,561,060
F. Aid Claimed	\$1,079,713	\$1,136,452	\$1,202,825	\$1,404,641	\$1,561,060
G. Average Cost (F./C)	\$14.08	\$15.04	\$16.57	\$17.43	\$18.33
<u>Guidance & Counseling</u>					
A. Districts Reporting	80	81	82	83	84
B. Pupil Units Enrolled	32,352	31,515	29,341	28,634	27,713
C. Pupil Units Participating	24,546	23,528	21,819	22,269	21,622
D. Allotment Per Pupil Unit	\$74.36	\$78.13	\$98.92	\$108.88	\$120.85
E. Commitment (C. x D.)	\$1,825,241	\$1,838,243	\$2,158,335	\$2,424,649	\$2,613,019
F. Aid Claimed	\$1,476,826	\$1,838,243	\$2,158,335	\$2,424,649	\$2,613,019
G. Average Cost (F./C)	\$60.17	\$78.13	\$98.92	\$108.88	\$120.85
<u>Total Program Claim</u>					
A. Services (F.)	\$5,455,094	\$6,301,985	\$7,546,275	\$8,167,165	\$8,699,407
B. Administrative	\$ 264,308	\$ 315,099	\$ 377,314	\$ 408,358	\$ 434,970
C. Total	\$5,719,402	\$6,617,084	\$7,923,589	\$8,575,523	\$9,134,377

PROGRAM EFFECTIVENESS: Program performance is determined by the percentage of allowable claims fully reimbursed annually.

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
Nonpublic Pupil Aid				F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Prorated Entitlement			7,247,200		
Plus Proration Amount			676,389		
Net Aid Entitlement	\$ 5,719,402	\$ 6,617,084	\$ 7,923,589	\$ 8,575,523	\$ 9,134,377
<u>B) PROGRAM FUNDING</u>					
Current Appropriation	5,694,000	5,802,700	6,160,100	7,289,195	7,764,220
Final Adjust Appropriation	960,700	1,024,000	1,188,538 ^a	1,286,328	1,370,157
Transfer to Education Aids Control Account		(209,616)			
Deficiency Appropriation Request			574,951 ^b		
Total	\$ 6,654,700	\$ 6,617,084	\$ 7,923,589	\$ 8,575,523	\$ 9,134,377
<u>C) FISCAL ACTIVITY</u>					
State Payments	5,719,402	6,617,084	7,348,638	8,575,523	9,134,377
State Payments Pending			574,951		
Cancellation	935,298				
Total	\$ 6,654,700	\$ 6,617,084	\$ 7,923,589	\$ 8,575,523	\$ 9,134,377

^aFifteen percent of net entitlement; includes \$101,458 related to deficiency.

^bCurrent 85% account (85% of proration amount plus \$20 due to rounding of current appropriation.)

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 11 NONPUBLIC PUPIL AIDS

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 7,923,589	\$ 7,923,589
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Net Change in Reimbursement Rates	257,634	802,943
- Net Change in Pupil Participation	394,300	407,845
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 8,575,523	\$ 9,134,377
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 8,575,523	\$ 9,134,377

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$8,376,295 in F.Y. 1988 (\$1,087,100 for F.Y. 1987 plus \$7,289,195 for F.Y. 1988) and \$9,050,548 in F.Y. 1989 (\$1,286,328 for F.Y. 1988 plus \$7,764,220 for F.Y. 1989). The entitlement is intended to provide funding consistent with current statutory provisions. If the appropriation for any fiscal year is insufficient, the appropriation for the following fiscal year is to be available to pay claims for nonpublic aids.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 12 NONPUBLIC PUPIL PROGRAMS SUMMARY

STATUTORY AUTHORIZATION: M.S. 120.17; 123.76-123.79; 123.931-123.937; 124.212; 124.223; 124.246; 124.252; 124.646; 126.031; 126.261-126.269 and 290.089

PROGRAM OBJECTIVE: To consolidate information on state and federal funding for services to nonpublic students.

PROGRAM DESCRIPTION: There are 11 programs providing services to nonpublic students/staff in Minnesota. For purposes of discussion, these programs are categorized by funding source, state or federal. The state-funded programs are further categorized into programs that provide state aid and programs that provide state income tax deductions. Additional information for the state-funded programs is provided in the appropriate program budgets.

I. State Funded Programs

A. State Aid Programs

1. Aid For Nonpublic Pupils (M.S. 123.931-123.937; also see Program 07-11)

School districts are required to provide nonpublic school pupils with textbooks, individualized instructional materials, and standardized tests, all of which must be secular in nature and cannot be used for religious instruction or worship. In addition, a district must provide the same health services to pupils of nonpublic schools as it provides to public school pupils. Nonpublic secondary pupils must also be offered guidance and counseling services by the public secondary schools.

A funding rate is established based on the statewide average expenditure per public pupil in the second prior school year. For the textbooks, instructional materials and standardized tests category, an inflation adjustment is included in determining the funding rate. The state reimburses the districts for their costs up to the amount of the funding rate multiplied by the number of nonpublic pupils served. Public schools are also allowed to claim an amount for their administrative costs. School districts are not required to expend an amount for nonpublic pupils which exceeds the amount of the state aid payments.

2. Shared Time Programs (M.S. 120.17 and 124.212; also see Program 01-01)

Nonpublic school pupils may be admitted by school districts to public school programs for part of the school day. These pupils earn shared-time foundation aid for the district.

PROGRAM DESCRIPTION: (Contd.)

School districts are required to provide special education programs for handicapped children. These programs must be made available to handicapped nonpublic school pupils, and the district receives shared-time foundation aid for these pupils.

3. Transportation Programs (M.S. 123.76-123.79); also see Program 02-01)

School districts are required to provide "equal transportation" to nonpublic school pupils. This means that the district within which a nonhandicapped pupil resides must provide transportation of the pupil to a nonpublic school within the district if he or she lives at least the same distance from the nonpublic school as public school students in the district who are transported to school. Public schools are also permitted to transport nonpublic school pupils to regular shared-time programs and must transport handicapped nonpublic school pupils to and from the facility where special education is provided. Public schools must also provide nonpublic school pupils with transportation within the district boundaries between the private school and public school or neutral site for the purpose of receiving health and guidance and counseling services to nonpublic school pupils.

4. Limited English Proficient Students (M.S. 126.261-126.269; also see Program 08-15)

The Education for Limited English Proficient (LEP) Students Act requires districts providing state-funded LEP programs to offer nonpublic school pupils access to the same programs on the same terms as public school pupils. In addition to counting nonpublic school pupils for purposes of teacher salary funding under the act, those pupils may also be counted by the district serving them for purposes of shared-time foundation aid.

EDUCATION AIDS

(Continuation)

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 12 NONPUBLIC PUPIL PROGRAMS SUMMARY

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

5. Chemical Dependency Program (M.S. 124.246; 126.031; also see Program 11-02)

School districts are required to develop a policy to minimize the extent and severity of chemical use problems. This program provides funds to districts to be used for in-service training for school staff, prevention programs including curriculum materials, community and parent awareness, problem identification programs, referral programs, and aftercare support programs. If the district program includes the participation of nonpublic school pupils, staff, or parents, district funding is increased accordingly.

6. Tobacco Use Prevention Program (M.S. 124.252; also see Program 11-04)

Each school district which institutes a tobacco use prevention program according to the criteria in state law, is eligible for state aid. The funds are provided to districts for in-service training for school staff, prevention programs including curriculum materials, community and parent awareness, and evaluation of curriculum and programs. If the district program includes the participation of nonpublic school pupils, staff, or parents, district funding is increased accordingly. State funds also are provided to the Minnesota Department of Education to provide technical assistance to districts for the development, implementation and evaluation of curriculum and programs. The state funding is provided through a portion of the proceeds of the cigarette tax that are credited to the Public Health Fund.

7. School Lunch Program (M.S. 124.646; also see Program 11-07)

State funds are used to meet matching requirements of the United States Department of Agriculture National School Lunch Program.

- B. State Income Tax Deductions (M.S. 290.089)

Taxpayers may deduct from gross income the amounts they spend for tuition, secular textbooks and transportation of dependents attending public or nonpublic elementary or secondary schools in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin. The maximum deductions are \$650 per dependent in grades K-6 and \$1,000 per dependent in grades 7-12.

PROGRAM DESCRIPTION: (Contd.)

II. Federal Funded Programs

- A. School Lunch Act and Child Nutrition Act (see Programs 11-07 through 11-11)

The state receives federal funds from the United States Department of Agriculture to provide better nutrition for students.

- B. Federal Block Grants (also see Program 12-05)

The Federal Block Grant program combines 30 smaller programs that previously were separately administered. The purpose of the block grant program is to make federal funds available to schools on a more equitable basis, while reducing the complexity of applications and reports.

- C. Federal Teacher Inservice (also see Program 04-08)

Title II of the Education for Economic Security Act provides funds to school districts for training and retraining of teachers to improve instruction in the areas of mathematics, science, foreign languages, and computer learning. Nonpublic school teachers must be ensured equitable participation in the program.

PROGRAM STATISTICS: Program funding estimates for the Nonpublic Pupil Programs are shown in Table 7-9.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
 AID: 12 NONPUBLIC PUPIL PROGRAMS SUMMARY

TABLE 7-9
 NONPUBLIC PUPIL PROGRAM FUNDING ESTIMATES UNDER CURRENT LAW

	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
<u>State Programs</u>					
A. State Programs					
1. Nonpublic Pupil Aids					
Texts/Instructional Materials	\$ 2,898,554	\$ 3,327,290	\$ 4,185,115	\$ 4,337,875	\$ 4,525,328
Health Services	1,079,712	1,136,452	1,202,825	1,404,641	1,561,060
Guidance Counseling Services	1,476,826	1,838,243	2,158,335	2,424,649	2,613,019
Administration	<u>264,308</u>	<u>315,099</u>	<u>377,314</u>	<u>408,358</u>	<u>434,970</u>
Total	5,719,402	6,617,084	7,923,589	8,575,523	9,134,377
2. Shared-Time Program	1,689,023	1,822,750	1,791,400	1,802,000	1,802,000
3. Pupil Transportation	15,200,000	15,800,000	16,400,000	16,700,000	17,000,000
4. Limited English Proficiency	60,000	20,000	20,000	20,000	20,000
5. Chemical Dependency	89,200	74,500	74,800	75,500	75,800
6. Tobacco Use Prevention	--	30,400	44,100	44,300	44,600
7. School Lunch Program	305,300	303,500	292,900	300,200	298,400
B. State Income Tax Deduction ^a	6,100,000	6,200,000	6,400,000	6,500,000	6,700,000
State Total	<u>\$29,162,925</u>	<u>\$30,868,234</u>	<u>\$32,946,789</u>	<u>\$34,017,523</u>	<u>\$35,075,177</u>

PROGRAM DESCRIPTION: (Contd.)

TABLE 7-9: (Contd.)

	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
<u>Federal Programs</u>					
A. School Lunch Act and Child Nutrition Act	\$ 2,422,000	\$ 2,502,000	\$ 2,684,000	\$ 2,788,000	\$ 2,898,000
B. Federal Block Grant	1,090,400	805,000	768,500	768,500	768,500
C. Federal Teacher Inservice	--	81,500	36,800	68,500	68,500
Federal Total	<u>3,512,400</u>	<u>3,388,500</u>	<u>3,489,300</u>	<u>3,625,000</u>	<u>3,735,000</u>
Grand Total	\$32,675,325	\$34,256,734	\$36,436,089	\$37,642,523	\$38,810,177
Nonpublic Pupils	92,822	90,224	90,919	91,669	92,084

^aThis is not a funding estimate. Rather, it is an estimate of the amount of tax revenue that would be realized if the deduction for K-12 education expenses was not in effect.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES
AID: 13 VOLUNTARY CHOICE PROGRAM AID
STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To facilitate a voluntary K-12 public school choice program by providing state aid to participating small school districts that lose pupils under the program. Districts with fewer than 750 actual pupil units that experience a net loss of students would qualify for state aid at a declining rate for a limited period of time.

GOVERNOR'S RECOMMENDATION: The Governor recommends the establishment of an aid to facilitate a voluntary K-12 public school choice program. In its first year of participation, a district would receive state aid based on the following calculation:

State Aid = (Formula Allowance + Tier Revenue per Actual Pupil Unit)
x (Net Reduction in Actual Pupil Units Due to Voluntary K-12
Choice Program)
x (750 - Weighted Average Daily Membership) ÷ 750

In its second year of participation, a district would receive 1/2 of the amount computed using the above formula. After the second year, districts would receive no additional state aid.

The Governor recommends a current appropriation of \$250,000 for F.Y. 1988 and \$250,000 for F.Y. 1989.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	250	250
Subtotal	0	0	0	0	250	250
Other Funds:	0	0	0	0	0	0
Total	0	0	0	0	250	250

PROGRAM: 07 EXPANDED STUDENT OPPORTUNITIES

AID: 14 DEVELOPMENTAL PROGRAMS FOR FOUR AND FIVE-YEAR-OLD CHILDREN

STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To develop pilot or demonstration programs to provide developmentally appropriate learning opportunities for four and five-year-old children who are considered potential "learners at risk" to enable them to benefit more equitably and fully from subsequent learning experiences. "At risk" factors include low income, non-English speaking and special needs, other than handicapping conditions encompassed by the Early Childhood Special Education legislation.

PROGRAM DESCRIPTION: As a subsequent step in the study process and based upon findings of the "Study of Programs to Meet the Developmental Needs of Young Children" conducted during 1985-86, authorized by Laws of Minnesota 1985, 1st Special Session, Chapter 12, Article 7, Section 30 and submitted to the Legislature February 1, 1986, pilot sites will be selected to experiment with a variety of services and approaches to address the educational and developmental needs of the children involved, and to enhance the capacity of their families to meet these needs. Pilots could include all-day kindergarten, supplementary kindergarten programs, programs for four-year-olds or other options, some of which are identified in the study report.

The pilot programs, funded on a competitive grant basis, will be evaluated and compared in terms of feasibility, cost-effectiveness in meeting the educational/developmental needs of the children, and the impact upon their families.

Pilot projects would provide evidence of:

1. Developmentally appropriate curriculum and activities.
2. Coordination with existing resources, both private and public.
3. Appropriately qualified staff with background in early childhood development and education, and experience in working with young children.
4. Parent/family involvement.
5. Suitable facilities and equipment.
6. Adequate staff/child ratios for young children.
7. Emphasis on "Whole-child approach."

Funding will be based upon need as documented in a competitive grant process. Application will be made to the Minnesota Department of Education. Number of projects to be funded will be determined by the quality and costs of proposals submitted. Both large and small grants will be considered.

Criteria for selection will include:

1. Effective coordination of resources.
2. Geographic representation throughout state.
3. Replicability.
4. Cost-effectiveness.
5. Contributions/commitment of applicant and others to be determined by the Department of Education and described in the request for proposals.

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$300,000 for F.Y. 1988 and \$350,000 for F.Y. 1989.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and Entitlement Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Recommendation</u>		
	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	0	0	0	300	350
<hr/> <i>Subtotal</i>	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 300	<hr/> 350
<i>Other Funds:</i>	0	0	0	0	0	0
<hr/> <i>Total</i>	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 300	<hr/> 350

SPECIAL PROGRAMS

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH
STATUTORY AUTHORIZATION: M.S. 120.03; 120.17; 275.125, SUBD. 8C, AND P.L.
94-142, EDUCATION FOR THE HANDICAPPED ACT, TITLE VI-B

For this budget presentation, the regular special education Program 08-01 excludes certain data on early childhood special education which is being shown separately for the first time in Program 08-06. This is to provide information related to the extension of special education services to a broader population. However, because program data are not collected separately, the following qualifications are noted.

In reporting number of staff, ancillary staff such as speech clinicians, psychologists, social workers, etc., are shown in the regular program although some of their caseload may include children aged 0-5 years. The amount of time devoted to serving such children is unknown. Also, the child counts for children aged 0-5 years are reported in both programs. This is because they may be served by staff reported in the regular program as well as by the specific staff reported in the early childhood program. It is generally assumed that the majority of children aged 0-5 years are served by the staff reported in Program 08-06.

PROGRAM OBJECTIVE: To provide funds to school districts/cooperatives to assure that appropriate special education services are provided to all handicapped children.

PROGRAM DESCRIPTION: State special education aid and P.L. 94-142 Flow-Through funds both serve the educational needs of the handicapped population. However, there are distinct differences in how they are administered to assure that objectives are met under each funding source.

I. State Special Education Aid

Minnesota Statutes section 120.03 and 120.17 define the type of handicapped children for which school districts must provide special education services. The costs of providing special education services to children vary depending on the severity of the child's disability. Some children may need special services only a few hours a week, while others with severe disabilities may need substantially more services. Table 8-1 provides information on the number of handicapped children by age and disability. Table 8-2 provides data on the number and percentage of handicapped children served by disability and level of service for the 1985-86 school year. The individual severity of any 1 of the 9 different handicapping conditions may require different levels of service. State Board of Education Rules provide for 6 different levels of services known as a "continuum of placement model" identified below:

Levels of Service:

1. In level 1, a pupil is placed in a regular classroom and does not require special education. This level includes assessment services, monitoring, observation, and follow-up.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	20,343	20,896	20,085	0	20,748	21,319
Current Year	112,281	111,615	115,443	0	118,629	107,380
Subtotal	132,624	132,511	135,528	0	139,377	128,699
Federal:	19,165	20,704	21,451	0	21,451	21,451
Total	151,789	153,215	156,979	0	160,828	150,150

PROGRAM DESCRIPTION: (Contd.)

2. In level 2, a pupil is placed in a regular classroom. Instruction and related services are provided indirectly through the regular teacher, teachers, parents, or other persons who have direct contact with the pupil. The consultation and indirect services include ongoing progress review; cooperative planning; demonstration teaching; modification and adaptation of the curriculum, supportive materials, and equipment; and direct contact with the pupil for monitoring, observation, and follow-up.
3. In level 3, a pupil receives direct instruction from a teacher, or related services from a related-services staff member for less than one-half of the day. Consultation and indirect services are included.
4. In level 4, a pupil receives direct instruction from a teacher for one-half day, to less than full-time. Consultation and indirect services are included.
5. In level 5, a pupil receives full-time direct instruction from a teacher within a district building, day school, or special station or facility. Integrated activities solely for socialization or enrichment, and related services are excluded when determining full-time. Consultation and indirect services are included.
6. In level 6, a pupil is placed in a residential facility and receives direct instruction from a teacher. Consultation and indirect services are included.

Table 8-4 provides information on full-time equivalent (FTE) staff by disability and by funding source, state and local or federal. State special education aids are not paid on federally funded positions.

Minnesota school districts are provided with 4 types of state special education aid to meet the costs of delivering special education services.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM DESCRIPTION: (Contd.)

1. Aid For Salaries of Essential Personnel (M.S. 124.32, subd. 1): Minnesota provides a state payment for the salaries of essential special education personnel. Essential personnel are defined as special education teachers, supervisors, directors, related services and support services personnel such as social workers, psychologists, management aides, interpreters and brail-lists. Department approval of programs, personnel and budgets is required (M.S. 124.32, subd. 7). The formula for payment of aid for essential personnel for each year is as follows:

- a. F.Y. 1985 - 70% of salary
- b. F.Y. 1986 - Lesser of 70% of salary or \$19,500
- c. F.Y. 1987 - Lesser of 70% of salary or \$19,500

Beginning with the levy payable in 1986, a district may levy an amount equal to the difference between 70% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For cooperatives and intermediate districts, the levy is made by member districts in an amount equal to the portion allocated of this difference.

Table 8-3 provides information on total district expenditures and total state aid for personnel by fiscal year.

2. Aid For Supplies And Equipment (M.S. 124.32, subd. 2): State aid is provided for the costs of special instructional supplies and equipment necessary to provide special education services to handicapped children. The supplies and equipment are limited to those items which are in addition, or supplementary to those items normally provided to pupils in the regular education program. The formula for determining the amount of aid is 50% of the costs of the supplies and equipment, not to exceed the average of \$50 per handicapped pupil served. Table 8-3 provides information on total district expenditures and total state aid for supplies and equipment by fiscal year.
3. Aid For Contracted Services (M.S. 124.32, subd. 1d): School districts are authorized to purchase services for handicapped pupils from public and private agencies. When districts choose this option, state aid is paid on the basis of 55% of the difference between the contracted cost and the foundation formula allowance for the pupil. Table 8-3 provides information on total district expenditures, and total state aid for contracted service by fiscal year.

PROGRAM DESCRIPTION: (Contd.)

4. Special Pupil Aid (M.S. 124.32, subd. 6): In cases where a handicapped pupil's parental rights have been terminated by court order, or whose parents do not reside within the State of Minnesota, or no other school district residence can be established, the state pays the full educational cost for such pupils who reside in a public or private residential facility. The law provides aid to cover the remaining costs of educating such pupils, after all other state aids have been deducted. Table 8-3 provides information on the total expenditures for special pupils, and the total state aid by fiscal year.

II. P.L. 94-142 Flow-Through Funding

Minnesota receives an annual federal grant, upon approval of a state plan based on an unduplicated child count of handicapped children served on December 1 of the prior school term. The state is required to flow through a minimum of 75% of the state grant as entitlement to the local school districts, and 20% of the grant may be used as discretionary funds for state-initiated projects designed to equalize services throughout the state and meet other requirements of the federal law. The state may retain 5% of the grant for state administration of the program.

In order to be eligible for the grant, the state must submit a 3-year plan that ensures that all handicapped children are identified and receive an appropriate education program. More specific requirements include nondiscriminatory testing, educating handicapped children with nonhandicapped children to the extent appropriate, parental involvement in decisions relating to the education of handicapped children, and due process safeguards for protecting the rights of handicapped children.

The state is currently allocating 90% of the grant to school districts as entitlement funds based on the child count of the district. In order to be eligible to receive funds, a district must have an entitlement of at least \$7,500. However, districts are encouraged to submit consolidated applications through special education cooperatives to access the entitlement funds. All districts have been able to access their entitlement funds through the consolidated application procedure. The funds cannot be used to supplant state and local funds for special education purposes. The types of expenditures for which the funds are used are similar to local and state expenditures, e.g., staff costs, supplies, equipment, personnel development, etc. Minnesota Department of Education policy prohibits these funds from generating state special education aid.

EDUCATION AIDS
(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

The state discretionary funds, currently 5% of the grant, are used to fund state-initiated projects on a regional basis to equalize the availability of special education services throughout the state. Projects currently funded include planning and the provision of regional low incidence services for vision and hearing impaired, and physically and other severely handicapped children. Other projects include funding the costs of implementing regional personnel development plans for each of the Educational Cooperative Service Units (ECSUs), a statewide effort to improve services for emotionally disturbed children through an ECSU-based project using regional Emotional/Behavioral Disorders (E/BD) facilitators, and to fund some special projects which potentially have a state-wide impact on special education programs.

Table 8-5 provides information on the amount of the grant and the expenditures of entitlement and discretionary funds by fiscal year.

Child counts reported in Table 8-6 are numbers served by disability as reported on the annual federal unduplicated child count, plus the state category of children receiving adaptive physical education services.

PROGRAM STATISTICS:

TABLE 8-1
NUMBER OF HANDICAPPED CHILDREN BY AGE AND BY DISABILITY

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Speech Handicapped	0-2	130	106	108	110	111
	3	390	416	561	680	720
	4-5	5,082	4,843	4,891	4,940	4,989
	6-11	12,014	11,861	11,979	12,098	12,219
	12-21	1,603	1,637	1,653	1,670	1,687
	Total	19,219	18,863	19,192	19,498	19,726
2. Educable Mentally Retarded	0-2	76	76	78	79	80
	3	86	126	170	206	218
	4-5	449	564	570	576	582
	6-11	3,112	3,040	3,070	3,101	3,132
	12-21	5,380	4,859	4,908	4,957	5,006
	Total	9,103	8,665	8,796	8,919	9,018

PROGRAM STATISTICS: (Contd.)

TABLE 8-1: (Contd.)

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
3. Trainable Mentally Retarded	0-2	51	46	48	49	50
	3	33	31	42	51	54
	4-5	331	322	325	328	331
	6-11	1,078	1,141	1,152	1,164	1,176
	12-21	2,314	2,240	2,262	2,285	2,308
	Total	3,807	3,780	3,829	3,877	3,919
4. Physically Handicapped	0-2	89	107	109	110	111
	3	43	61	81	98	104
	4-5	293	211	213	215	217
	6-11	633	624	630	637	643
	12-21	409	475	480	485	489
	Total	1,467	1,478	1,513	1,545	1,564
5. Hearing Impaired	0-2	58	45	46	47	48
	3	57	54	73	89	94
	4-5	157	146	148	149	151
	6-11	630	624	630	637	643
	12-21	492	527	532	538	543
	Total	1,394	1,396	1,429	1,460	1,479
6. Visually Impaired	0-2	29	42	43	44	45
	3	15	21	28	34	36
	4-5	41	53	54	55	56
	6-11	158	148	149	151	153
	12-21	169	154	156	157	159
	Total	412	418	430	441	449
7. Learning Disabled	0-2	21	49	50	51	52
	3	49	34	46	56	59
	4-5	896	795	803	811	819
	6-11	15,718	16,496	16,661	16,828	16,996
	12-21	19,972	19,409	19,603	19,799	19,997
	Total	36,656	36,783	37,163	37,545	37,923

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM STATISTICS: (Contd.)

TABLE 8-1: (Contd.)

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
8. Emotionally Disturbed	0-2	3	3	4	5	6
	3	10	13	17	21	22
	4-5	221	251	254	256	259
	6-11	1,967	2,257	2,483	2,731	2,868
	12-21	5,465	6,333	6,966	7,315	7,680
	Total	7,666	8,857	9,724	10,328	10,835
9. Adaptive Physical Education	0-2	-	3	4	5	6
	3	-	13	30	40	50
	4-5	-	239	241	244	246
	6-11	-	3,264	3,297	3,330	3,363
	12-21	-	2,711	2,738	2,765	2,793
	Total	-	6,230	6,310	6,384	6,458
10. Autistic	0-2	-	1	2	3	4
	3	-	3	4	4	5
	4-5	25	25	26	27	27
	6-11	74	72	73	74	75
	12-21	60	51	52	52	53
	Total	159	152	157	160	164
11. Deaf and Blind	0-2	1	4	5	6	7
	3	3	1	1	2	2
	4-5	6	3	4	5	6
	6-11	15	3	4	5	6
	12-21	18	10	13	13	13
	Total	43	21	27	31	34

PROGRAM STATISTICS: (Contd.)

TABLE 8-1: (Contd.)

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
12. Other Health Impaired	0-2	62	35	36	37	38
	3	19	35	48	58	62
	4-5	117	138	140	142	143
	6-11	281	325	328	341	345
	12-21	244	319	322	325	329
	Total	723	852	874	903	917
Totals	0-2	520	517	533	546	558
	3	705	808	1,101	1,339	1,426
	4-5	7,618	7,590	7,669	7,748	7,826
	6-11	35,680	39,855	40,456	41,097	41,619
	12-21	36,126	38,725	39,685	40,361	41,057
	Total	80,649	87,495	89,444	91,091	92,486

TABLE 8-2
PERCENT OF HANDICAPPED CHILDREN BY DISABILITY AND EDUCATIONAL SETTING
F.Y. 1986
(Excludes Adaptive Physical Education and Autistic)

Disability	Age	F.Y. 1986	Level 2 Percent Regular Class Indirect Service	Level 3 Percent Regular Class Limited Service	Level 4 Percent Special Class Majority Of Time	Level 5 Percent Separate Class/ School Full-Time	Level 6 Percent Residential Facility
1. Speech Handicapped	0-3	522	13%	24%	5%	58%	-%
	4-5	4,843	12	49	8	32	-
	6-11	11,861	20	76	2	1	-
	12-21	1,637	26	69	2	-	3
	0-21	18,863	18	67	4	11	-
	Total						
2. Educable Mentally Retarded	0-3	202	4	1	2	93	-
	4-5	564	4	10	14	75	1
	6-11	3,040	2	49	38	12	-
	12-21	4,859	3	50	38	9	1
	0-21	8,665	2	46	36	16	-
	Total						

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM STATISTICS: (Contd.)

TABLE 8-2: (Contd.)

Disability	Age	F.Y. 1986	Level 2 Percent Regular Class Indirect Service	Level 3 Percent Regular Class Limited Service	Level 4 Percent Special Class Majority Of Time	Level 5 Percent Separate Class/ School Full-Time	Level 6 Percent Residential Facility
3. Trainable Mentally Retarded	0-3 4-5 6-11 12-21 0-21	77 322 1,141 2,240 3,780	3 - - - -	- 1 1 1 1	4 7 14 10 11	91 90 82 83 84	3 2 3 6 5
4. Physically Handicapped	0-3 4-5 6-11 12-21 0-21	168 211 624 475 1,478	6 9 19 21 15	5 19 58 51 44	3 11 8 5 7	84 60 17 15 30	2 1 2 8 4
5. Hearing Impaired	0-3 4-5 6-11 12-21 0-21	99 146 624 527 1,396	13 11 34 32 29	22 21 40 41 37	16 17 10 13 13	45 51 15 19 19	3 - 1 6 3
6. Visually Impaired	0-3 4-5 6-11 12-21 0-21	63 53 148 154 418	22 26 48 47 41	3 23 45 38 33	3 8 2 1 2	71 43 4 6 20	- - 1 7 3
7. Learning Disabled	0-3 4-5 6-11 12-21 0-21	83 795 16,496 19,409 36,783	8 5 10 16 13	6 14 82 80 77	- 10 6 7 6	85 51 2 1 3	- - - - -

PROGRAM STATISTICS: (Contd.)

TABLE 8-2: (Contd.)

Disability	Age	F.Y. 1986	Level 2 Percent Regular Class Indirect Service	Level 3 Percent Regular Class Limited Service	Level 4 Percent Special Class Majority Of Time	Level 5 Percent Separate Class/ School Full-Time	Level 6 Percent Residential Facility
8. Emotionally Disturbed	0-3 4-5 6-11 12-21 0-21	16 251 2,257 6,333 8,857	- 9 15 8 10	- 7 40 46 43	6 12 20 11 13	94 71 21 19 21	- 1 5 17 13
9. Deaf and Blind	0-3 4-5 6-11 12-21 0-21	5 3 3 10 21	- - - - -	20 - - 40 24	- - - 10 5	60 100 66 20 48	20 - 33 30 24
10. Other Health Impaired	0-3 4-5 6-11 12-21 0-21	70 138 325 319 852	3 5 26 30 22	7 20 41 31 30	1 5 7 4 5	73 76 21 22 35	16 1 5 12 8
Totals	0-3 4-5 6-11 12-21 0-21	1,305 7,326 36,519 35,963 81,113	9% 10 13 13 13	13% 37 71 61 62	4% 9 9 11 10	71% 45 7 11 13	2% - 1 4 2

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM STATISTICS: (Contd.)

TABLE 8-3
DISTRICT EXPENDITURES AND STATE AID EARNED
(Excludes Early Childhood Program reported in Program 08-07)

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
State Special Education Regular Term										
1. <u>Personnel</u>										
Salaries below \$27,857:										
Existing Staff			6,889	\$120,309,571	6,723	\$113,481,000	7,020	\$117,891,185	7,232	\$125,654,819
New Staff			333	5,494,500	297	5,219,033	212	3,725,370	69	1,212,503
Total			7,222	125,804,071	7,020	118,700,033	7,232	121,616,555	7,301	126,867,322
Aid Earned at 70%				88,062,850		83,090,023		85,131,589		88,807,125
Salaries above \$27,857:										
Existing Staff			2,368	82,116,286	2,867	98,370,000	2,867	98,370,000	2,867	98,370,000
New Staff			--	--	--	--	--	--	--	--
Total			2,368	82,116,286	2,867	98,370,000	2,867	98,370,000	2,867	98,370,000
Aid Earned at \$19,500 per FTE				46,176,000		55,906,500		55,906,500		55,906,500
Total Expenditures	9,257	\$186,832,181	9,590	207,920,357	9,887	217,070,033	10,099	219,986,555	10,168	225,237,322
Total Salary Aid Earned		130,423,818		134,238,850		138,996,523		141,038,089		144,713,625
2. <u>Supplies and Equipment</u>										
District Expenditures		4,096,358		4,226,560		4,311,091		4,397,313		4,485,259
Aid Earned at 50% (not to exceed \$50 per child)		2,047,953		2,113,280		2,155,546		2,198,656		2,242,630
3. <u>Contracted Services</u>										
District Expenditures		992,000		1,072,270		1,093,715		1,115,589		1,137,901
Foundation Aid Formula Allowance		(370,333)		(349,943)		(357,943)		(365,102)		(372,404)
Difference		621,667		722,327		735,772		750,487		765,497
Aid Earned at 55%		373,000 ^a		397,280		404,675		412,768		421,023

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM STATISTICS: (Contd.)

TABLE 8-3: (Contd.)

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
State Special Education Regular Term										
4. <u>Special Pupils</u>										
District Expenditures		\$ 672,175		\$ 719,227		\$ 765,977		\$ 765,977		\$ 765,977
Foundation Aid Formula Allowance and other Aids Earned		<u>(339,931)</u>		<u>(359,613)</u>		<u>(390,648)</u>		<u>(390,648)</u>		<u>(390,648)</u>
Aid Earned		332,244		359,614		375,329		375,329		375,329
5. <u>Totals</u>										
District Expenditures		192,592,714		213,938,414		223,240,816		226,265,434		231,626,459
State Aid Earned		133,177,015		137,109,024		141,932,073		144,024,842		147,752,607
6. <u>Special Education Levy</u>										
Total Salaries above \$27,857				82,116,286		98,370,000		98,370,000		98,370,000
Times 70% (Formula)				57,481,400		68,859,000		68,859,000		68,859,000
Aid Limited to \$19,500 cap				<u>(46,176,000)</u>		<u>(55,906,500)</u>		<u>(55,906,500)</u>		<u>(55,906,500)</u>
Levy Authority				11,305,400		12,952,500		12,952,500		12,952,500

^aThe aid formula for F.Y. 1985 is 60%.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

PROGRAM STATISTICS: (Contd.)

TABLE 8-4
FULL-TIME EQUIVALENT (FTE) STAFF
BY DISABILITY, BY FUNDING SOURCE

(Excludes Early Childhood Noncategorical staff which are reported in Program 08-07)

<u>Disability</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
1. Speech Impaired					
State	873	887	893	909	924
Federal	28	37	39	43	43
Total	<u>901</u>	<u>924</u>	<u>932</u>	<u>952</u>	<u>967</u>
2. Educable Mentally Retarded					
State	1,240	1,321	1,334	1,357	1,355
Federal	24	36	37	38	38
Total	<u>1,264</u>	<u>1,357</u>	<u>1,371</u>	<u>1,395</u>	<u>1,393</u>
3. Trainable Mentally Retarded					
State	1,412	1,411	1,427	1,438	1,445
Federal	24	32	33	33	33
Total	<u>1,436</u>	<u>1,443</u>	<u>1,460</u>	<u>1,471</u>	<u>1,478</u>
4. Physically Handicapped					
State	345	351	373	385	392
Federal	22	19	19	19	19
Total	<u>367</u>	<u>370</u>	<u>392</u>	<u>404</u>	<u>411</u>
5. Hearing Impaired					
State	161	166	176	182	186
Federal	10	11	11	11	11
Total	<u>171</u>	<u>177</u>	<u>187</u>	<u>193</u>	<u>197</u>
6. Visually Impaired					
State	40	44	47	53	55
Federal	3	5	6	6	6
Total	<u>43</u>	<u>49</u>	<u>53</u>	<u>59</u>	<u>61</u>
7. Learning Disabled					
State	2,557	2,681	2,711	2,734	2,755
Federal	59	68	68	68	68
Total	<u>2,616</u>	<u>2,749</u>	<u>2,779</u>	<u>2,802</u>	<u>2,823</u>

PROGRAM STATISTICS: (Contd.)

TABLE 8-4: (Contd.)

<u>Disability</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
8. Emotional Behavior Disorders					
State	1,043	1,168	1,308	1,396	1,404
Federal	75	82	82	82	82
Total	<u>1,118</u>	<u>1,250</u>	<u>1,390</u>	<u>1,478</u>	<u>1,486</u>
9. Autistic					
State	55	55	60	62	63
Federal	11	12	12	12	12
Total	<u>66</u>	<u>67</u>	<u>72</u>	<u>74</u>	<u>75</u>
10. Other Essential Personnel					
a. Directors & Assistants					
State	91	95	96	97	97
Federal	4	6	6	6	6
Total	<u>95</u>	<u>101</u>	<u>102</u>	<u>103</u>	<u>103</u>
b. Supervisors & Lead Teachers					
State	240	249	251	253	255
Federal	14	30	34	34	34
Total	<u>254</u>	<u>279</u>	<u>285</u>	<u>287</u>	<u>289</u>
c. Social Workers & Aides					
State	356	393	405	413	417
Federal	22	34	34	34	34
Total	<u>378</u>	<u>427</u>	<u>439</u>	<u>447</u>	<u>451</u>
d. Psychologists					
State	270	274	283	290	293
Federal	37	44	44	44	44
Total	<u>307</u>	<u>318</u>	<u>327</u>	<u>334</u>	<u>337</u>
e. Adaptive Physical Education					
State	143	156	158	158	160
Federal	21	27	27	27	27
Total	<u>164</u>	<u>183</u>	<u>185</u>	<u>185</u>	<u>187</u>
f. Occupational Therapists					
State	103	53	56	57	58
Federal	34	7	7	8	8
Total	<u>137</u>	<u>60</u>	<u>63</u>	<u>65</u>	<u>66</u>

EDUCATION AIDS

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 8-4: (Contd.)

Disability	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
g. Nurses					
State	78	118	119	119	119
Federal	1	31	31	31	31
Total	<u>79</u>	<u>149</u>	<u>150</u>	<u>150</u>	<u>150</u>
h. Other					
State	250	173	190	190	190
Federal	205	146	160	160	160
Total	<u>455</u>	<u>319</u>	<u>350</u>	<u>350</u>	<u>350</u>
Statewide Totals					
State	9,257	9,590	9,887	10,099	10,168
Federal	594	627	650	656	656
Totals	<u>9,851</u>	<u>10,217</u>	<u>10,537</u>	<u>10,775</u>	<u>10,824</u>

TABLE 8-5

EHA, TITLE VI-B, FEDERAL ENTITLEMENT GRANT (P.L. 94-142)

	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Districts	436	435	435	435	435
Total Grant Funds	\$20,173,856	\$21,793,425	\$22,577,818	\$22,577,818	\$22,577,818

Expenditures:

Flow-Through Grants	\$17,626,050	\$18,027,675	\$18,244,125	\$18,244,125	\$18,244,125
Discretionary Grants	\$ 1,539,113	\$ 2,676,079	\$ 3,206,612	\$ 3,206,612	\$ 3,206,612
Total Expenditures	<u>\$19,165,163</u>	<u>\$20,703,754</u>	<u>\$21,450,737</u>	<u>\$21,450,737</u>	<u>\$21,450,737</u>

Note: Due to carryover provisions, annual expenditures may differ from entitlement.

PROGRAM EFFECTIVENESS:

TABLE 8-6
NUMBER OF HANDICAPPED CHILDREN SERVED BY AGE

Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
0-2	520	517	533	546	558
3	705	808	1,101	1,339	1,426
4-5	7,618	7,590	7,669	7,748	7,826
6-11	35,680	39,855	40,456	41,097	41,619
12-21	<u>36,126</u>	<u>38,725</u>	<u>39,685</u>	<u>40,361</u>	<u>41,057</u>
Total	80,649	87,495	89,444	91,091	92,486

ANNUAL ENTITLEMENT AND FUNDING:

State Special Education - Regular Term	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Regular - Pro-rated Entitlement		131,340,121	135,815,315		
Plus Proration		5,409,289	5,741,429		
Amount					
Total Regular Program	<u>132,844,771</u>	<u>136,749,410</u>	<u>141,556,744</u>	<u>139,563,531</u>	<u>126,328,932</u>
Special Pupil	332,244	359,614	375,329	384,712	394,330
Net Aid Entitlement	<u>\$133,177,015</u>	<u>\$137,109,024</u>	<u>\$141,932,073</u>	<u>\$139,948,243</u>	<u>\$126,723,262</u>

B) PROGRAM FUNDING:^a

Current Appropriation	100,182,650	111,614,825	115,443,018	118,629,001	107,379,592
Deficiency Appropriation	12,100,300				
Final Adjust Appropriation	19,814,950	20,084,910	21,608,841 ^b	21,319,242	19,343,670

Category		
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in students served and district expenditures for:		
Staff salaries	2,041,566	5,717,102
Supplies and equipment	43,110	87,084
Contracted services	8,093	16,348
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$144,024,842	\$147,752,607
4. Proposed Policy Changes:		
- Modified funding formula including inflation adjustment of 2.5% per year	(4,076,599)	(21,029,345)
5. Total Entitlement	\$139,948,243	\$126,723,262
GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications to special education funding:		
1. The current unequalized levy should be terminated in F.Y. 1989.		
2. The current salary-based funding formula should be terminated in F.Y. 1988.		
3. A new method of allocating special education revenues among school districts should be implemented in F.Y. 1988. The new method should have these characteristics:		
a) It should establish for each disability category, level-of-service, and age group an approximate per child cost rate reflecting the costs of providing special education.		
b) It should incorporate explicit assumptions about the amount of foundation revenue to be considered an offset to the cost rates for each disability, age, and level-of-service category.		
c) The new method should base a school district's revenue on <u>actual</u> or <u>predicted</u> childcounts, depending on statewide incidence.		

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

		Governor's Recommendation			
State Special Education - Actual Regular Term		F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988 F.Y. 1989
B) PROGRAM FUNDING (Contd.)					
Appropriation	1,200,000				
Transfer In, M.S. 124.14					
Deficiency Approp- riation Request		5,409,289	4,880,214 ^c		
Total	\$133,297,900	\$137,109,024	\$141,932,073	\$139,948,243	\$126,723,262
C) FISCAL ACTIVITY					
State Payments	133,177,015	131,699,735	137,051,859	139,948,243	126,723,262
State Payments Pending		5,409,289	4,880,214		
Cancellation	120,885				
Total	\$133,297,900	\$137,109,024	\$141,932,073	\$139,948,243	\$126,723,262

^aFor purposes of budget presentation, funding deficiencies are shown in total and no portion is allocated to the Early Childhood component reported in Program 08-06.
^bFifteen percent of net entitlement for regular programs, including \$861,215 related to deficiency in regular aid; plus \$375,329 for Special Pupil Aid.
^cCurrent 85% account (85% of net entitlement for regular programs less \$115,443,018 current appropriation).

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$141,932,073	\$141,932,073

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 01 SPECIAL EDUCATION - STATE GENERAL FUND AND FEDERAL FLOW-THROUGH

GOVERNOR'S RECOMMENDATION: (Contd.)

4. An equalized levy of \$30 million should be established in F.Y. 1989 as a component of special education revenues. The "revenue equity" provision shall be applied to this levy.
5. The categorical aid for supplies and equipment should be terminated. Recommendations in other parts of this budget enhance funding and equalization in the capital expenditure aid and levy program.
6. The new method of allocating special education revenues among schools should provide flexibility to the Department of Education to establish, as necessary, additional disability categories and special cost rates for very rare handicapping conditions that require more resources than those assumed for the existing categories.
7. School districts should be held harmless at their F.Y. 1987 level for loss of revenue attributable to changes in funding special education personnel.

The Governor recommends an appropriation of \$139,376,627 in F.Y. 1988 (\$20,747,626 for F.Y. 1987 and \$118,629,001 for F.Y. 1988) and \$128,698,834 in F.Y. 1989 (\$21,319,242 for F.Y. 1988 and \$107,379,592 for F.Y. 1989). This appropriation, in combination with the recommended equalized levy, will provide an inflation adjustment of 2.5% per year in special education revenues.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 02 SPECIAL EDUCATION - FEDERAL TEACHER TRAINING/LEADERSHIP

STATUTORY AUTHORIZATION: EDUCATION OF THE HANDICAPPED ACT, TITLE VI-D

PROGRAM OBJECTIVE: To assist states in providing training for special education staff, school administrators, and parents of handicapped children.

PROGRAM DESCRIPTION: Funds are available to the Minnesota Department of Education (MDE), based on the approval of a 3-year state plan with annual revisions for the use of the funds. Prior to F.Y. 1982, the funds were primarily used to provide in-service training to teachers, parents, supervisors, and administrators of special education programs. Beginning in F.Y. 1982, the funds have been allocated to the Educational Cooperative Service Units (ECSUs) for conducting regional needs assessments and for developing implementation plans for personnel development within the ECSU regions. The funds are used to pay the costs of the regional committees responsible for developing the plans and to assist the ECSUs in facilitating and coordinating the activities.

In F.Y. 1984, the state received a 3-year leadership training grant for special education directors and MDE special education staff. Each year, 25 participants received training. The grant was not funded for F.Y. 1987. Table 8-7 provides information on the amount of the grants by year.

TABLE 8-7
EHA TITLE VI-D, TEACHER TRAINING AND LEADERSHIP

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
Teacher Training Grant	\$ 80,000	\$ 80,000	\$97,782	\$50,000	\$50,000
Leadership Grant (3-year grant)	<u>96,600</u>	<u>96,600</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$176,600	\$176,600	\$97,782	\$50,000	\$50,000

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	177	177	98	0	50	50
Total	177	177	98	0	50	50

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 03 SPECIAL EDUCATION - SUMMER SCHOOL

STATUTORY AUTHORIZATION: M.S. 124.32, SUBD. 10; 275.125, SUBD. 8c

PROGRAM OBJECTIVE: To provide state special education aid to school districts for special educational services to handicapped children in summer school programs.

PROGRAM DESCRIPTION: Special education summer programs are permissive rather than mandatory, and M.S. 124.32, subd. 10, authorizes aid to be paid to school districts offering the program. The type of services eligible for aid are similar to those services provided during the regular school term. The aid, however, is prorated consistent with the reduced school term. The reimbursement formulas for calculation of aid are the same formulas used for the regular school term prior to the summer term. The aid is paid as a reimbursement in the school year following the summer school term.

For the 1983 and 1984 summer school programs, only handicapped students served at levels 4, 5, or 6 could be included in the computation of summer school pupil units for the purpose of computing summer school foundation aid. Special education summer school aid was available to all levels of service.

Beginning with 1985 summer school programs, the legislative restriction relating to handicapped students at service levels 4, 5, or 6 only was removed, but the local district summer school levy requirement was continued for foundation aid eligibility. Special education summer school aid is available to handicapped students at all levels of service.

Beginning with the payable 1986 levy, a district may levy an amount equal to the difference between 70% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For cooperatives and intermediate districts, the levy is made by member districts in an amount equal to their allocated portion of this difference.

The following program statistics show that the summer programs have grown substantially over 1984. This is due to the removal of the restriction noted above, and to additional interest by parents for instruction services to avoid possible regression from gains made by students during the regular school term.

PROGRAM STATISTICS: Table 8-8 provides information on the number of handicapped children served by disability and age. Table 8-9 provides information on the number of special education staff by disability employed by districts for summer school programs. Table 8-10 provides information on the number of districts receiving aid, the total district expenditures by type and the total aid by type.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	4,084	4,239	4,053	0	5,644	6,357
Subtotal	4,084	4,239	4,053	0	5,644	6,357
Other Funds:	0	0	0	0	0	0
Total	4,084	4,239	4,053	0	5,644	6,357

PROGRAM STATISTICS: (Contd.)

TABLE 8-8
SPECIAL EDUCATION SUMMER SCHOOL
NUMBER OF HANDICAPPED PUPILS SERVED (DUPLICATE COUNT)

		Actual F.Y. 1985 1984	Actual F.Y. 1986 1985	Estimated F.Y. 1987 1986	Estimated F.Y. 1988 1987	Estimated F.Y. 1989 1988
SUMMER SESSION						
Disability	Ages					
Speech	0-4	637	513	769	884	1,018
	5-11	1,750	3,237	3,302	3,335	3,368
	12-21	656	699	706	713	720
	TOTAL	3,043	4,449	4,777	4,932	5,106
Educable Mentally Handicapped	0-4	9	23	35	40	46
	5-11	1,217	1,928	1,947	1,966	1,986
	12-21	662	875	884	893	902
	TOTAL	1,888	2,826	2,866	2,899	2,934
Trainable Mentally Handicapped	0-4	10	24	36	41	48
	5-11	1,506	1,987	2,007	2,027	2,047
	12-21	1,443	1,437	1,451	1,466	1,481
	TOTAL	2,959	3,448	3,494	3,534	3,576
Physically Handicapped	0-4	14	17	25	29	34
	5-11	137	344	347	351	354
	12-21	37	102	103	104	105
	TOTAL	188	463	475	484	493
Hearing Impaired	0-4	12	37	56	64	74
	5-11	319	345	348	352	355
	12-21	43	70	71	71	72
	TOTAL	374	452	475	487	501

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 03 SPECIAL EDUCATION - SUMMER SCHOOL

PROGRAM STATISTICS: (Contd.)

PROGRAM STATISTICS: (Contd.)

TABLE 8-8: (Contd.)

SUMMER SESSION (Contd.)		Actual F.Y. 1985 1984	Actual F.Y. 1986 1985	Estimated F.Y. 1987 1986	Estimated F.Y. 1988 1987	Estimated F.Y. 1989 1988
<u>Disability</u>	<u>Ages</u>					
Visually Impaired	0-4	2	4	6	7	8
	5-11	76	106	107	108	109
	12-21	37	51	52	52	53
	TOTAL	115	161	165	167	170
Learning Disabled	0-4	32	68	102	117	135
	5-11	2,098	3,576	3,612	3,648	3,684
	12-21	1,536	2,193	2,215	2,237	2,259
	TOTAL	3,666	5,837	5,929	6,002	6,078
Adaptive Physical Education	0-4	20	22	33	38	44
	5-11	476	478	483	488	492
	12-21	288	285	288	291	294
	TOTAL	784	785	804	817	830
Emotionally Disturbed	0-4	2	2	3	3	4
	5-11	522	709	716	723	730
	12-21	1,070	1,611	1,627	1,643	1,660
	TOTAL	1,594	2,322	2,544	2,809	2,950
Early Childhood Handicapped	0-4	953	1,002	1,503	1,728	1,988
	5	266	366	370	373	377
	TOTAL	1,219	1,368	1,873	2,101	2,365
Autistic	0-4	11	10	15	17	20
	5-11	112	322	325	328	332
	12-21	12	27	27	28	28
	TOTAL	135	359	367	373	380
Other	0-4	4	2	3	3	4
	5-11	317	--	8	8	8
	12-21	111	8	8	8	8
	TOTAL	432	10	19	19	20
TOTALS		16,397	22,480	23,788	24,624	25,403

TABLE 8-9
SUMMER SCHOOL STAFF BY DISABILITY (POSITION COUNT)

SUMMER SESSION	Actual F.Y. 1985 1984	Actual F.Y. 1986 1985	Estimated F.Y. 1987 1986	Estimated F.Y. 1988 1987	Estimated F.Y. 1989 1988
<u>Disability</u>					
Speech Impaired	229	344	367	378	378
Educable Mentally Handicapped	372	456	463	467	467
Trainable Mentally Handicapped	1,039	1,300	1,318	1,309	1,309
Physically Handicapped	137	205	210	210	212
Hearing Impaired	80	95	100	108	108
Visually Impaired	24	39	40	41	42
Learning Disabled	449	754	766	769	769
Emotionally Disturbed	259	483	529	573	580
Autistic	36	37	38	40	40
Early Childhood (Non-categorical)	244	297	325	359	388
Directors & Assistants	93	98	96	96	96
Supervisors and Lead Teachers	162	196	198	198	198
Social Workers and Aides	153	170	175	180	180
Psychologists	102	119	125	125	125
Adaptive Physical Education	44	46	47	48	49
Other	338	13	14	15	18
TOTAL	3,761	4,652	4,811	4,916	4,959

EDUCATION AIDS

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 03 SPECIAL EDUCATION - SUMMER SCHOOL

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 8-10
DISTRICT EXPENDITURES AND STATE AID EARNED

	Actual 1984 Paid F.Y. 1985		Actual 1985 Paid F.Y. 1986		Estimated 1986 Paid F.Y. 1987		Estimated 1987 Paid F.Y. 1988		Estimated 1988 Paid F.Y. 1989	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
	\$		\$		\$		\$		\$	
1. Personnel										
FTE salaries below \$27,857:										
Existing Staff					330	5,141,000	350	5,516,000	363	5,726,000
New Staff					20	318,000	13	210,000	5	86,000
Total					350	5,459,000	363	5,726,000	368	5,812,000
Aid Earned at 70%						3,821,300		4,008,200		4,068,400
FTE salaries above \$27,857:										
Existing Staff					71	2,680,000	71	2,680,000	71	2,680,000
New Staff					--	--	--	--	--	--
Total					71	2,680,000	71	2,680,000	71	2,680,000
Aid Earned at \$19,500 Per FTE						1,380,000		1,380,000		1,380,000
Total Salary Expenditures	327	5,647,063	391	7,363,000	421	8,139,000	434	8,406,000	439	8,492,000
Total Salary Aid Earned		3,951,168		5,110,413		5,201,300		5,388,200		5,448,400
2. Supplies and Equipment										
District Expenditures		94,848		162,610		169,114		175,879		182,914
Aid Earned at 50%		47,424		80,805		84,557		87,940		91,457
(Not to exceed \$50 per child)										

PROGRAM STATISTICS: (Contd.)

TABLE 8-10: (Contd.)

	Actual 1984 Paid F.Y. 1985		Actual 1985 Paid F.Y. 1986		Estimated 1986 Paid F.Y. 1987		Estimated 1987 Paid F.Y. 1988		Estimated 1988 Paid F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
3. Contracted Services										
District Expenditures		284,534		251,179		261,226		271,675		282,542
Foundation Aid Allowance		(142,937)		(79,497)		(76,410)		(79,033)		(82,194)
Difference		141,597		171,682		184,816		192,642		200,348
Aid Earned at 55%		84,958 ^a		103,009 ^a		101,648		105,953		110,191
4. Totals										
District Expenditures		6,026,445		7,776,789		8,569,340		8,853,554		8,957,456
State Aid Earned		4,083,550		5,294,227		5,387,505		5,582,093		5,650,048
5. Special Education Levy										
FTE salaries above \$27,857 Times 70% (Formula)						2,680,000 1,876,000		2,680,000 1,876,000		2,680,000 1,876,000
Aid Limited to \$19,500 Cap Levy Authority		--		--		(1,380,000) 496,000		(1,380,000) 496,000		(1,380,000) 496,000

^aThe aid formula is 60% for F.Y. 1985 and F.Y. 1986.

EDUCATION AIDS
(Continuation)
PROGRAM: 08 SPECIAL PROGRAMS
AID: 03 SPECIAL EDUCATION - SUMMER SCHOOL

1987-89 Biennial Budget

ANNUAL ENTITLEMENT AND FUNDING:

Special Education - Summer School	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989			
A) <u>AID ENTITLEMENT</u>					
Prorated Entitle- ment		4,239,200	4,052,500	5,643,907	6,357,321
Plus Proration Amount		1,055,027	1,335,005		
Net Aid Entitle- ment	<u>\$ 4,083,550</u>	<u>\$ 5,294,227</u>	<u>\$ 5,387,505</u>	<u>\$ 5,643,907</u>	<u>\$ 6,357,321</u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	4,922,000	4,239,200	4,052,500	5,643,907	6,357,321
Deficiency Appro- priation Request		1,055,027	1,335,005		
Total	<u>\$ 4,922,000</u>	<u>\$ 5,294,227</u>	<u>\$ 5,387,505</u>	<u>\$ 5,643,907</u>	<u>\$ 6,357,321</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	4,083,550	4,239,200	4,052,500	5,643,907	6,357,321
State Payments Pending Cancellation		1,055,027	1,335,005		
	838,450				
Total	<u>\$ 4,922,000</u>	<u>\$ 5,294,227</u>	<u>\$ 5,387,505</u>	<u>\$ 5,643,907</u>	<u>\$ 6,357,321</u>

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 5,387,505	\$ 5,387,505
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
- Increase in Students Served and District Expenditures For:	\$	\$
Staff Salaries	186,900	247,100
Supplies and Equipment	3,383	6,900
Contracted Services	4,305	8,543
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 5,582,093	\$ 5,650,048
4. Proposed Policy Changes:		
- Modified Funding Formula Including Inflation Adjustment of 2.5% Per Year	61,814	707,273
5. Total Entitlement	\$ 5,643,907	\$ 6,357,321

GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications to special education summer school funding:

- The current unequalized levy should be terminated in F.Y. 1989.
- The current salary-based funding formula should be terminated in F.Y. 1988.
- A new method of allocating special education revenues among school districts should be implemented in F.Y. 1988. The new method should have these characteristics:
 - it should establish for each disability category, level-of-service, and age group an approximate per child cost rate reflecting the costs of providing summer special education.
 - it should incorporate explicit assumptions about the amount of summer school foundation revenue to be considered an offset to the cost rates for each disability, age, and level-of-service category.
 - the new method should base a school district's revenue on actual or predicted child counts, depending on statewide incidence.
- The categorical aid for supplies and equipment should be terminated. Recommendations in other parts of this budget enhance funding and equalization in the capital expenditure aid and levy program.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 03 SPECIAL EDUCATION - SUMMER SCHOOL

GOVERNOR'S RECOMMENDATION: (Contd.)

5. The new method of allocating special education revenues among schools should provide flexibility to the Department of Education to establish as necessary additional disability categories and special cost rates for very rare handicapping conditions that require more resources than those assumed for the existing categories.
6. School districts offering summer special education programs should be held harmless at their F.Y. 1987 level for loss of revenue attributable to changes in funding special education personnel.

The Governor recommends a current appropriation of \$5,643,907 for F.Y. 1988 and \$6,357,321 for F.Y. 1989. This represents the amounts necessary to provide for some growth in programs, discontinue the unequalized local levy, and provide an inflation adjustment of 2.5% per year in special education summer school funding.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 04 SPECIAL EDUCATION - HANDICAPPED TRANSITION OFFICE
STATUTORY AUTHORIZATION: M.S. 120.183

PROGRAM OBJECTIVE: To provide leadership and coordination in the development of transition programs for handicapped students to facilitate their movement from secondary school to postsecondary education and training, employment opportunities, and/or community living options.

PROGRAM DESCRIPTION: The Interagency Office on Transition Services was authorized by the 1985 Legislature. The Commissioner of Education is to establish the office which is to have the following functions:

1. Gather and coordinate data on transition services for secondary age handicapped pupils;
2. Provide information, consultation, and technical assistance to state and local agencies involved in the delivery of services to handicapped pupils in transition from secondary school programs to employment and postsecondary training programs;
3. Assist agencies in establishing local interagency agreements to assure the necessary services for efficient and appropriate transition from school to work or postsecondary training programs; and
4. Assist regions and local areas in planning interagency inservice training to develop and improve transition services.

Activities during the 1985-87 biennium include the development of an interagency agreement with 11 agencies including the Department of Education (Special Education, Vocational Education), Jobs and Training (Division of Rehabilitation Services, JTPA), Department of Human Services, Postsecondary Training (Area Vocational Technical Institute (AVTI), Community Colleges), Developmental Disabilities, and parent/consumer groups. An inservice package and resource manual were developed for regional awareness training workshops. A Minnesota Transition Needs Assessment Survey was conducted to sample educators, parents, and service providers regarding transition services. A Legislative Report will be prepared to analyze the status of Transition Services and to make recommendations to improve services statewide.

For the 1987-89 biennium anticipated activities include implementing the activities of the Interagency Agreement, collecting follow-up data on students exiting the schools, developing a process to share data between agencies on anticipated service needs for students exiting school, establishing local/community transition teams to coordinate planning and developing interagency team planning processes for secondary students.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	75	77	0	77	77
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	0	75	77	0	77	77
Other Funds:	0	0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	0	75	77	0	77	77

PROGRAM STATISTICS:

INTERAGENCY OFFICE ON TRANSITION SERVICES

Activities	Actual F.Y. 1986	Estimated F.Y. 1987
1. Transition Awareness Workshops held around the state	10	1
2. Participants (multiagency personnel, parents) at Transition Awareness Workshops	800	100
3. Number of Transition Training Manuals distributed in Minnesota and out-of-state	1,100	100
4. Minnesota Interagency Agreement documents printed and disseminated		3,000
5. Transition Workshops to disseminate Minnesota Interagency Agreement		4
6. Participants (multiagency) at workshops to disseminate Interagency Agreement		400
7. Transition Needs Assessment Surveys returned		
- from service providers		289
- from parents		80-100
8. Presentations to organizations and groups regarding transition planning	40	40
9. Special Education/Vocational Education Planning Guidelines: printing/dissemination		1,000
10. Team Training Workshops to write Transition Goals and Objectives		3
11. Participants (multiagency teams) at Team Training Workshops		300

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 04 SPECIAL EDUCATION - HANDICAPPED TRANSITION OFFICE

PROGRAM EFFECTIVENESS: As a result of the Transition Awareness Workshops, local service providers developed written action plans to improve transition services. Workshop evaluations indicated strong interest and support to identify current services and future needs of handicapped students. In the Implementation Plan of the Interagency Agreement, all agencies will develop and implement activities to reach transition goals. One such effort will be to provide training to teams to develop (in a day workshop) transition goals and objectives for a handicapped student. This process can be applied to other interagency team meetings.

ANNUAL ENTITLEMENT AND FUNDING:

Handicapped Transition Office	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ --	\$ 75,000	\$ 77,000	\$ 77,000	\$ 77,000
--------------------------	-------	-----------	-----------	-----------	-----------

B) PROGRAM FUNDING

Current Approp- riation		75,000	77,000	77,000	77,000
Total	\$ --	\$ 75,000	\$ 77,000	\$ 77,000	\$ 77,000

C) FISCAL ACTIVITY

State Payments		75,000	77,000	77,000	77,000
Total	\$ --	\$ 75,000	\$ 77,000	\$ 77,000	\$ 77,000

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$77,000 for F.Y. 1988 and \$77,000 for F.Y. 1989 to continue the work of the Handicapped Transition Office.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 05 COMPENSATORY EDUCATION - FEDERAL DISADVANTAGED
STATUTORY AUTHORIZATION: P.L. 97-35, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT, CHAPTER 1 (EDUCATION AGENCIES)

NOTE: For information on the Chapter 1 program for neglected and delinquent students placed in local institutions, see Program 08-12.

PROGRAM OBJECTIVE: To improve the scores of students participating in Chapter 1 supported supplementary reading and mathematics projects by 7 Normal Curve Equivalents (NCEs), as measured by nationally normed standardized tests of academic achievement.

PROGRAM DESCRIPTION: The Chapter 1 program provides federal funds to raise the basic skills performance of educationally disadvantaged students through supplementary reading and mathematics instruction. Although the funds are allocated to state and local education agencies on the basis of data reflecting economic deprivation, children from eligible attendance areas are selected to participate in the program on the basis of academic performance in skill areas which is substantially below grade level.

The Chapter 1 Section of the Minnesota Department of Education is responsible for 1) determining local district entitlements and distributing funds to local education agencies (LEAs) through an application process consistent with federal regulations and state guidelines; 2) establishing, maintaining, and upgrading a statewide system to evaluate the academic progress of students served; 3) monitoring local programs to verify compliance and provide technical assistance for programmatic improvement; and 4) providing leadership and assistance to improve local project management and administration.

PROGRAM STATISTICS: Information on entitlement funding, student participation, and staff employed is shown in Tables 8-11, 8-12, and 8-13, respectively.

TABLE 8-11
CHAPTER 1 FEDERAL ENTITLEMENT*
LOCAL SCHOOL DISTRICTS

Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated** F.Y. 1988	Estimated** F.Y. 1989
\$36,117,901	\$38,104,546	\$36,992,937	\$38,000,000	\$38,000,000

*Annual funding available for school district projects. Due to carryover provisions annual expenditures may differ from entitlement.

**Estimates do not take into account possible effects of federal budget reductions (Gramm-Rudman).

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	37,775	38,758	36,993	0	38,000	38,000
Total	37,775	38,758	36,993	0	38,000	38,000

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM STATISTICS: (Contd.)

TABLE 8-12
CHAPTER 1 COUNT OF PARTICIPANTS (UNDUPLICATED COUNT)
LOCAL SCHOOL DISTRICTS

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated** F.Y. 1988	Estimated** F.Y. 1989
Pre-Kindergarten	0	0	0	0	0
Kindergarten	5,958	6,960	6,872	6,100	6,000
Grade 1	11,006	12,375	12,621	12,750	13,000
Grade 2	9,812	11,092	11,218	12,400	12,500
Grade 3	8,452	9,108	9,281	9,700	9,800
Grade 4	6,147	7,190	7,216	7,980	7,750
Grade 5	5,137	5,228	5,284	5,200	5,100
Grade 6	4,279	4,065	3,902	3,400	3,200
Grade 7	1,624	1,806	1,755	1,500	1,300
Grade 8	1,225	1,262	1,282	1,154	1,000
Grade 9	332	142	160	150	150
Grade 10	192	55	50	50	50
Grade 11	123	36	50	50	50
Grade 12	64	20	25	25	25
Total	54,385	59,369	59,716	60,459	54,525

**Estimates do not take into account possible effects of federal budget reductions (Gramm-Rudman).

PROGRAM: 08 SPECIAL PROGRAMS
AID: 05 COMPENSATORY EDUCATION - FEDERAL DISADVANTAGED

PROGRAM STATISTICS: (Contd.)

TABLE 8-13
NUMBER OF STAFF AND FULL-TIME EQUIVALENT (FTE)
EMPLOYED WITH CHAPTER 1 FUNDS
LOCAL SCHOOL DISTRICTS

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated**</u> <u>F.Y. 1988</u>	<u>Estimated**</u> <u>F.Y. 1989</u>
Teachers					
Number	1,758	1,616	1,454	1,163	1,076
FTE	1,055	969	872	815	797
Instructional Aides					
Number	2,456	2,081	1,873	1,498	1,232
FTE	1,245	1,145	1,042	833	776
Total					
Number	4,214	3,697	3,327	2,661	2,308
FTE	2,300	2,114	1,914	1,648	1,573

**Estimates do not take into account possible effects of federal budget reductions (Gramm-Rudman).

PROGRAM EFFECTIVENESS:

Qualitative

Pupil performance is measured with national normed standardized tests of academic achievement in reading and arithmetic. It is anticipated that gains of participants will continue to be 3 times as great as it is for children with similar characteristics who receive no Chapter 1 assistance. Current evaluation data show average Normal Curve Equivalent (NCE) gains of 7.5 in both reading and mathematics. The national average NCE gain is 5. (An NCE is the measurement unit for evaluation of the Chapter 1 program. It is similar to a percentile ranking, but has additional statistical properties which allow scores to be added and averaged.)

Quantitative

The number of participants will decline unless additional funds, to compensate for inflation, are made available.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

08 SPECIAL PROGRAMS

PROGRAM: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND

AID: FEDERAL PRESCHOOL INCENTIVE

STATUTORY AUTHORIZATION: M.S. 120.03; 120.17; 275.125, SUBD. 8C; AND
P.L. 94-142, EDUCATION FOR THE HANDICAPPED
ACT, TITLE VI-B

PROGRAM OBJECTIVE: To assure that appropriate special education services are provided to all eligible preschool handicapped children. Federal funds are used to initiate and improve special education services for handicapped children, birth through 5 years of age.

PROGRAM DESCRIPTION: State special education aids and P.L. 94-142 preschool incentive funds both serve the needs of handicapped preschool children. However, there are distinct differences in their administration to assure that objectives are met under each funding source.

M.S. 120.03 and 120.17 define the type of handicapped children for which school districts must provide special education services. The costs of providing special education services to preschool children vary depending on the severity of the child's disability. Some children may need special services only a few hours a week while others with severe disabilities may need substantially more.

Table 8-14 provides information on the number of handicapped children by age and disability. The individual severity of any 1 of the 9 different handicapping conditions may require different levels of service. State Board of Education Rules provide for 6 different levels of services known as a "continuum of placement model". Refer to Program 08-01 for a description of these levels of service.

State special education funding provides for mandatory educational services for handicapped students beginning at 3 years of age. It is permissive to serve handicapped children below the age of 3. The state special education aid formulas and levy authority for preschool services are the same as described in Program 08-01. There is 1 additional aid paid for home based services travel described in Program 08-04.

Federal P.L. 94-142 funds become available to the state upon the approval of a 3 year plan submitted by the state. The amount of the grant is based upon the number of handicapped children ages 3 through 5 served by school districts during the preceding school term. The formula for allocating funds to school districts is based on the amount of the federal grant each year. In F.Y. 1985 and in F.Y. 1986 districts received \$100 per student. In F.Y. 1987 the amount is reduced to \$95 per student. Districts may use the funds to support the special education services provided handicapped children ages birth through 5 including staff costs, supplies and equipment costs, remodeling costs, personnel development costs, etc. The funds may not be used to supplant local and state expenditures.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	881	905	997	0	1,099	1,159
Current Year	5,126	5,625	6,230	0	6,570	8,411
Subtotal	6,007	6,530	7,227	0	7,669	9,570
Federal:	784	703	774	0	770	770
Total	6,791	7,233	8,001	0	8,439	10,340

PROGRAM DESCRIPTION: (Contd.)

Table 8-15 provides information on the number of noncategorical teachers employed under state and federal funding sources for early childhood handicapped children. Table 8-16 provides information on total district expenditures and total state aid by fiscal year. Table 8-17 provides information on the amount of the grant, the number of children ages birth through 5 and the expenditures by fiscal year.

Child counts reported in Table 8-14 are numbers served by disability as reported on the annual federal unduplicated child count, plus the state category of children receiving adaptive physical education services. The majority of the children reported are served by the staff reported in Table 8-15, but due to data collection practices the exact number served by this staff is unknown.

PROGRAM STATISTICS:

TABLE 8-14
NUMBER OF HANDICAPPED CHILDREN BY AGE AND BY DISABILITY

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Speech Handicapped	0-2	130	106	108	110	111
	3	390	416	561	680	720
	4-5	5,082	4,843	4,891	4,940	4,989
Total		5,602	5,365	5,560	5,730	5,820
Educable	0-2	76	76	78	79	80
Mentally	3	86	126	170	206	218
Retarded	4-5	449	564	570	576	582
Total		611	766	818	861	880
Trainable	0-2	51	46	48	49	50
Mentally	3	33	31	42	51	54
Retarded	4-5	331	322	325	328	331
Total		415	399	415	428	435

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND
FEDERAL PRESCHOOL INCENTIVE

PROGRAM STATISTICS: (Contd.)

TABLE 8-14: (Contd.)

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Physically Handicapped	0-2	89	107	109	110	111
	3	43	61	81	98	104
	4-5	293	211	213	215	217
Total		425	379	403	423	432
Hearing Impaired	0-2	58	45	46	47	48
	3	57	54	73	89	94
	4-5	157	146	148	149	151
Total		272	245	267	285	293
Visually Impaired	0-2	29	42	43	44	45
	3	15	21	28	34	36
	4-5	41	53	54	55	56
Total		85	116	125	133	137
Learning Disabled	0-2	21	49	50	51	52
	3	49	34	46	56	59
	4-5	896	795	803	811	819
Total		966	878	899	918	930
Adaptive Physical Education	0-2	--	3	4	5	6
	3	--	13	30	40	50
	4-5	--	239	241	244	246
Total		--	255	275	289	302
Emotional Behavioral Disorder	0-2	3	3	4	5	6
	3	10	13	17	21	22
	4-5	221	251	254	256	259
Total		234	267	275	282	287
Deaf and Blind	0-2	1	4	5	6	7
	3	3	1	1	2	2
	4-5	6	3	4	5	6
Total		10	8	10	13	15

PROGRAM STATISTICS: (Contd.)

TABLE 8-14: (Contd.)

Disability	Age	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Other Health Impaired	0-2	62	35	36	37	38
	3	19	35	48	58	62
	4-5	117	138	140	142	143
Total		198	208	224	237	243
Autistic	0-2	0	1	2	3	4
	3	0	3	4	4	5
	4-5	25	25	26	27	27
Total		25	29	32	34	36
Totals	0-2	520	517	533	546	558
	3	705	808	1,101	1,339	1,426
	4-5	7,618	7,590	7,669	7,748	7,826
Total		8,843	8,915	9,303	9,633	9,810

TABLE 8-15
FULL-TIME EQUIVALENT (FTE) STAFF BY FUNDING SOURCE

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
EARLY CHILDHOOD NONCATEGORICAL					
State	556	577	602	626	635
Federal	50	50	50	50	50
	606	627	652	676	685

Note: Most early childhood teachers are reported under the noncategorical early childhood code because of the preference to not label under a specific disability area at an early age. These students do receive other special education services, but because speech clinicians are reported under speech, for example, the amount of FTE time is not tied to early childhood. Therefore, specialists providing ancillary services do not show up in the FTE count for early childhood even though some portion of their time may be assigned to a child aged 0-5.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND
FEDERAL PRESCHOOL INCENTIVE

PROGRAM STATISTICS: (Contd.)

TABLE 8-16
DISTRICT EXPENDITURES AND STATE AID EARNED

State Special Education, Regular Term, Early Childhood Aid	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
1. Personnel										
Salaries below \$27,857:										
Existing Staff			512	\$7,619,000	513	\$7,923,536	538	\$8,362,849	562	\$8,785,151
New Staff			21	346,500	25	439,313	24	421,740	9	158,153
Total			533	7,965,500	538	8,362,849	562	8,784,589	571	8,943,304
Aid Earned at 70%				5,575,850		5,853,994		6,149,212		6,260,313
Salaries above \$27,857:										
Existing Staff			44	1,450,000	64	2,105,000	64	2,105,000	64	2,105,000
New Staff			--	--	--	--	--	--	--	--
Total			44	1,450,000	64	2,105,000	64	2,105,000	64	2,105,000
Aid Earned at \$19,500 per FTE				858,000		1,248,000		1,248,000		1,248,000
Total Expenditures	556	\$8,476,000	577	9,415,500	602	10,467,849	626	10,889,589	635	11,048,304
Total Salary Aid Earned		5,824,000		6,433,850		7,101,994		7,397,212		7,508,313
2. Supplies and Equipment										
District Expenditures		176,000		183,040		190,362		197,976		201,936
Aid Earned at 50% (not to exceed \$50 per child)		88,000		91,520		95,181		98,988		100,968
3. Contracted Services										
District Expenditures		361,000		375,440		401,721		417,790		434,501
Foundation Aid Formula Allowance		(162,667)		(150,176)		(160,689)		(167,115)		(173,800)
Difference		198,333		225,264		241,032		250,675		260,701
Aid Earned at 55%		119,000 ^a		123,895		132,568		137,871		143,386

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND
FEDERAL PRESCHOOL INCENTIVE

PROGRAM STATISTICS: (Contd.)

TABLE 8-16: (Contd.)

State Special Education, Regular Term, Early Childhood Aid	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
4. Totals										
District Expenditures		\$ 9,013,000		\$ 9,973,980		\$ 11,059,932		\$ 11,505,355		\$ 11,684,741
State Aid Earned		6,031,000		6,649,265		7,329,743		7,634,071		7,752,667
5. Special Education Levy										
Total Salaries above \$27,857				1,450,000		2,105,000		2,105,000		2,105,000
Times 70% (Formula)				1,015,000		1,473,500		1,473,500		1,473,500
Aid Limited to \$19,500 cap				(858,000)		(1,248,000)		(1,248,000)		(1,248,000)
Levy Authority				157,000		225,500		225,500		225,500

^aThe aid formula for F.Y. 1985 is 60%.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND
FEDERAL PRESCHOOL INCENTIVE

PROGRAM STATISTICS: (Contd.)

TABLE 8-17
EHA, TITLE VI-B, EARLY CHILDHOOD (P.L. 94-142)

	Actual F.Y. 1985 1983	Actual F.Y. 1986 1984	Actual F.Y. 1987 1985	Estimated F.Y. 1988 1986	Estimated F.Y. 1989 1987
Count as of December 1					
Children served ages 0-5	8,276	8,843	8,146	10,000	10,000
Amount of Grant per Child	\$100	\$100	\$95	\$77	\$77
Total Grant	\$827,600	\$884,300	\$773,870	\$770,000	\$770,000
Total Expenditure	\$783,757	\$703,000	\$773,870	\$770,000	\$770,000

Note: Due to carryover provisions, annual expenditures may differ from entitlement.
For F.Y. 1988 and F.Y. 1989, the total federal dollars are expected to stabilize
which results in a reduced grant amount per child.

ANNUAL ENTITLEMENT AND FUNDING:

State Special Education - Regular Term Early Childhood	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
--------------------------------------------------------------	---------------------	------------------------	------------------------	-------------------------------------------	-----------

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ 6,031,000	\$ 6,649,265	\$ 7,329,743	\$ 7,729,098	\$ 9,895,409
--------------------------	--------------	--------------	--------------	--------------	--------------

B) PROGRAM FUNDING^a

Current Appro- priation	5,126,350	5,651,875	6,230,282	6,569,733	8,411,098
Final Adjust Appropriation	904,650	997,390	1,099,461	1,159,365	1,484,311
Total	\$ 6,031,000	\$ 6,649,265	\$ 7,329,743	\$ 7,729,098	\$ 9,895,409

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

State Special Education - Regular Term Early Childhood	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
--------------------------------------------------------------	---------------------	------------------------	------------------------	-------------------------------------------	-----------

C) FISCAL ACTIVITY

State Payments	6,031,000	6,649,265	7,329,743	7,729,098	9,895,409
Total	\$ 6,031,000	\$ 6,649,265	\$ 7,329,743	\$ 7,729,098	\$ 9,895,409

^aFor purposes of budget presentation, it is assumed that this component of the total
Special Education Regular Term Program is fully funded. Special education regular
term funding deficiencies are reported totally in Program 08-01.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 7,329,743	\$ 7,329,743
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in children served and district expenditures for:		
Staff salaries	295,218	406,319
Supplies and equipment	3,807	5,787
Contracted services	5,303	10,818
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 7,634,071	\$ 7,752,667
4. Proposed Policy Changes:		
- Modified funding formula including inflation adjustment of 2.5% per year	95,027	518,392
- Mandated birth-2 services	-0-	1,624,350
5. Total Entitlement	\$ 7,729,098	\$ 9,895,409

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 06 SPECIAL EDUCATION - EARLY CHILDHOOD; STATE GENERAL FUND AND
FEDERAL PRESCHOOL INCENTIVE

GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications to
early childhood special education funding:

1. The current unequalized levy should be terminated in F.Y. 1989.
2. The current salary-based funding formula should be terminated in F.Y. 1988.
3. A new method of allocating special education revenues among school districts should be implemented in F.Y. 1988. The new method should have these characteristics:
 - a) It should establish for each disability category, level-of-service, and age group an approximate per child cost rate reflecting the costs of providing special education.
 - b) It should incorporate explicit assumptions about the amount of foundation revenue to be considered an offset to the cost rates for each disability, age, and level-of-service category.
 - c) The new method should base a school district's revenue on actual or predicted childcounts, depending on statewide incidence.
4. The categorical aid for supplies and equipment should be terminated. Recommendations in other parts of this budget enhance funding and equalization in the capital expenditure aid and levy program.
5. The new method of allocating early childhood special education revenues among schools should provide flexibility to the Department of Education to establish as necessary additional disability categories and special cost rates for very rare handicapping conditions that require more resources than those assumed for the existing categories.
6. School districts should be held harmless at their F.Y. 1987 level for loss of revenue attributable to changes in funding early childhood special education personnel.

The Governor recommends an appropriation of \$7,669,194 in F.Y. 1988 (\$1,099,461 for the F.Y. 1987 and \$6,569,733 for F.Y. 1988) and \$9,570,463 in F.Y. 1989 (\$1,159,365 for F.Y. 1988 and \$8,411,098 for F.Y. 1989). This recommendation represents F.Y. 1987 base expenditures with adjustments for growth in programs, including expansion of mandated special education services to birth-2 children in F.Y. 1989, termination of the unequalized local levy, termination of the special aid for supplies and equipment, and an inflation adjustment of 2.5% per year.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 07 SPECIAL EDUCATION - HOME-BASED SERVICES TRAVEL
STATUTORY AUTHORIZATION: M.S. 124.32, SUBD. 2b

PROGRAM OBJECTIVE: To assure that appropriate special education services are provided to preschool handicapped children and their families.

PROGRAM DESCRIPTION: The unique special education needs of handicapped preschool children require that services be available in a variety of settings, including the home. Home-based Services Travel assures that direct special education service and/or parent training and consultation will take place in the setting which most appropriately meets the child's needs.

Home-Based Services Travel aid is being implemented for the first time in F.Y. 1987. The new provision of state law provides that the state is to pay each school district one-half of their actual expenditures for necessary travel of essential personnel providing home-based services to preschool handicapped children and their families.

PROGRAM STATISTICS: Information on estimated program activity is shown in Table 8-18.

TABLE 8-18
STATE SPECIAL EDUCATION AID FOR HOME-BASED SERVICES TRAVEL

	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Districts	435	435	435
Number of Children	1,651	1,755	1,804
Full Time Equivalent (FTE) Staff Providing Service	165	175	180
District Expenditure	\$467,400	\$496,665	\$510,532
Aid Earned at 50%	233,700	248,333	255,266
Average Per Child Expenditure	283	283	283
Average Per Child Aid	142	142	142

ANNUAL ENTITLEMENT AND FUNDING:

Special Education Home-Based Services Travel	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

A) AID ENTITLEMENT

Net Aid Entitle- ment	\$ --	\$ --	\$ 233,700	\$ 254,541	\$ 268,029
--------------------------	-------	-------	------------	------------	------------

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	35	38
Current Year	0	0	199	0	216	228
Subtotal	0	0	199	0	251	266
Other Funds:	0	0	0	0	0	0
Total	0	0	199	0	251	266

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Special Education Home-Based Services Travel	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

B) PROGRAM FUNDING

Current Appro- priation			198,600	216,360	227,825
Final Adjust Appropriation			35,100	38,181	40,204
Total	\$ --	\$ --	\$ 233,700	\$ 254,541	\$ 268,029

C) FISCAL ACTIVITY

State Payments			233,700	254,541	268,029
Total	\$ --	\$ --	\$ 233,700	\$ 254,541	\$ 268,029

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 233,700	\$ 233,700

2. Entitlement Changes:

A) Budget Variables Not Controlled by State

- Increase in Participation	14,653	21,566
-----------------------------	--------	--------

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 07 SPECIAL EDUCATION - HOME-BASED SERVICES TRAVEL

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

<u>Category</u>	<u>Governor's</u> <u>Recommendation</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 248,333	\$ 255,266
4. Proposed Policy Changes:		
- Inflation Adjustment of 2.5% Per Year	6,208	12,763
5. Total Entitlement	\$ 254,541	\$ 268,029

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$251,460 in F.Y. 1988 (\$35,100 for F.Y. 1987 and \$216,360 for F.Y. 1988) and \$266,006 in F.Y. 1989 (\$38,181 for F.Y. 1988 and \$227,825 for F.Y. 1989). This recommendation includes an inflation adjustment of 2.5% per year.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 08 SPECIAL EDUCATION - FEDERAL DEAF-BLIND

STATUTORY AUTHORIZATION: EDUCATION FOR THE HANDICAPPED ACT (P.L. 94-142, TITLE VI-C)

PROGRAM OBJECTIVE: To administer federal funds to initiate and improve educational services for deaf-blind children, age 0-4 years, in the state.

PROGRAM DESCRIPTION: For F.Y. 1985 and F.Y. 1986, this program was a 6-state regional project, with Ohio State University serving as host agency. The regional office was responsible for the general administration of the project and provided technical assistance to each state in programming for deaf-blind children. The funds were used to identify deaf-blind children, 0-4 years, and to supplement educational services for these children.

The project supported a professional position with the State Services for the Blind for identifying and placing of deaf-blind children. The position also served as liaison between the educational program and the parents of the children. Remaining funds were used to provide supplemental services for 3 programs designed to serve deaf-blind children in 1) Como and Bridgeview Schools, St. Paul 2) Brainerd State Hospital, and 3) The Minnesota Braille and Sight Saving School in Faribault.

Beginning in F.Y. 1987, Minnesota will no longer participate in the regional Deaf-Blind Project, but will enter into a cooperative agreement with the United States Department of Education for implementing the Title VI-C Deaf-Blind program.

Priority areas will be those age groups not currently covered under P.L. 94-142, specifically, ages 0-3 and ages 20-21. Emphasis will be on providing technical assistance to teachers rather than on direct service to children. There will be a major focus in the area of assessment. An advisory committee cooperatively chaired by the Departments of Human Services, Jobs and Training, and Education will assure improvement in services to deaf-blind individuals.

The Minnesota Department of Education is responsible for administering the funds and for the general supervision of the projects conducted within the state.

TABLE 8-19
EHA, TITLE VI-C, DEAF-BLIND

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
Grant	\$110,309	\$116,928	\$130,000	\$130,000	\$130,000

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	0	0	0	0	0
<i>Subtotal</i>	0	0	0	0	0	0
<i>Federal:</i>	77	75	130	0	130	130
<i>Total</i>	77	75	130	0	130	130

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 09 SPECIAL EDUCATION RESIDENTIAL FACILITIES
STATUTORY AUTHORIZATION: M.S. 124.32, SUBD. 5

PROGRAM OBJECTIVE: To provide state special education aid to school districts for educational services to handicapped children residing in approved private or public residential facilities.

PROGRAM DESCRIPTION: A number of handicapped children are placed by child placement agencies in private or public residential facilities. In such cases, the school district in which the residential facility is located is required to provide the educational program for the child and bill the costs of the program to the child's district of residence which is the district where the child's parents reside. The district of residence claims the foundation aid for the child and special education residential aid authorized by M.S. 124.32, subd. 5. The residential aid is paid at the rate of 60% of the difference between the tuition cost and the foundation aid formula allowance for the child. The aid is paid as a reimbursement in the following year for the services provided by the districts during the preceding school term.

PROGRAM STATISTICS: Table 8-20 provides information on program statistics and performance, including the number of districts receiving aid, the number of pupils for whom aid is paid, the average tuition costs and aid per pupil, and the total tuition cost and total aid entitlement by fiscal year.

TABLE 8-20
STATE SPECIAL EDUCATION AID FOR RESIDENTIAL FACILITIES

	Actual 1983-84 Paid F.Y. 1985	Actual 1984-85 Paid F.Y. 1986	Estimated 1985-86 Paid F.Y. 1987	Estimated 1986-87 Paid F.Y. 1988	Estimated 1987-88 Paid F.Y. 1989
Number of Districts	263	266	270	270	270
Number of Pupils	3,346	2,928	3,000	3,000	3,000
District Expenditure	\$ 4,630,384	\$ 4,669,460	\$ 4,923,333	\$ 5,243,350	\$ 5,243,350
Foundation Aid	(2,487,617)	(2,364,803)	(2,461,667)	(2,621,675)	(2,636,675)
Allowance*					
Difference	2,142,767	2,304,657	2,461,666	2,621,675	2,606,675
Aid Earned at 60%	1,285,660	1,382,794	1,477,000	1,573,005	1,564,005
Average Per Pupil	1,384	1,595	1,641	1,748	1,748
Expenditure					
Average Per Pupil Aid	384	472	492	524	521

*The subtraction for the foundation aid formula allowance is less than the full formula allowance times number of pupils, due to some pupils being placed in a residential facility for varying periods of time during the school year.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	1,286	1,347	1,401	0	1,436	1,472
Subtotal	1,286	1,347	1,401	0	1,436	1,472
Other Funds:	0	0	0	0	0	0
Total	1,286	1,347	1,401	0	1,436	1,472

ANNUAL ENTITLEMENT AND FUNDING:

Special Education Residential Facilities	Actual	Actual	Estimated	Governor's Recommendation	
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Prorated Entitle- ment		1,347,000	1,400,900		
Plus Proration Amount		35,794	76,100		
Net Aid Entitle- ment	\$ 1,285,660	\$ 1,382,794	\$ 1,477,000	\$ 1,435,923	\$ 1,471,821
B) PROGRAM FUNDING					
Current Appro- priation	1,185,000	1,347,000	1,400,900	1,435,923	1,471,821
Deficiency	526,100				
Appropriation					
Deficiency Appro- priation Request		35,794	76,100		
Total	\$ 1,711,100	\$ 1,382,794	\$ 1,477,000	\$ 1,435,923	\$ 1,471,821
C) FISCAL ACTIVITY					
State Payments	1,285,660	1,347,000	1,400,900	1,435,923	1,471,821
State Payments		35,794	76,100		
Pending					
Cancellation	425,440				
Total	\$ 1,711,100	\$ 1,382,794	\$ 1,477,000	\$ 1,435,923	\$ 1,471,821

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 09 SPECIAL EDUCATION RESIDENTIAL FACILITIES

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 1,477,000	\$ 1,477,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in Tuition Costs Between F.Y. 1986 and F.Y. 1987	192,010	192,010
B) Existing Policy Changes Becoming Effective		
- Increase in Foundation Allowance	(96,005)	(105,005)
3. Subtotal, Estimate Under Current Law	\$ <u>1,573,005</u>	\$ <u>1,564,005</u>
4. Proposed Policy Changes:		
- Constrain Growth in Level of State Funding and Provide Inflation Adjustment of 2.5% Per Year	(137,082)	(92,184)
5. Total Entitlement	\$ <u>1,435,923</u>	\$ <u>1,471,821</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$1,435,923 for F.Y. 1988 and \$1,471,821 for F.Y. 1989. This represents an inflation adjustment of 2.5% per year over the F.Y. 1987 state appropriation for this program.

PROGRAM: 08 SPECIAL PROGRAMS
AID: 10 SPECIAL EDUCATION - FEDERAL HANDICAPPED
STATUTORY AUTHORIZATION: CHAPTER 1 OF THE EDUCATION CONSOLIDATION IMPROVEMENT
ACT (P.L. 89-313 HANDICAPPED)

PROGRAM OBJECTIVE: Federal funds are available to supplement the education program for handicapped children in state-operated schools and state institutions or hospitals.

PROGRAM DESCRIPTION: Funds for this program are based on the number of handicapped children enrolled in state schools and the number of children residing in state hospitals for whom the public schools provide the educational programs. Children who are eligible for these funds are not eligible for funds under the Education of the Handicapped Act, Title VI-B. Minnesota schools which receive funds are the state schools for the deaf and blind and the school districts in which the state hospitals are located, i.e., Faribault, Willmar, Cambridge, Fergus Falls, Brainerd, St. Peter, Roseville, and Moose Lake. The Minnesota Department of Education is responsible for the administration of the program, including program review and monitoring.

Table 8-21 provides information on the amount of the grant and the number of pupils by fiscal year.

TABLE 8-21
ECIA, P.L. 89-313 - HANDICAPPED

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
Pupil Count	578	498	449	430	430
Number of Districts or Agencies	11	11	11	11	11
Amount of Grant	\$354,294	\$303,177	\$248,889	\$238,220	\$238,220

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Recommendation</u>		
	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	252	192	249	0	238	238
Total	252	192	249	0	238	238

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 11 SPECIAL EDUCATION - FEDERAL HANDICAPPED NEGLECTED AND DELINQUENT
STATUTORY AUTHORIZATION: CHAPTER I OF THE EDUCATION CONSOLIDATION AND
IMPROVEMENT ACT (P.L. 89-750 - NEGLECTED AND
DELINQUENT - STATE OPERATED PROGRAMS)

PROGRAM OBJECTIVE: To supplement the education programs available for delinquent youth in state correctional institutions.

PROGRAM DESCRIPTION: Funds for this program are based on the number of youth assigned to state correctional institutions for whom the state provided an educational program during the prior year. The funds must be used to supplement the basic education program for youth under 21 years of age. Funds support 2 professional positions in the Department of Corrections. The remaining funds are used to provide grants to the state correctional institutions at Red Wing, Sauk Centre and Willow River. The Minnesota Department of Education is responsible for administering the program. The Departments of Corrections and Education share the responsibility for application review, monitoring, and technical assistance.

Table 8-22 provides information on the number of pupils and the amount of the grant by year.

TABLE 8-22
ECIA, P.L. 89-750 - NEGLECTED AND DELINQUENT

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
Pupils Served	544	494	186	186	186
Amount of Grant	\$373,262	\$363,594	\$363,993	\$102,300	\$102,300

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	419	365	364	0	102	102
Total	419	365	364	0	102	102

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and state-wide accounting period closing requirements.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 12 COMPENSATORY EDUCATION - FEDERAL DISADVANTAGED N & D

STATUTORY AUTHORIZATION: P.L. 97-35, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT, CHAPTER 1 (LOCAL INSTITUTIONS FOR NEGLECTED AND DELINQUENT)

NOTE: For information on the Chapter 1 program in local school districts, see Program 08-05.

PROGRAM OBJECTIVE: To provide supplementary instruction in reading and mathematics to students, ages 5-21, who have been adjudicated neglected or delinquent, and have been placed in a locally operated residential institution for such students. Research indicates that lack of competency in basic skills is often a major contributory factor in events or behaviors leading to adjudication.

The Minnesota Department of Education administers the federal funds provided for this program; however, the actual instructional program designed for the students is operated by the local school district in which the institution is located. No federal funds under this program accrue directly to the institution; nor may these funds be used to provide any state mandated educational requirements.

PROGRAM DESCRIPTION: The allocations for the institutions are computed similarly to those for Chapter I programs in local school districts. Since 1978, the allocation to a local institution can only be encumbered by a project application indicating services for children at the specific center generating the allocation. The application is written and administered by the staff of the school district in which the institution is located.

PROGRAM STATISTICS: Information on entitlement funding, student participation, staff employed, and institutions participating is shown in Tables 8-23, 8-24, 8-25, and 8-26 respectively.

TABLE 8-23
CHAPTER 1 FEDERAL ENTITLEMENT*
INSTITUTIONS FOR NEGLECTED AND DELINQUENT

<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated**</u> <u>F.Y. 1988</u>	<u>Estimated**</u> <u>F.Y. 1989</u>
\$691,776	\$722,485	\$669,635	\$675,000	\$675,000

*Annual funding available for institution projects. Due to carryover provisions, annual expenditures may differ from entitlement.

**Estimates do not take into account possible effects of federal budget reductions (Gramm-Rudman).

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	807	867	670	0	675	675
Total	807	867	670	0	675	675

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM STATISTICS: (Contd.)

TABLE 8-24
CHAPTER 1 COUNT OF PARTICIPANTS (UNDUPLICATED COUNT)
INSTITUTIONS FOR NEGLECTED AND DELINQUENT

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated**</u> <u>F.Y. 1988</u>	<u>Estimated**</u> <u>F.Y. 1989</u>
Pre-Kindergarten	0	0	0	0	0
Kindergarten	19	15	10	10	10
Grade 1	15	35	20	20	20
Grade 2	9	32	35	35	35
Grade 3	15	43	48	50	50
Grade 4	45	53	61	60	60
Grade 5	69	87	77	80	80
Grade 6	87	147	158	150	150
Grade 7	198	346	331	330	330
Grade 8	269	521	474	470	470
Grade 9	356	618	588	600	600
Grade 10	386	529	569	570	570
Grade 11	253	343	350	350	350
Grade 12	115	99	100	100	100
Total	1,836	2,868	2,821	2,825	2,825

**Estimates do not take into account possible effects of federal budget reductions (Gramm-Rudman).

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 12 COMPENSATORY EDUCATION - FEDERAL DISADVANTAGED N & D

PROGRAM STATISTICS: (Contd.)

TABLE 8-25
NUMBER OF STAFF EMPLOYED WITH CHAPTER 1 FUNDS*
INSTITUTIONS FOR NEGLECTED AND DELINQUENT

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated** F.Y. 1988	Estimated** F.Y. 1989
Teachers					
Regular School Year Number	69	92	95	95	95
Instructional Aides					
Regular School Year Number	38	57	65	65	65
Total	108	149	160	160	160

*Full-Time Equivalent count is not required for federal reports.

**Estimates do not take into account possible effects of federal budget reductions
(Gramm-Rudman).

TABLE 8-26
INSTITUTIONS FOR NEGLECTED AND DELINQUENT

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Institutions Participating	62	63	63	65	65
Number of Districts Participating	28	27	29	30	30

In F.Y. 1967, the initial year of the program, only 9 districts participated. Currently 29 districts submit applications for the 63 Neglected and Delinquent (N & D) institutions participating.

PROGRAM EFFECTIVENESS:Qualitative

The U.S. Department of Education does not require standardized testing for evaluation for local neglected or delinquent Chapter 1 projects. Many of the institutions are for short-term care, where the average length of stay is 2 to 3 weeks. These programs do not lend themselves to accepted qualitative measures of student progress. In long-term care institutions where the length of stay is 6 months or longer, the growth rate of students receiving Chapter 1 services is approximately 1 month's growth for each month of service.

Quantitative

The number of participants will decline unless additional funds, to compensate for inflation, are made available.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 13 SECONDARY VOCATIONAL HANDICAPPED - STATE GENERAL FUND

STATUTORY AUTHORIZATION: M.S. 124.574; 275.125, SUBD. 8C

PROGRAM OBJECTIVE: To provide secondary handicapped students opportunities for vocational exploration and training to develop vocational education skills and attitudes necessary to be gainfully employed.

PROGRAM DESCRIPTION: Vocational education programs and services for students with disabilities provide special services to augment regular vocational programs, giving these students the opportunity to acquire vocational skills along with nondisabled students in a mainstream setting. In addition, secondary vocational education community-based programs provide opportunities which enable disabled students to explore and to prepare for their tentative career objectives, or develop general employability skills, through the coordination of vocationally related in-school instruction and supervised paid or nonpaid exploratory or training vocational experiences in community settings.

For F.Y. 1985, the state aid reimbursement for approved vocational education special needs staff was 70% of salary; travel, supplies and equipment was 50% of expenditure (with supplies limited to \$50 per child); and contracted student services was 60% of the difference between the amount of the contract and the foundation aid formula allowance of the district for each child. Also, the level of state appropriation assumed state expenditure of at least \$230,000 of federal funds received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended. The federal funds were allocated to districts/cooperatives by the Minnesota Department of Education in accordance with established criteria. A district's aid entitlement was determined based on total eligible expenditures. The district's federal allocation was deducted from the entitlement and the balance was paid with state categorical aid.

The new Vocational Education Act (P.L. 98-524), that is effective beginning in F.Y. 1986, changes the method of distribution of the federal vocational education funds. Local education agencies must now apply for funding and agree to meet specific programming criteria. The federal funds are then allocated on the basis of a formula that includes number of students served. Districts/cooperatives can expend the funds for staff salaries, supplies, equipment, travel, and contracted services as necessary to provide the prescribed assurances and activities in P.L. 98-524. For additional information on P.L. 98-524, see Program 08-14.

Beginning in F.Y. 1986, the state aid formula for staff is the lesser of 70% of salary or \$19,500 per full-time equivalent (FTE) staff person; travel, supplies, and equipment is 50% of expenditure (with supplies limited to \$50 per child); and contracted student services is 55% of the difference as noted above. The state appropriation language was amended in 1986 such that the state expenditure of federal vocational education funds is no longer assumed in setting the level of state appropriation. State categorical aid is available for maintaining existing secondary vocational programs as well as supplementing the initiatives in the federal law. Eligible expenditures not paid with federal funds are included in the computation of state aid for districts/cooperatives with approved programs under the provisions of P.L. 98-524.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	888	662	526	0	544	559
Current Year	3,126	2,982	3,080	0	3,169	3,758
Subtotal	4,014	3,644	3,606	0	3,713	4,317
Other Funds:Federal	229	0	0	0	0	0
Total	4,243	3,644	3,606	0	3,713	4,317

PROGRAM DESCRIPTION: (Contd.)

In addition, beginning with the payable 1986 levy, a district may levy an amount equal to the difference between 70% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For cooperatives and intermediate districts the levy is made by member districts in an amount equal to their allocated portion of this difference.

The projected increase in Vocational Special Needs programs and services is due to the emphasis in P.L. 98-524, increased local education agency (LEA) efforts to serve the handicapped, and the multiplicity of services provided to this population. Along with the projected increase of handicapped students being served in vocational education, the severity of disabilities requires more complex and comprehensive services such as career information, orientation and guidance, vocational assessment, technical tutoring, vocational evaluation, and transitional services and vocational training.

PROGRAM STATISTICS: Statistical and performance data relating to these programs and services are shown in the following tables:

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 13 SECONDARY VOCATIONAL HANDICAPPED - STATE GENERAL FUND

PROGRAM STATISTICS: (Contd.)

TABLE 8-27
SECONDARY VOCATIONAL HANDICAPPED PROGRAMS/SERVICES
DISTRICT EXPENDITURES AND STATE AID EARNED

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<u>1. Personnel</u>		\$		\$		\$		\$		\$
Salaries Below \$27,857:										
Existing Staff			192	3,262,000	212	3,473,450	222	3,649,175	227	3,737,040
New Staff			20	330,000	10	175,725	5	87,865	5	87,865
Total			212	3,592,000	222	3,649,175	227	3,737,040	232	3,824,905
Aid Earned at 70%				2,514,400		2,554,423		2,615,928		2,677,434
Salaries Above \$27,857:										
Existing Staff			84	2,973,000	96	3,518,000	96	3,518,000	96	3,518,000
New Staff				--		--		--		--
Total			84	2,973,000	96	3,518,000	96	3,518,000	96	3,518,000
Aid Earned at \$19,500 Per FTE				1,640,000		1,878,000		1,878,000		1,878,000
Total Salary Expenditures	248	5,509,300	296	6,565,000	318	7,167,175	323	7,255,040	328	7,342,905
Total Salary Aid Earned		3,856,539		4,154,400		4,432,423		4,493,928		4,555,434
<u>2. Nonpersonnel</u>										
Equipment Expenditures		154,301		141,366		147,021		152,902		159,018
Travel Expenditures		55,429		66,234		68,883		71,638		74,504
Total		209,730		207,600		215,904		224,540		233,522
Aid Earned at 50%		104,865		103,800		107,952		112,270		116,761
Supplies Expenditures		100,250		136,112		141,556		147,218		153,107
Aid Earned at 50%		50,125		68,056		70,778		73,609		76,553
(Not to Exceed \$50 Per Child)										

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 13 SECONDARY VOCATIONAL HANDICAPPED - STATE GENERAL FUND

PROGRAM STATISTICS: (Contd.)

TABLE 8-27: (Contd.)

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<u>3. Contracted Services</u>		\$		\$		\$		\$		\$
District Expenditures		9,010		9,640		10,122		10,527		10,948
Foundation Aid Allowance ^a		(--)		(--)		(--)		(--)		(--)
Difference		<u>9,010</u>		<u>9,640</u>		<u>10,122</u>		<u>10,527</u>		<u>10,948</u>
Aid Earned at 55%		5,406 ^b		5,302		5,567		5,790		6,021
<u>4. Totals</u>										
District Expenditures		5,828,290		6,918,352		7,534,757		7,637,325		7,740,482
State Aid Earned		4,016,935 ^c		4,331,558		4,616,720		4,685,597		4,754,769
<u>5. Special Education Levy</u>										
Total Salaries Above \$27,857				2,973,000		3,518,000		3,518,000		3,518,000
Times 70% (Formula)				2,081,100		2,462,600		2,462,600		2,462,600
Aid Limited to \$19,500 Cap				(1,640,000)		(1,878,000)		(1,878,000)		(1,878,000)
Levy Authority				<u>441,100</u>		<u>584,600</u>		<u>584,600</u>		<u>584,600</u>

^aStudent contracts for secondary vocational are generally for vocational evaluation which does not generate foundation aid.^bThe aid formula for F.Y. 1985 is 60%.^cTotal aid earned for F.Y. 1985 includes \$229,419 paid with federal funds and \$3,787,516 in state categorical aid.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 13 SECONDARY VOCATIONAL HANDICAPPED - STATE GENERAL FUND

PROGRAM STATISTICS: (Contd.)TABLE 8-28
SECONDARY VOCATIONAL HANDICAPPED PROGRAMS/SERVICES

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
LEAS PROVIDING SERVICE					
Districts	93	103	115	125	140
Cooperatives	11	14	14	13	13
Intermediates	3	3	3	3	3
NUMBER OF HANDICAPPED STUDENTS RECEIVING MULTIPLE SERVICES (DUPLICATE COUNT)	9,193	9,300	9,500	9,700	9,900
LICENSED SPECIAL VOCATIONAL EDUCATION STAFF					
Head Count	326	369	380	395	405
FTE	248	296	318	323	328

ANNUAL ENTITLEMENT AND FUNDING:

Secondary Vocational Handicapped	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Prorated Entitle- ment		3,508,600	3,623,500		
Plus Proration Amount		822,958	993,220		
Total Entitlement	4,016,935	4,331,558	4,616,720	3,728,703	4,421,135
Less Federal	(229,419)				
Net Aid Entitle- ment	\$ 3,787,516	\$ 4,331,558	\$ 4,616,720	\$ 3,728,703	\$ 4,421,135

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Secondary Vocational Handicapped	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
B) PROGRAM FUNDING					
Current Appro- priation	2,304,000	2,982,300	3,080,000	3,169,398	3,757,965
Deficiency	822,000				
Appropriation					
Final Adjust	551,700	526,300	692,508 ^a	559,305	663,170
Appropriation	109,900				
Transfer In, M.S. 124.14					
Deficiency Appro- priation Request		822,958	844,212 ^b		
Total	\$ 3,787,600	\$ 4,331,528	\$ 4,616,720	\$ 3,728,703	\$ 4,421,135
C) FISCAL ACTIVITY					
State Payments	3,787,516	3,508,600	3,772,508	3,728,703	4,421,135
State Payments		822,958	844,212		
Pending					
Cancellation	84				
Total	\$ 3,787,600	\$ 4,331,528	\$ 4,616,720	\$ 3,728,703	\$ 4,421,135

^aFifteen percent of net entitlement; includes \$148,983 related to deficiency.^bCurrent 85% account (85% of proration amount less \$25 due to rounding of current appropriation).

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 13 SECONDARY VOCATIONAL HANDICAPPED - STATE GENERAL FUND

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 4,616,720	\$ 4,616,720
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
Increase in students served and district expenditures for:		
Staff salaries	61,505	123,011
Supplies, equipment, and travel	7,149	14,584
Contracted services	223	454
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 4,685,597	\$ 4,754,769
4. Proposed Policy Changes:		
- Modified funding formula including inflation adjustment of 2.5% per year	(956,894)	(333,634)
5. Total Entitlement	\$ 3,728,703	\$ 4,421,135

GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications to secondary vocational handicapped program funding:

1. The current unequalized levy should be terminated in F.Y. 1989.
2. The current salary-based funding formula should be terminated in F.Y. 1988.
3. A new method of allocating program revenues among school districts should be implemented in F.Y. 1988. The new method should have these characteristics:
 - a) It should establish for each level-of-service and age group an approximate per child cost rate reflecting the costs of providing vocational programs to handicapped children.
 - b) It should incorporate explicit assumptions about the amount of summer school foundation revenue to be considered an offset to the cost rates for each age and level-of-service category.
 - c) The new method should base a school district's revenue on actual childcounts.

GOVERNOR'S RECOMMENDATION: (Contd.)

4. The categorical aid for supplies and equipment should be terminated. Recommendations in other parts of this budget enhance funding and equalization in the capital expenditure aid and levy program.
5. School districts offering vocational programs to handicapped students should be held harmless at their F.Y. 1987 level for loss of revenue attributable to changes in funding program personnel.

The Governor recommends an appropriation of \$3,712,898 in F.Y. 1988 (\$543,500 for F.Y. 1987 and \$3,169,398 for F.Y. 1988) and \$4,317,270 in F.Y. 1989 (\$559,305 for F.Y. 1988 and \$3,757,965 for F.Y. 1989). This recommendation includes an inflation adjustment of 2.5% per year over the F.Y. 1987 funding level for this program.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 14 SECONDARY VOCATIONAL HANDICAPPED - FEDERAL VOCATIONAL EDUCATION
STATUTORY AUTHORIZATION: P.L. 98-524, CARL PERKINS VOCATIONAL EDUCATION ACT

PROGRAM OBJECTIVE: To make federal Vocational Education for Handicapped funds available to local education agencies (LEAs) to support the vocational education needs of handicapped students.

PROGRAM DESCRIPTION: Prior to F.Y. 1986, federal vocational education funds were provided by the Vocational Education Act of 1963. P.L. 98-524 is effective beginning in F.Y. 1986. There is, however, provision for a transition year and, in administering the funds for Vocational Handicapped programs, MDE has opted to allow the funds for F.Y. 1986 to carryover for expenditure for F.Y. 1987 programs.

The federal government distributes funds annually to the sole state agency for vocational education in each state. In Minnesota that agency is the State Board for Vocational Technical Education (SBVTE). Ten percent (10%) of the funds must be allocated for handicapped individuals. Of the amount so allocated, 1/2 is to be distributed to eligible LEAs on the basis of number of economically disadvantaged individuals enrolled in the preceding fiscal year, and 1/2 is to be distributed on the basis of number of handicapped students served in vocational education programs in the preceding fiscal year. The Minnesota Department of Education, Secondary Vocational Education Section, negotiates with SBVTE for an equitable share of the funds allocated for handicapped individuals.

Beginning in F.Y. 1987, any school district or cooperative desiring to receive an entitlement under P.L. 98-524 must submit an application containing specific assurances and activities for use of the funds, along with a timeline. The criteria that must be met for services and activities for the handicapped are as follows:

Assurances

1. Equal access will be provided to handicapped individuals in recruitment, enrollment and placement activities;
2. Equal access will be provided to handicapped individuals to the full range of vocational programs available to nonhandicapped individuals, including occupationally specific courses of study, cooperative education and apprenticeship programs; and
3.
 - a. Vocational education programs and activities for handicapped individuals will be provided in the least restrictive environment in accordance with the Education of the Handicapped Act and will, whenever appropriate, be included as a component of the required individualized education plan; and
 - b. Vocational education planning for handicapped individuals will be coordinated between appropriate representatives of vocational education and special education.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	0	0	478	0	248	248
Total	0	0	478	0	248	248

PROGRAM DESCRIPTION: (Contd.)

Activities

1. The LEA will provide information to handicapped students and parents concerning the opportunities available in vocational education at least 1 year before the students enter the grade level in which vocational education programs are first generally available in the State, but in no event later than the beginning of the 9th grade, together with the requirements for eligibility for enrollment in such vocational education program.
2. Each student who enrolls in vocational education programs is to receive the following services:
 - a. assessment of interests, abilities and special needs with respect to completing successfully the vocational education program;
 - b. special services, including adaptation of curriculum, instruction, equipment and facilities, designed to meet the student's needs;
 - c. guidance, counseling and career development activities conducted by professionally trained counselors who are associated with the provision of such special services; and
 - d. counseling services designed to facilitate the transition from school to post-school employment and career opportunities.

P.L. 98-524 funds can be expended for staff salaries, supplies, equipment, travel and contracted services necessary for the LEA to provide the prescribed assurances and activities. The federal law requires an equitable state and local matching of the federal funds on a statewide basis. For programs that are not fully funded with federal dollars, LEAs can apply for state Vocational Education for Handicapped categorical aids to compliment the federal funds. The combination of federal and state funds cannot exceed the state aid formulas for Secondary Vocational Handicapped programs that are defined in Program 08-13. The amount of state aid needed annually to combine with the federal funds is unknown due to the uncertain level of program activities under the new federal initiatives.

EDUCATION AIDS

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 14 SECONDARY VOCATIONAL HANDICAPPED - FEDERAL VOCATIONAL EDUCATION

PROGRAM STATISTICS: Expenditures of federal funds through F.Y. 1985 were blended with state categorical aid expenditures. The activity for F.Y. 1985 is shown in program 08-14. For F.Y. 1986, there are no expenditures due to the allowable transition year and the federal funds are carried forward to F.Y. 1987 for distribution. The information that follows is for the program activity under the new federal law beginning with F.Y. 1987.

TABLE 8-29
SECONDARY VOCATIONAL HANDICAPPED - P.L. 98-524

	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
LOCAL EDUCATION AGENCIES (LEAs) PROVIDING SERVICE			
Districts	13	15	17
Cooperatives	10	12	13
Intermediates	2	3	3
NUMBER OF HANDICAPPED STUDENTS RECEIVING MULTIPLE SERVICES (DUPLICATE COUNT)	3,000	3,125	3,300
LICENSED SPECIAL VOCATIONAL EDUCATION STAFF			
Headcount	35	38	42
FEDERAL FUNDING LEVEL AND EXPENDITURES			
Federal Entitlement	\$247,814	\$248,000	\$248,000
Federal Expenditures			
1. Instructor Salaries	155,600	153,800	156,200
2. Supplies and Expenses			
a. Supplies	52,314	49,600	49,600
b. Equipment	5,200	5,000	5,000
c. Travel	15,500	19,800	12,400
	<u>73,000</u>	<u>74,400</u>	<u>67,000</u>
3. Student Contracts	<u>19,200</u>	<u>19,800</u>	<u>24,800</u>
Total Expenditures	\$247,814 ^a	\$248,000	\$248,000

In addition, the federal provisions allow F.Y. 1986 federal funds of \$230,000 to carryover to F.Y. 1987 for distribution to participating LEAs. This additional funding will result in a higher proportion of project expenditures being funded with federal dollars in F.Y. 1987, and will create greater LEA interest to provide the new federal act assurances and initiatives.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 15 LIMITED ENGLISH PROFICIENCY

STATUTORY AUTHORIZATION: M.S. 124.273; 126.261-126.269; 275.125, SUBD. 8c

PROGRAM OBJECTIVE: This program exists to provide funds, technical assistance, and inservice training to school districts serving Limited English Proficient (LEP) students. LEP students remain in the program, learning to speak, read and write in English, until they are able to participate successfully in the mainstream curriculum.

PROGRAM DESCRIPTION: Two program delivery designs are used to serve LEP students in Minnesota:

1. English as a Second Language (ESL) - Students spend approximately 1-2 hours per day learning English language skills; the remainder of the day is spent in regular class activities.
2. Bilingual Education - Students spend 1-2 hours per day learning English language skills; 1-2 hours being instructed in content areas (math, social studies, science) through the native language; and the remainder of the day in regular class activities. The amount of instruction through the native language decreases as English language skills improve.

For F.Y. 1985, districts received state aid equal to 65% of salary, calculated from the date of hire, for 1 full-time equivalent (FTE) teacher for each 45 LEP pupils and a pro rata amount for fewer than 45 pupils. Districts with 22 or fewer LEP pupils received 65% of salary for up to 0.5 full-time equivalent teacher.

For F.Y. 1986 and thereafter, the aid formula is the lesser of 65% of salary or \$18,100, calculated from the date of hire, for 1 FTE teacher for each 45 LEP pupils and a pro rata amount for fewer than 45 pupils. Districts with 22 or fewer LEP pupils receive the lesser of 65% of salary or \$9,050 for each 0.5 FTE teacher. Additionally, beginning with the payable 1986 levy, a district may levy an amount equal to the difference between 65% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For cooperatives and intermediate districts, the levy is made by member districts in an amount equal to their allocated portion of this difference. Tables 8-30 and 8-31 provide data on the program for LEP students in Minnesota.

The level of program services is expanding due to an increase in awareness of program, increase in birth rate for Southeast Asian refugees (these students are starting school as non-English speakers) and an increase in the number of new arrivals into the country.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	436	389	403	0	431	452
Current Year	2,450	2,283	2,441	0	2,561	2,899
Subtotal	2,886	2,672	2,844	0	2,992	3,351
Other Funds:	0	0	0	0	0	0
Total	2,886	2,672	2,844	0	2,992	3,351

PROGRAM STATISTICS:

TABLE 8-30
LEP STUDENTS SERVED IN EACH PROGRAM DESIGN

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Students served in an ESL Program	4,304	4,639	4,651	4,708	4,763
Number of Districts	119	110	110	110	110
B. Students Served in a Bilingual Education Program	3,725	3,905	4,100	4,305	4,520
Number of Districts	4	4	4	4	4
C. Total Students Served	8,029	8,544	8,751	9,013	9,283
Total Number of Districts	123	114	114	114	114

EDUCATION AIDS

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 15 LIMITED ENGLISH PROFICIENCY

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)TABLE 8-31
DISTRICT EXPENDITURES AND STATE AID EARNED

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	FTE*	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
1. Districts Serving 22 or Fewer LEP Students:										
Districts	92		82		82		82		82	
LEP Students	541		478		483		497		512	
Personnel:										
FTE Salaries below \$27,846			27.19	\$425,623	29.08	\$455,108	30.11	\$471,208	31.17	\$487,763
Aid Earned at 65%				276,655		295,820		306,285		317,046
FTE Salaries above \$27,846			2.29	70,231	2.45	75,102	2.54	77,759	2.62	80,491
Aid Earned at \$18,100 Per FTE				41,449		44,345		45,974		47,422
Total Salary Expenditure	28.38	\$ 540,888	29.48	\$ 495,854	31.53	\$ 530,210	32.65	\$ 548,967	33.79	\$ 568,254
Total Salary Aid Earned		351,577		318,104		340,165		352,259		364,468
2. Districts Serving more than 22 LEP students:										
Districts	31		32		32		32		32	
LEP Students	7,488		8,066		8,268		8,516		8,771	
Personnel:										
FTE Salaries below \$27,846			96.54	\$2,125,099	103.25	\$2,272,519	106.90	\$2,352,746	110.66	\$2,435,373
Aid Earned at 65%				1,381,314		1,477,137		1,529,285		1,582,992
FTE Salaries above \$27,846			57.59	2,048,814	61.58	2,190,771	63.76	2,268,441	66.01	2,348,167
Aid Earned at \$18,100 Per FTE				1,042,379		1,114,598		1,154,056		1,194,781
Total Salary Expenditure	157	\$3,826,137	154.13	\$4,173,913	164.83	\$4,463,290	170.66	\$4,621,187	176.67	\$4,783,540
Total Salary Aid Earned		2,486,989		2,423,693		2,591,735		2,683,341		2,777,773

EDUCATION AIDS

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 15 LIMITED ENGLISH PROFICIENCY

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 8-31: (Contd.)

	Actual F.Y. 1985		Estimated F.Y. 1986		Estimated F.Y. 1987		Estimated F.Y. 1988		Estimated F.Y. 1989	
	<u>FTE*</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
3. Totals:										
Districts	123		114		114		114		114	
LEP Students	8,029		8,544		8,751		9,013		9,283	
District Expenditures	185.38	\$4,367,025	183.61	\$4,669,767	196.36	\$4,993,500	203.31	\$5,170,154	210.46	\$5,351,794
State Aid Earned		2,838,566		2,741,797		2,931,900		3,035,600		3,142,241
4. LEP Levy:										
Total Salaries above \$27,846				\$2,119,045		\$2,265,873		\$2,346,200		\$2,428,658
Times 65% (Formula)				1,377,379		1,472,817		1,525,030		1,578,628
Aid Limited to \$18,100				<u>1,083,828</u>		<u>1,158,943</u>		<u>1,200,030</u>		<u>1,242,203</u>
Levy Authority				\$ 293,551		\$ 313,874		\$ 325,000		\$ 336,425

*Cap on salary was not in effect for F.Y. 1985.

EDUCATION AIDS
(Continuation)
PROGRAM: 08 SPECIAL PROGRAMS
AID: 15 LIMITED ENGLISH PROFICIENCY

1987-89 Biennial Budget

PROGRAM EFFECTIVENESS: Information gathered from districts with Limited English Proficient (LEP) Education programs indicate the following:

1. The length of time students are served depends on their age and academic achievement in their native language;
2. LEP students average 2 to 5 years in the program;
3. Approximately 5% are leaving the program each year because they are able to participate successfully in the mainstream curriculum (exiting criteria used are teacher judgment, achievement test in reading and language arts, and English language proficiency tests).

ANNUAL ENTITLEMENT AND FUNDING:

Limited English Proficiency	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Prorated Entitlement		2,685,500	2,871,700	3,013,044	3,410,091
Plus Proration Amount		56,297	60,200		
Net Aid Entitlement	\$ 2,838,566	\$ 2,741,797	\$ 2,931,900	\$ 3,013,044	\$ 3,410,091
B) PROGRAM FUNDING					
Current Appropriation	2,641,000	2,282,600	2,441,000	2,561,087	2,898,577
Final Adjust	431,200	402,900	439,785 ^a	451,957	511,514
Appropriation					
Deficiency Appropriation Request		56,297	51,115 ^b		
Total	\$ 3,072,200	\$ 2,741,797	\$ 2,931,900	\$ 3,013,044	\$ 3,410,091
C) FISCAL ACTIVITY					
State Payments	2,838,566	2,685,500	2,880,785	3,013,044	3,410,091
State Payments Pending		56,297	51,115		
Cancellation	233,634				
Total	\$ 3,072,200	\$ 2,741,797	\$ 2,931,900	\$ 3,013,044	\$ 3,410,091

^aFifteen percent of net entitlement; includes \$9,030 related to deficiency.

^bCurrent 85% account (85% of proration amount less \$55 due to rounding of current appropriation.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 2,931,900	\$ 2,931,900
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in students served and district salary expenditures	103,700	210,341
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 3,035,600	\$ 3,142,241
4. Proposed Policy Changes:		
- Modified funding formula including inflation adjustment of 2.5% per year	(22,556)	267,850
5. Total Entitlement	\$ 3,013,044	\$ 3,410,091

GOVERNOR'S RECOMMENDATION: The Governor recommends the following modifications to aid for Limited English Proficient programs:

1. The current unequalized levy should be terminated in F.Y. 1989.
2. The current salary-based funding formula should be terminated in F.Y. 1988.
3. A new method of allocating LEP revenues among school districts should be implemented in F.Y. 1988. The new method should have these characteristics:
 - a) it should establish approximate cost rates per student served by level-of-service (hours) and age group reflecting the costs of providing LEP services;
 - b) it should incorporate explicit assumptions about the amount of foundation revenue to be considered an offset to the cost rates for each age and level-of-service category;
 - c) the new method should base a school district's revenue on actual students served in districts serving more than 22 LEP students. Funding to districts with LEP programs serving 22 or fewer students should receive funding to cover 22 students.

The Governor recommends an appropriation of \$2,991,787 in F.Y. 1988 (\$430,700 for F.Y. 1987 and \$2,561,087 for F.Y. 1988) and \$3,350,534 in F.Y. 1989 (\$451,957 for F.Y. 1988 and \$2,898,577 for F.Y. 1989. This recommendation includes an inflation adjustment of 2.5% per year over the F.Y. 1987 funding level for this program.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 16 FEDERAL TRANSITION PROGRAM FOR REFUGEE CHILDREN

STATUTORY AUTHORIZATION: IMMIGRATION AND NATIONALITY ACT AS AMENDED BY THE
REFUGEE ACT OF 1980, P.L. (8 U.S.C.1522(d))

PROGRAM OBJECTIVE: Federal funds assist local school districts in meeting the unique educational needs of refugee children who have been in the United States (U.S.) for not more than three years.

PROGRAM DESCRIPTION: Eligible activities for which funds can be used include: Bilingual Education programs, English as a Second Language programs, native language tutors, special instructional materials, staff inservice training and participation of refugee parents in activities related to the education of their children. This is a forward-funded program. Criteria for determining student eligibility have remained the same for the past 3 fiscal years. Funding is based on weighted pupil units with more weight given for students who are more recent arrivals in the country and for secondary students.

The total number of students by category is multiplied by the weighting factor and the sum of the products is then multiplied by the amount of dollars per pupil unit. Approximately 1% of the grant amount is applied to Minnesota Department of Education administrative costs.

PROGRAM STATISTICS: Information on program statistics and performance is shown in Table 8-32.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	0	0	0	0	0
<i>Subtotal</i>	0	0	0	0	0	0
<i>Federal:</i>	394	439	353	0	367	373
<i>Total</i>	394	439	353	0	367	373

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM STATISTICS: (Contd.)

TABLE 8-32
TRANSITION PROGRAM FOR REFUGEE CHILDREN

	F.Y. 1985			F.Y. 1986			F.Y. 1987			F.Y. 1988			F.Y. 1989		
	Number	Factor	Pupil Units	Number	Factor	Pupil Units	Number	Factor	Pupil Units	Number	Factor	Pupil Units	Number	Factor	Pupil Units
Number of Districts	69			58			45			45			45		
Number of Students															
Less than 1 year in U.S.															
K-6	400	10	4,000	465	10	4,650	321	10	3,210	395	10	3,950	395	10	3,950
7-12	367	10	3,670	430	10	4,300	360	10	3,600	385	10	3,850	385	10	3,850
1 to 2 years in U.S.															
K-6	444	3	1,332	396	3	1,188	420	3	1,260	320	3	960	390	3	1,170
7-12	427	5	2,135	398	5	1,990	417	5	2,085	350	5	1,750	380	5	1,900
2 to 3 years in U.S.															
K-6 ^a	--	0	--	--	0	--	--	0	--	--	0	--	--	0	--
7-12	614	3	1,842	435	3	1,305	367	3	1,101	400	3	1,200	350	3	1,050
Total	2,252		12,979	2,124		13,433	1,885		11,256	1,850		11,710	1,900		11,920
Funding															
District Rate Per Unit	\$ 30.41			\$ 32.69			\$ 31.07			\$ 31.00			\$ 31.00		
Amount	394,691			439,066			349,724			363,010			369,520		
Administrative Rate/Unit	.31			.33			.31			.31			.31		
Amount	4,023			4,430			3,489			3,630			3,695		
Total Amount	\$398,715			\$443,496			\$353,213			\$366,640			\$373,215		

^aDate are not gathered because this category is not eligible for grant funding.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 17 FEDERAL EMERGENCY IMMIGRANT EDUCATION
STATUTORY AUTHORIZATION: EMERGENCY IMMIGRANT EDUCATION ACT, P.L. 96-511,
TITLE VI

PROGRAM OBJECTIVE: To provide funds to school districts to provide supplementary educational services to immigrant children.

PROGRAM DESCRIPTION: Federal funds are made available to school districts in which the number of immigrant children enrolled is equal to at least 500, or is equal to at least 5% of the total number of children enrolled. Immigrant children are defined as children who were not born in a state, and who have been attending schools in any 1 or more states for less than 3 complete academic years. (Children classified as refugees are not eligible).

Funds received under this program may be used by the states to meet the costs of providing supplementary educational services including English language instruction, other bilingual education services, special materials and supplies, and inservice training for personnel. A total of \$30 million was appropriated nationally for F.Y. 1986. The same amount was appropriated for F.Y. 1987. It is not known at this time whether funds will be appropriated for future years.

Based on the eligibility criteria, only 2 Minnesota districts were eligible to apply for funds in F.Y. 1986 (St. Paul and Minneapolis), and 3 districts were eligible in F.Y. 1987 (St. Paul, Minneapolis, Rochester).

PROGRAM STATISTICS: Information on program participation and funding is as follows:

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated*</u> <u>F.Y. 1988</u>	<u>Estimated*</u> <u>F.Y. 1989</u>
Number of districts	2	2	3		
Number of immigrant students	2,713	2,897	2,964		
Federal funds	\$223,900	\$187,515	\$170,882		

*Due to the uncertainty of federal funding, no program estimates are made for F.Y. 1988 and F.Y. 1989.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	0	0	0	0	0
<i>Subtotal</i>	0	0	0	0	0	0
<i>Federal:</i>	224	188	171	0		
<i>Total</i>	224	188	171	0	0	0

PROGRAM: 08 SPECIAL PROGRAMS
AID: 18 COMPENSATORY EDUC - FEDERAL MIGRANT EDUCATION
STATUTORY AUTHORIZATION: CH. 1, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981

PROGRAM OBJECTIVE: The Federal Migrant Education Program is designed to provide compensatory and remedial instructional services to children of migratory agricultural workers. The program serves mainly elementary and secondary age students, and also assists students who qualify for General Education Development (GED) programs, other adult basic education, or vocational programs.

Local school districts in areas of heavy migrant population concentrations conduct the program. The program uses local school district facilities and personnel, as well as instructional personnel from Texas and the migrant stream. Education programs will be designed to serve approximately 4,000 eligible migrant students ranging in age from 5 to 21 years. Local project services include instructional and support services appropriate to the needs of the students.

PROGRAM DESCRIPTION: Funding to districts conducting migrant education projects is determined by past fiscal expenditures, number of students to be served, and program scope; and is allocated through annual grants. The Migrant Education Program is primarily a summer activity administering about 13 projects statewide. In addition, supplemental tutorial programs are funded each year for migrant students who attend Minnesota schools during the regular school year. The federal funding level, number of school districts, and number of students served in migrant education programs during the summer and the regular school year are shown in Table 8-33.

TABLE 8-33
MIGRANT EDUCATION PROGRAM

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>Number of Districts</u>					
Summer	14	13	12	12	12
School Year	9	9	10	10	10
<u>Number of Students Served</u>					
Age 5-11 Years	1,129	1,159	1,189	1,219	1,219
Age 12-17 Years	744	776	800	826	826
Age 18-21 Years	222	222	232	242	242
Total	2,095	2,157	2,221	2,287	2,287
<u>Funding Level</u>	\$1,377,293	\$1,239,396	\$1,198,411	\$1,198,411	\$1,198,411

Historical Expenditures and Governor's Recommendations By Fund Source							
Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation			
				F87 DEF	FY 1988	FY 1989	
General Fund							
Prior Yr Adjstmnt	0	0	0	0	0	0	
Current Year	0	0	0	0	0	0	
Subtotal	0	0	0	0	0	0	
Federal:	1,417	1,574	1,198	0	1,198	1,198	
Total	1,417	1,574	1,198	0	1,198	1,198	

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM EFFECTIVENESS: During F.Y. 1985, the total number of migrant students in Minnesota decreased by 5.6%, however, the total number of students served increased by 2.2%.

Following are examples of academic achievement related to this program:

1. Language Development - The Individualized Developmental English Activities (IDEA) Oral Language Program was the instrument used to pre-test and post-test migrant students in Minnesota. IDEA is divided into 6 skill areas. Each skill has 8 sequential levels of difficulty. Objectives were identified for each student based on their skill levels. A total of 362 students (59%) accomplished a minimum of three or more oral language objectives after at least 23 days of instruction.
2. Reading - A total of 621, or 93%, of the students enrolled gained at least 1 month in reading as determined by pre- and post-tests after at least 23 days of instruction.
3. Mathematics - A total of 598 students, or 93%, gained a minimum of 1 month in mathematics after at least 23 days of instruction.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 19 COMPENSATORY EDUC - FEDERAL NATIONAL MIGRANT SPECIAL EDUCATION CENTER
STATUTORY AUTHORIZATION: CH. 1, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981 (SECTION 143 P.L. 97-35)

PROGRAM OBJECTIVE:

The Migrant Education Section 143 project is designed to improve interstate and intra-state coordination of activities relevant to migrant students with handicapping conditions through a national migrant special education center.

PROGRAM DESCRIPTION:

The National Migrant Special Education Center provides inservice training and technical assistance in all content areas to staff who work with handicapped migrant students in the 13-state consortium.

The project also conducts activities which strengthen career education experiences of migrant handicapped youth. Additionally, a limited amount of research is conducted, determined by the availability of funds. A newsletter is published for the purpose of dissemination of information which is distributed on a nationwide basis.

Although the Minnesota Department of Education is the grantee for this Section 143 program, the operating agency is the Center for Resources and Essential Services in Geneseo, New York. All fiscal responsibilities are conducted by the Minnesota Department of Education, Migrant Education Section.

PROGRAM STATISTICS:

1. Number of Students to be Served: Since it is not known how many handicapped migrant students there are, it cannot be stated how many will be served. It is known that the national average of non-migrant handicapped students is 10% of the total student population. However, only 1% of the migrant student population has been identified as handicapped and is being served. It is the intention of this program to assist in the identification of the other 9%.

2. Funding:	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988*	Estimated F.Y. 1989*
	\$188,370	\$175,000	\$147,000		

* Section 143 funds are allocated annually on a competitive basis, and there is no assurance of funding from year to year.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	174	175	147	0	0	0
Total	174	175	147	0	0	0

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM EFFECTIVENESS:

1. Inservice training will be conducted at local, regional, state, and national migrant education meetings and meetings of related professional organizations at least once for instructional staff, aides, parents, administrators, and support staff.
2. Strategies will be designed to assist each participating state in providing migrant handicapped youth opportunities to meet occupational role models.
3. Research studies will be designed and conducted to address the project purposes and objectives of the program. Consultants will be employed to design, implement, and evaluate specific research studies.
4. A newsletter will be compiled, printed, and disseminated at least once during the project period in which research data will be published.
5. Strategies for creative curriculum and/or resource material ideas will be disseminated during inservice training sessions.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

PROGRAM: 08 SPECIAL PROGRAMS
AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS
STATUTORY AUTHORIZATION: M.S. 124.573; P.L. 98-524, TITLE II, PART A,
SECTION 204

PROGRAM OBJECTIVE: Secondary Vocational Education programs in Minnesota are designed to provide opportunities for students to: 1) Apply basic computational, comprehension, communications, scientific and problem solving skills in relevant, realistic situations; 2) Gain experience in the use of high technology equipment; 3) Learn and reinforce higher order thinking skills through application instruction; 4) Develop technological knowledge utilized in the occupational areas; 5) Acquire entry-level competencies enabling students to earn while continuing to learn; 6) Earn success and recognition for achievement in instructionally related activities; 7) Utilize outcome-based curriculum developed in partnership with representatives of business, labor, industry, and agriculture; 8) Learn in an environment which creates an incentive for students to remain in school; 9) Explore potential careers in a number of different occupational areas; 10) Prepare for postsecondary education; and 11) Obtain employability skills necessary to succeed in all occupational areas.

Special Needs is a term used to describe secondary students who need special services and assistance, or a modified program in order to succeed in vocational programs. It includes persons who are members of economically disadvantaged families, migrants, individuals with limited English proficiency, dropouts and potential dropouts. Special programs have been designed to provide special services necessary to increase the opportunity for students to succeed in vocational programs.

PROGRAM DESCRIPTION: Secondary vocational programs have several unique characteristics including: 1) carefully selected teaching content based on an analysis of occupations, 2) teachers with work experience unique to their teaching area, and 3) a simulation of the environment found in the occupation.

Vocational programs are offered by individual districts, in cooperative vocational centers, intermediate districts, and through unique sharing arrangements between local educational agencies (LEAs). Under current statute, local school districts and cooperative centers are eligible for categorical aid at the rate of 41.5% of the salaries of essential licensed instructional personnel assigned to approved vocational education programs, licensed vocational administrators at a ratio of 1 full-time equivalent administrator per 15 vocational instructional staff or half-time administrator per 10 instructional staff; and 41.5% reimbursement for instructional-related travel. School districts are permitted to levy up to \$5 per pupil unit to purchase equipment for vocational and industrial arts programs. Funds to purchase equipment in cooperative centers must be paid by member districts.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	2,530	2,749	2,910	0	2,972	2,925
Current Year	17,950	16,488	16,843	0	16,577	8,289
Subtotal	20,480	19,237	19,753	0	19,549	11,214
Other Funds:Federal	208	275	419	0	325	325
Total	20,688	19,512	20,172	0	19,874	11,539

PROGRAM DESCRIPTION: (Contd.)

Categorical aid provides incentives for school districts to offer vocational programs utilizing specialized "state of the art" equipment, instructional materials and procedures utilized in business, industry and agriculture as well as to offset the additional costs of vocational programs attributed to: 1) Limited class size to ensure the safety and health of enrollees; 2) Supplies and services specific to occupational areas; 3) Support for required program advisory committees; 4) Instructor travel necessary to monitor community based programs; 5) Larger specialized space requirements; 6) Remaining technically current with business and industry; 7) Meeting accountability and evaluation requirements; 8) Utilization of instructional staff to advise and evaluate students involved in community based employment experiences; and 9) Additional transportation costs for vocational programs offered at special project sites. The amount of total eligible expenditures of districts/cooperative centers for vocational programs is shown, by program area, in Tables 8-34 and 8-35. Also, the categorical aid entitlement computation is indicated for each fiscal year. If the revenue from the sale of products or services exceeds the costs to produce those products or services in any fiscal year, the excess revenue shall reduce the state's obligation for such program by the amount of income in excess of the cost of production.

Current efforts in all vocational disciplines are being addressed with curriculum updating and curriculum relevance to industry and student needs. These efforts are, in most cases, being piloted or field-tested with statewide implementation plans scheduled for the next biennium.

Business education is piloting a new high technology in business curriculum which is designed to incorporate new courses, microcomputer instruction and applications, and a broad-based curriculum that addresses needs of both male and female students in preparing for business careers. The curriculum emphasizes skills needed for the information industry, which is predicted to employ 60-80% of the workforce in the 1990s.

EDUCATION AIDS

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

TABLE 8-34
SECONDARY VOCATIONAL PROGRAMS - ELIGIBLE EXPENDITURES AND AID

OCCUPATIONAL AREA	ACTUAL F.Y. 1985			ESTIMATED F.Y. 1986			ESTIMATED F.Y. 1987		
	SALARY	TRAVEL	TOTAL	SALARY	TRAVEL	TOTAL	SALARY	TRAVEL	TOTAL
Vocational Administration	\$ 2,710,502	\$ 71,282	\$ 2,781,784	\$ 2,723,285	\$ 69,844	\$ 2,793,129	\$ 2,714,969	\$ 90,271	\$ 2,805,240
Agriculture/Agribusiness	6,249,300	268,497	6,517,797	6,113,446	267,038	6,380,484	6,150,753	343,449	6,494,202
Service	1,920,689	16,985	1,937,674	1,918,731	20,060	1,938,791	1,939,178	27,560	1,966,738
Business/Office	7,120,021	56,741	7,176,762	7,570,498	68,206	7,638,704	8,023,404	93,518	8,116,922
Health/Environmental	964,775	12,717	977,492	926,922	14,084	941,006	993,168	17,537	1,010,705
Consumer Homemaking	8,541,383	50,284	8,591,667	8,797,882	82,485	8,880,367	9,149,974	113,512	9,263,486
Industrial	9,773,936	39,776	9,893,712	10,183,460	58,772	10,242,232	10,481,629	85,337	10,566,966
Marketing/Distribution	2,999,776	60,051	3,059,827	2,792,887	59,018	2,851,905	2,758,733	359,265	3,117,998
Work Experience/Disadvantaged	3,688,641	58,149	3,746,790	3,698,458	63,477	3,761,935	4,066,529	84,144	4,150,673
WE/CEP	1,291,381	27,898	1,319,279	1,223,465	24,696	1,248,161	1,310,539	32,201	1,342,740
Subtotal	45,260,404	662,380	45,922,784	45,949,034	727,680	46,676,714	47,588,876	1,246,794	48,835,670
Other Revenue (Local)	(18,393)	-0-	(18,393)	(25,000)	-0-	(25,000)	(25,000)	-0-	(25,000)
Total	\$45,242,011	\$ 662,380	\$45,904,391	\$45,924,034	\$ 727,680	\$46,651,714	\$47,563,876	\$1,246,794	\$48,810,670
State Funding Level	(45%) 20,358,905	298,071	20,656,976	(41.5%) 19,058,474	301,987	19,360,461	(41.5%) 19,739,008	517,420	20,256,428
SPECIAL NEEDS SERVICES (FEDERAL SECTION 204)	SALARY	SUPPLIES, MATERIALS	TOTAL	SALARY	SUPPLIES, MATERIALS	TOTAL	SALARY	SUPPLIES, MATERIALS	TOTAL
Instructional Support	603,885	-0-	603,885	752,500	-0-	752,500	900,000	112,000	1,012,000
Services									
Less Federal Funds							(307,000)	(112,000)	(419,000)
Eligible State Expenditures							593,000	-0-	593,000
State Funding Level	42,539*	-0-	42,539	37,288*	-0-	37,288	(41.5%) 246,095	-0-	246,095
Total State Funding	\$20,401,444	\$ 298,071	\$20,699,515	\$19,095,762	\$ 301,987	\$19,397,749	\$19,985,103	\$ 517,420	\$20,502,523

*For F.Y. 1985 and F.Y. 1986 the old federal formula is used to determine the state funding level (salary x .415 - federal funds = state funding level).

F.Y. 1985: \$603,885 x .415 = \$250,612 less federal of \$208,073 = \$42,539.

F.Y. 1986: \$752,500 x .415 = \$312,288 - \$275,000 = \$37,288.

PROGRAM DESCRIPTION: (Contd.)

TABLE 8-35
SECONDARY VOCATIONAL PROGRAMS - ELIGIBLE EXPENDITURES AND AID

OCCUPATIONAL AREA	ESTIMATED F.Y. 1988			ESTIMATED F.Y. 1989		
	SALARY	TRAVEL	TOTAL	SALARY	TRAVEL	TOTAL
Vocational Administration	\$ 2,654,969	\$ 85,000	\$ 2,739,969	\$ 2,614,969	\$ 84,200	\$ 2,699,169
Agriculture/Agribusiness	6,273,768	350,317	6,624,085	6,326,505	353,820	6,680,325
Service	1,861,611	26,458	1,888,069	1,787,147	25,400	1,812,547
Business/Office	8,504,808	99,129	8,603,937	8,749,952	102,102	8,852,054
Health/Environmental	973,304	17,187	990,491	953,838	16,844	970,682
Consumer Homemaking	8,783,975	108,972	8,892,947	8,422,616	104,614	8,527,230
Industrial	11,110,526	90,457	11,200,983	11,433,841	94,075	11,527,916
Marketing/Distribution	2,648,384	344,894	2,993,278	2,701,351	351,791	3,053,142
Work Experience/Disadvantaged	4,107,194	84,985	4,192,179	4,179,337	86,684	4,266,021
WE/CEP	1,323,644	32,523	1,356,167	1,340,116	33,173	1,373,289
Subtotal	48,242,183	1,239,922	49,482,105	48,509,672	1,252,703	49,762,375
Other Revenue (Local)	(25,000)	-0-	(25,000)	(25,000)	-0-	(25,000)
Total	\$48,217,183	\$1,239,922	\$49,457,105	\$48,484,672	\$1,252,703	\$49,737,375
State Funding Level	(41.5%) 20,010,130	514,568	20,524,698	(41.5%) 20,121,139	519,871	20,641,010
SPECIAL NEEDS SERVICES (FEDERAL SECTION 204)	SALARY	SUPPLIES, MATERIALS	TOTAL	SALARY	SUPPLIES, MATERIALS	TOTAL
Instructional Support	900,000	125,000	1,025,000	900,000	125,000	1,025,000
Services						
Less Federal Funds	(200,000)	(125,000)	(325,000)	(200,000)	(125,000)	(325,000)
Eligible State Expenditures	700,000	-0-	700,000	700,000	-0-	700,000
State Funding Level	(41.5%) 290,500	-0-	290,500	(41.5%) 290,500	-0-	290,500
Total State Funding	\$20,300,630	\$ 514,568	\$20,815,198	\$20,411,639	\$ 519,871	\$20,931,510

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS

PROGRAM DESCRIPTION: (Contd.)

A new agri-business curriculum is being developed and piloted that addresses the "off-farm" phase of agriculture. This curriculum development effort is being co-sponsored and advertised by the agriculture industry because it is predicted to be a primary growth area for future employment.

Trade and industry is undergoing curriculum revision and expansion to reflect technology and to add technological applications to programs.

The number of handicapped students participating in all secondary vocational programs is expected to increase significantly due to federal legislation concerning vocational programs for handicapped students. It is the desire to fully implement this federal legislation.

The current level of funding for vocational education is essential in retaining opportunities for students to prepare for their role in the work world and also in providing options for students who may drop out of school if vocational courses are reduced or eliminated. Current dropout data indicate an increasing percent of students dropping out of schools. Dropout statistics for students in grades 10-12 are 3.76% for F.Y. 1983, 3.95% for F.Y. 1984, and 4.33% for F.Y. 1985.

Historically, vocational education has played a significant role in reducing or controlling the dropout rate at the secondary level. To reduce or eliminate vocational education will likely result in increased dropout rates.

Students in grades 10-12 will have 1 or more choices available from the following occupational fields or specialized program areas: agriculture/agribusiness and natural resources occupations, business education occupations, health and environmental occupations, homemaking occupations, industrial occupations, marketing and distribution occupations, service occupations, work experience disadvantaged and other forms of community-based vocational education experiences. In addition, ninth grade students with special needs, identified as potential dropouts, may have access to the vocational Work Experience Programs.

Information on average daily membership (ADM)* student enrollment in secondary vocational education programs is shown in Table 8-36.

*Average daily membership (ADM) is a ratio between the time a student is enrolled in a secondary vocational program and their enrollment as a full-time student.

PROGRAM DESCRIPTION: (Contd.)

TABLE 8-36
SECONDARY VOCATIONAL PROGRAMS - AVERAGE DAILY MEMBERSHIP (ADM) ENROLLMENT

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Grades 10-12					
Total ADM	173,541	174,519	175,443	169,308	159,830
Vocational ADM	29,017	27,087	27,228	26,276	24,805
% enrolled in vocational	17%	16%	16%	16%	16%

The number of Full-Time Equivalent (FTE) licensed vocational instructors for grades 10-12 employed by local school districts whose salaries are reimbursed with secondary vocational categorical aid is provided in Table 8-37.

TABLE 8-37
LICENSED SECONDARY VOCATIONAL INSTRUCTORS (FTE)

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
State	1,605	1,547	1,550	1,540	1,540

SPECIAL NEEDS PROGRAM

Special Needs programs/services are funded using federal vocational education funds that are allocated to districts/cooperatives on the basis of a formula established in the federal law. Prior to F.Y. 1986, the federal funds were provided by the Vocational Education Act of 1963. The Carl Perkins Vocational Education Act, P.L. 98-524, is effective beginning in F.Y. 1986. There is, however, provision for a transition year and, in administering the funds for Special Needs programs, MDE has opted to use the criteria in the previous law for distributing federal funds in F.Y. 1986.

The federal government distributes funds annually to the sole state agency for vocational education. In Minnesota that agency is the State Board for Vocational Technical Education (SBVTE). The Minnesota Department of Education, Secondary Vocational Education Section, negotiates with SBVTE for an equitable share of the federal funds.

In applying the previous criteria for distributing federal funds in F.Y. 1985 and F.Y. 1986, the amount of federal funding could fall below the 41.5% state formula for funding approved secondary vocational programs. Therefore, it was necessary to provide state resources to assure the 41.5% level of funding.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS

PROGRAM DESCRIPTION: (Contd.)

Beginning in F.Y. 1987, the new criteria for distributing federal funds consider the number of disadvantaged students enrolled in secondary education compared to the number of disadvantaged and limited English proficient students enrolled in secondary vocational education. The amount of federal funds each eligible district/cooperative receives annually is based on its disadvantaged enrollment in vocational education compared to the total disadvantaged enrollment in all participating districts. The federal law requires an equitable state and local matching of the federal funds on a statewide basis. Federal funds may be used to purchase necessary supplies and materials and for salaries of essential support personnel. State funds are used only to support the nonfederal share of salaries.

Table 8-38 provides additional information on the Special Needs program.

TABLE 8-38
SPECIAL NEEDS SERVICES

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Secondary Support Services					
Number of students served	980	2,300	3,000	3,000	3,000
Number of districts receiving	10	15	20	25	25
Vocational Planning and Assessment					
Number of students receiving	150	200	250	300	300
Number of districts receiving	2	4	4	5	5

An expansion of special needs services is anticipated because of the emphasis in Federal Law and increased efforts by local school districts to serve this population.

PROGRAM EFFECTIVENESS: Secondary vocational programs are formally evaluated by a team of specialists to determine program effectiveness and consistency with stated objectives. A schedule is established such that each district and cooperative center is evaluated once within a 5-year period.

Program components are analyzed for instructional content considered to be essential by professionals working in the field. The input is provided through local program advisory committees which represent business, labor, industry, and agriculture in recommending instructional emphasis in all courses of study. Advisory committee representatives also assess the suitability of facilities, equipment and student achievement for employability skills within the environment of the occupational areas. The evaluation reports reflect the activities and accomplishments of vocational education at the local level resulting in a formal plan for program improvement that is presented each year to the State Board of Education for acceptance.

PROGRAM EFFECTIVENESS: (Contd.)

The federal funded student follow-up and survey assists in determining the extent to which student desires and needs were met through secondary vocational programs (see Program 08-22). It provides a measure of student success in employment while focusing on the abilities and skills necessary for program improvement. The employer contacts result in a critical assessment of student training and job performance after completing a secondary vocational program. This input forms the basis for program effectiveness, curriculum and instructional modification, and technical assistance.

FISCAL INFORMATION: The state funding for Special Needs Services is included at 100% in the final adjustment appropriation request. This is to conform to the historical payment pattern for this component of the program. The regular secondary vocational program funding basis is 85-15%.

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Regular Prorated Entitlement			19,815,100		
Plus Proration Amount			441,328		
Total Regular Program	20,656,976	19,360,461	20,256,428		
Special Needs Services	42,539	37,288	246,095		
Net Aid Entitlement	\$ 20,699,515	\$ 19,397,749	\$ 20,502,523	\$ 19,502,523	\$ 9,751,261
<u>B) PROGRAM FUNDING</u>					
Current Appropriation	16,959,000	17,695,000	16,842,800	16,577,145	8,288,572
Deficiency Appropriation	1,105,000				
Final Adjust Appropriation	3,422,400	3,122,700	3,284,559 ^a	2,925,378	1,462,689
Transfer to Education Aids Control Account		(1,419,951)			
Deficiency Appropriation Request			375,164 ^b		
Total	\$ 21,486,400	\$ 19,397,749	\$ 20,502,523	\$ 19,502,523	\$ 9,751,261

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
Secondary Vocational					
C) FISCAL ACTIVITY					
State Payments	20,699,515	19,397,749	20,502,523	19,502,523	9,751,261
State Payments, M.S. 124.14	211				
Cancellation	786,674				
Total	<u>\$ 21,486,400</u>	<u>\$ 19,397,749</u>	<u>\$ 20,502,523</u>	<u>\$ 19,502,523</u>	<u>\$ 9,751,261</u>

^aFifteen percent of net entitlement for regular programs including \$66,199 related to deficiency, plus 100% funding for special needs.

^bCurrent 85% account (85% of proration amount plus \$35 due to rounding of current appropriation).

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 20,502,523	\$ 20,502,523
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Net increase in program expenditures due to changing student vocational interests	268,270	384,582
- Increase in participation in Special Needs Services	44,405	44,405
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 20,815,198</u>	<u>\$ 20,931,510</u>

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
4. Proposed Policy Changes:		
- Change Existing Formula Rate From 41.5% to 39%	(1,312,675)	-0-
- Modified Funding Formula	-0-	(11,180,249)
5. Total Entitlement	<u>\$ 19,502,523</u>	<u>\$ 9,751,261</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends that the state formula for secondary vocational education aid be reduced from 41.5% to 39% in F.Y. 1988.

The Governor further recommends that the current secondary vocational education aid formula be replaced, beginning in F.Y. 1989, with a new formula that includes 3 components:

1. a modified excess cost formula for ongoing operating expenses,
2. a competitive grant program to promote program and instructional innovation, and
3. an equipment aid formula for a percentage of equipment costs in excess of \$5.00 per pupil unit.

A district's maximum revenue under the modified excess cost formula would equal:

1. 60% of the difference between:
 - a. actual licensed salaries for vocational education staff, and
 - b. 30% of the formula allowance and tier revenue earned by secondary students for the time spent in vocational programs,

plus

2. 30% of "other operating costs" of secondary vocational education, including special instructional supplies, staff travel, state approved student organization expenses, curriculum development, and staff development.

School districts would be required to levy, beginning with the payable F.Y. 1988 levy, for a portion of the modified excess cost formula revenue. The levy would be equalized by the state at 100% of the foundation aid equalizing factor.

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 20 SECONDARY VOCATIONAL - STATE GENERAL FUND AND FEDERAL SPECIAL NEEDS

GOVERNOR'S RECOMMENDATION: (Contd.)

In the first year of the new funding formula, the revenue generated is the same amount as the aid entitlement for F.Y. 1988. Of this revenue, \$18,502,523 is for the modified excess cost formula, \$500,000 is for program and instructional innovation, and \$500,000 is for equipment. No more than \$1,850,000 of the modified excess cost formula revenue may be used for non-salary expenditures.

The Governor recommends an appropriation of \$19,549,445 in F.Y. 1988 (\$2,972,300 for F.Y. 1987 and \$16,577,145 for F.Y. 1988) and \$11,213,950 in F.Y. 1989 (\$2,925,378 for F.Y. 1988 and \$8,288,572 for F.Y. 1989). Of the \$8,288,572 appropriated for F.Y. 1989, \$425,000 is for program and instructional innovation, \$425,000 is for equipment aid, and \$7,438,572 is for the modified excess cost formula. The Governor also recommends that of the F.Y. 1988 appropriation of \$19,549,445, the Department of Education may use \$41,600 in F.Y. 1988 for Secondary Vocational Student Organizations, and of the F.Y. 1989 appropriation of \$11,213,950, the Department of Education may use \$36,600 for Secondary Vocational Student Organizations.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 21 SECONDARY VOCATIONAL - FEDERAL CONSUMER HOMEMAKING

STATUTORY AUTHORIZATION: VOCATIONAL EDUCATION ACT OF 1984 (P.L. 98-524),
TITLE 3

PROGRAM OBJECTIVE: Federal funds are available to colleges, universities, and local school districts for curriculum development, research, development of instructional materials, providing inservice training to instructional staff, and for providing leadership activities for students in consumer and homemaking education programs.

PROGRAM DESCRIPTION: Consumer homemaking aid funds special projects, located at various postsecondary education institutions, at a 100% level for curriculum development, in-service education, and field testing of new programs. Evaluation is an integral part of each special project. Funds are also available to school districts to support field testing of new programs, and to Dakota County Area Vocational Technical Institute (AVTI) to provide state level leadership for the Minnesota Association of Future Homemakers of America and the Home Economics and Related Training Organization.

PROGRAM STATISTICS: The institutions receiving federal funds are shown in Table 8-39, and the level of student and teacher participation in leadership activities and new curriculum implementation is shown in Table 8-40.

TABLE 8-39
FEDERAL CONSUMER HOMEMAKING PROGRAM

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Dakota County AVTI	\$ 66,000	\$ 69,000	\$ 78,000	\$ 80,000	\$ 82,000
Minneapolis Public Schools	6,000	7,000	--	--	--
University of Minnesota - St. Paul	44,000	48,000	35,000	30,000	30,000
University of Minnesota - Duluth	43,000	44,000	30,000	30,000	30,000
Mankato State University	57,000	62,000	43,000	43,000	43,000
School Districts	10,000	15,000	5,000	15,000	25,000
Administration	--	--	19,000	12,000	5,000
Total	\$226,000	\$245,000	\$210,000	\$210,000	\$215,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	217	252	210	0	210	215
Total	217	252	210	0	210	215

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM STATISTICS: (Contd.)

TABLE 8-40
CONSUMER HOMEMAKING PROGRAM PARTICIPATION

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Student participation in leadership activities	13,000	13,000	13,000	12,000	12,000
Teacher participation in in-service activities, and implementation of new curriculum	100	125	150	200	250

PROGRAM EFFECTIVENESS: Evaluation of participating Consumer Homemaking Programs assures that staff and curriculum development has been provided which assists teachers in rethinking and redirecting their vocational programs.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 22 SECONDARY VOCATIONAL - FEDERAL STUDENT FOLLOW-UP

STATUTORY AUTHORIZATION: VOCATIONAL EDUCATION ACT OF 1984, (P.L. 98-524),
TITLE II, PART B

PROGRAM OBJECTIVE: To determine the extent to which secondary student education and vocational desires and needs are met through secondary vocational programs.

PROGRAM DESCRIPTION: The federal legislation requires states each year to obtain follow-up data on the graduating class from 20% of the school districts. Therefore, each district is required to participate at least once every 5 years to allow Minnesota to fulfill the federal compliance regulations. The sampling must reflect district size and location. The number of districts actually surveyed exceeds 20% because local districts volunteer to participate in order to receive valuable local district management data.

The federal government distributes funds annually to the sole state agency for vocational education. In Minnesota, the sole state agency is the State Board for Vocational Technical Education (SBVTE). The Minnesota Department of Education (MDE), Secondary Vocational Education Section, negotiates with SBVTE for an equitable share of the federal funds. The federal funds transferred to MDE for secondary student follow-up provide for data processing services and for reimbursement to districts of \$3.00 per vocational student in the mandated class year to cover postage costs. Administration of the secondary follow-up process is the responsibility of the SBVTE. The results are shared with MDE.

PROGRAM STATISTICS:

TABLE 8-41
SECONDARY VOCATIONAL STUDENT FOLLOW-UP

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
Number of students, grade 12	56,815	55,562	56,780	57,493	56,193
Number of students surveyed	21,589	21,113	21,576	21,847	21,353
Funding (MDE)	\$58,900	\$55,000	\$55,000	\$55,000	\$55,000

PROGRAM EFFECTIVENESS: The information compiled on further education, employment and unemployment as a result of the follow-up survey is a valuable tool for measuring the effectiveness of local programs and for curriculum and staff development. The follow-up survey indicates the following trends:

Historical Expenditures and Governor's Recommendations By Fund Source						
<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Recommendation</u>		
	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
<i>General Fund</i>						
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0
<i>Current Year</i>	0	0	0	0	0	0
<i>Subtotal</i>	0	0	0	0	0	0
<i>Federal:</i>	59	55	55	0	55	55
<i>Total</i>	59	55	55	0	55	55

PROGRAM EFFECTIVENESS: (Contd.)

1. The number of students enrolling in a 4-year college, university, or community college is increasing slightly.
2. The number of students enrolling in a vocational school is decreasing slightly.
3. The number of students working and going to school is remaining stable, indicating a continued need to provide vocational opportunities.
4. Approximately 30% of students in Grade 12 do not enroll in postsecondary education programs.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 23 SECONDARY VOCATIONAL - FEDERAL SPECIAL POPULATIONS
STATUTORY AUTHORIZATION: VOCATIONAL EDUCATION ACT OF 1984 (P.L. 98-524),
TITLE II, PART A

The Carl Perkins Vocational Education Act delineates special populations for states to serve. Three of these are Single Parents, Sex Equity, and Incarcerated Youth. The level of funds available for these special populations at the secondary level is determined by a cooperative agreement between the State Board of Education and the State Board of Vocational Technical Education. Funding for these purposes is provided beginning in F.Y. 1986.

PROGRAM OBJECTIVE:

- 1. Single Parents - To provide, through school districts and cooperatives, special services for teen-aged single parents in order to increase the probability that they will achieve a high school diploma with skills necessary for post-high school employment and/or education.
- 2. Sex Equity - To provide funds to school districts and cooperatives in cooperation with other agencies and entities, for specialized secondary education projects designed to reduce gender bias and sex role stereotyping.
- 3. Incarcerated Youth - To provide funds to correction agencies and school districts, in cooperation with other agencies and entities serving juvenile offenders and incarcerated youth, for educational support services such as vocational assessment/evaluation, curriculum development, equipment, and other supportive services.

PROGRAM DESCRIPTION:

Single Parent Special programs/projects are designed to serve teen-aged single parents enrolled in secondary vocational education programs. These programs/projects are funded entirely with federal funds which are distributed under a grant program in which local education agencies (LEAs) delineate special services that they will provide. The services must include the following: assessment, child care, transportation, and transition, provided in cooperation with other agencies and entities that work with teen-aged single parents.

Sex Equity Special programs/projects are designed to reduce gender bias and sex stereotyping in secondary vocational education programs. These programs/projects are funded entirely with federal funds which are distributed under a grant program in which recipients delineate activities that will be undertaken to address this initiative.

Incarcerated Youth Special programs/projects are designed to serve juvenile offenders and incarcerated youth with special vocational education services. These programs/projects are funded entirely with federal funds which are distributed under a grant program in which recipients delineate activities that will be undertaken to serve this population.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	0	201	370	0	370	370
Total	0	201	370	0	370	370

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

All special programs/projects are reviewed annually, and a report is made to the State Board of Education for its review and recommendation on program direction. This final report is also provided to the State Board of Vocational Technical Education. The report includes information on number of projects, students served, and program funding.

PROGRAM STATISTICS:

TABLE 8-42
SECONDARY VOCATIONAL SPECIAL POPULATIONS

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
SINGLE PARENT				
Funds Available	\$241,000	\$215,000	\$215,000	\$215,000
LEAs Funded	20	24	24	24
Students Served	175	250	250	250
SEX EQUITY ^a				
Funds Available	\$116,000	\$107,000	\$107,000	\$107,000
Projects Funded	5	6	10	10
Students Served	--	--	2,000	4,000

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 23 SECONDARY VOCATIONAL - FEDERAL SPECIAL POPULATIONS

PROGRAM STATISTICS: (Contd.)

TABLE 8-42: (Contd.)

	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
INCARCERATED YOUTH ^b				
Funds Available	\$ 49,000	\$ 48,000	\$ 48,000	\$ 48,000
Recipients Funded	--	4	6	7
Students Served	--	150	175	200
TOTAL FUNDING LEVEL	\$406,000	\$370,000	\$370,000	\$370,000

^aDue to limited resources, the development of specialized projects is spread over a 2-year time period. Implementation of the activities will occur over more than 2 years. Funds identified may be carried forward.

^bNo funds were distributed in F.Y. 1986. Funds identified may be carried forward.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS

AID: 24 SECONDARY VOCATIONAL - FEDERAL IMPROVEMENT AND FLEXIBILITY

STATUTORY AUTHORIZATION: VOCATIONAL EDUCATION ACT OF 1984 (P.L. 98-524),
TITLE II, PART B

PROGRAM OBJECTIVE: To improve and/or maintain a limited array of services or activities necessary for the continuation of quality secondary vocational education programs.

PROGRAM DESCRIPTION: The Vocational Education Act of 1984, Title II, Part B includes a list of activities that the States may choose to undertake for the general maintenance and improvement of vocational education. In Minnesota the planned activities include staff development projects, teacher licensure rules, program rules, courseware curriculum and materials, shared equipment costs, program evaluation, student follow-up, vocational student organization, and pilot projects.

The amount of federal funds available at the secondary level is determined through a cooperative agreement between the State Board of Education and the State Board of Vocational Technical Education (SBVTE). Prior to F.Y. 1987, these activities were a part of the SBVTE budget.

All special services and activities are reviewed annually, and a report is made to the State Board of Education for its review and recommendation on direction or emphasis. This report is also provided to the SBVTE. The report includes information on number of local education agencies (LEAs) participating, staff served, students served, program funding, and other relevant data.

PROGRAM STATISTICS:

TABLE 8-43
SECONDARY VOCATIONAL IMPROVEMENT AND FLEXIBILITY

	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988^b</u>	<u>Estimated</u> <u>F.Y. 1989^b</u>
LEA Staff Development	\$ --		
Teacher Licensure Rules	17,000 ^a		
Program Rules	--		
Courseware - Principles of Technology	--		
Equipment	9,000 ^a		
Program Evaluation	--		
Student Organization	22,000		
Pilot Projects	--		
Total Funding	\$ 48,000		

^aThese planned expenditures are for activities within the Minnesota Department of Education.

^bFunding available for secondary level programs has not been determined as of December 1986.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and</u> <u>Entitlement Year</u>	<u>Actual</u> <u>FY 1985</u>	<u>Actual</u> <u>FY 1986</u>	<u>Est.</u> <u>FY 1987</u>	<u>Recommendation</u>		
				<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	0	0	48	0	0	0
Total	0	0	48	0	0	0

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 25 INDIAN LANGUAGE AND CULTURE
STATUTORY AUTHORIZATION: M.S. 126.45-126.55

PROGRAM OBJECTIVE: The goals of the American Indian Language and Culture Education Program are the following: 1) to make the curriculum more relevant to the needs, interests and cultural heritage of American Indian pupils; 2) to provide positive reinforcement of the self-image of American Indian pupils; and 3) to develop intercultural awareness among pupils, parents and staff.

PROGRAM DESCRIPTION: Projects may include instruction in American Indian language and culture, improving the nature and quality of teaching, the provision of personal and vocational counseling and the modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils. Eligible applicants include elementary and secondary public schools, nonsectarian, nonpublic, community, tribal and alternative schools enrolling American Indian students.

Grants are awarded on a competitive basis through the submission of proposals. In developing the proposal and in implementing the program, School Boards and participating schools shall provide for the maximum involvement of parents of children enrolled in the program. Proposals must assure that the program is planned, operated and evaluated with the involvement of and consultation with parents of children eligible to be served; and that a parent advisory committee for the program will be established before implementing the program.

Proposals are reviewed by the American Indian Language and Culture Education Advisory Task Force. Members of the Task Force are appointed by the State Board of Education so as to be representative of significant segments of the population of American Indians. The Task Force makes recommendations to the State Board concerning approval, modifications, or disapproval, and the amounts of grants to approved programs.

The program allows for the voluntary enrollment of non-American Indian children in instructional components funded through the program, in order that they may acquire an understanding of the cultural heritage of American Indian pupils.

PROGRAM STATISTICS: For the past 10 years, since the inception of the American Indian Language and Culture Education Program, 11 project sites have been primary recipients of grants. There are currently 15 project sites receiving grant awards serving approximately 4,716 American Indian students with an estimated 56,891 non-Indian students participating. Non-Indians are allowed to participate in project activities. The number is particularly high through the inclusion of the student count of the Minneapolis Public Schools. The 1854 Treaty Unit developed through a grant from this program has been adopted into the history curriculum for district-wide use. Of the 15 current project sites, 3 are urban while 12 are located on or near a reservation. Projects include summer school activities, language instruction, inservice training, and curriculum development.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	78	72	88	0	88	88
Current Year	480	500	500	0	500	500
Subtotal	558	572	588	0	588	588
Other Funds:	0	0	0	0	0	0
Total	558	572	588	0	588	588

PROGRAM EFFECTIVENESS: Each project funded under this program is initiated through a grant award agreement which includes a provision on evaluation. In this provision, the grantee agrees to be responsible to the State Department of Education for cooperation with, and participation in, evaluation of project activities in addition to those required by the Department. The Department agrees to protect the identity of individual participants, and to use evaluation procedures which present no risk to project participants.

Evaluation activities are required components of proposals submitted for funding. The review of the description of the evaluation activities and design in proposals is an essential element of making award recommendations on the part of the Task Force. Because projects are different, evaluation designs and activities are suited to the nature of the project.

School districts receiving a grant are required each year to conduct a count of American Indian children, test for achievement, identify the extent of other educational needs of the children to be enrolled in the program, and to classify American Indian children by grade, level of educational attainment, age, and achievement. Participating schools maintain records identifying the needs and achievements of American Indian children served.

The major vehicle for gathering evaluative and descriptive information in the program is through the required quarterly reports of the project, and its final report. This vehicle is also the primary method whereby projects are monitored regarding compliance with provisions of the legislation.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 08 SPECIAL PROGRAMS

AID: 25 INDIAN LANGUAGE AND CULTURE

PROGRAM EFFECTIVENESS: (Contd.)

Though school districts and participating schools are required to gather and maintain data of relevance to the overall effectiveness of the program, evaluation has been limited to summaries of the accomplishments of specific projects. A review of these summaries indicates that the projects have been successful. The various purposes for which projects are funded are being accomplished. Instruction activities related to American Indian language and culture are being offered, the relationship between Indian and non-Indian pupils participating together through activities of projects is reported to be improving, as is the inter-cultural understanding of Indians and non-Indians. Approximately 50 curricular units, developed with assistance through the program, are printed and available to other projects and Minnesota school districts.

ANNUAL ENTITLEMENT AND FUNDING:

Indian Language and Culture	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	<u>\$ 552,409</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	483,000	500,000	500,000	500,055	500,055
Final Adjust Appropriation	85,200	88,300	88,300	88,245	88,245
Total	<u>\$ 568,200</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	552,409	588,300	588,300	588,300	588,300
Cancellation	15,791				
Total	<u>\$ 568,200</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>	<u>\$ 588,300</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$588,355 in F.Y. 1988 (\$88,300 for F.Y. 1987 plus \$500,055 for F.Y. 1988) and \$588,300 in F.Y. 1989 (\$88,245 for F.Y. 1988 plus \$500,055 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 08 SPECIAL PROGRAMS
AID: 26 INDIAN EDUCATION (JOHNSON O'MALLEY REPLACEMENT)
STATUTORY AUTHORIZATION: LAWS 1985X, CH. 12, ART. 6, SEC. 28, SUBD. 13

PROGRAM OBJECTIVE: To provide state appropriations to 6 independent school districts with substantial Indian enrollment which lost federal Johnson O'Malley basic support funds between 1977 and 1979. The loss of the basic support funds caused financial difficulties for the districts involved.

PROGRAM DESCRIPTION: The total appropriated amounts have been designated by the Minnesota Legislature for 6 schools with specific amounts listed for each school or district. For F.Y. 1986 the 6 schools received a total of \$168,034; for F.Y. 1987 the total amount was \$174,755. For F.Y. 1986 and F.Y. 1987 (respectively) the districts and amounts as specified in law are \$52,738 and \$54,848 for Independent School District 309, Pine Point School; \$9,313 and \$9,685 for Independent School District 166, Cook County; \$14,374 and \$14,949 for Independent School District 432, Mahanomen; \$13,513 and \$14,053 for Independent School District 435, Waubun; \$40,541 and \$42,163 for Independent School District 707, Nett Lake; and \$37,555 and \$39,057 for Independent School District 038, Red Lake.

ANNUAL ENTITLEMENT AND FUNDING:

Indian Education - JOM Replacement	Governor's				
	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Recommendation F.Y. 1988	Recommendation F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ 162,352	\$ 168,034	\$ 174,755	\$ 174,755	\$ 174,755
B) PROGRAM FUNDING					
Current Appro- priation	138,000	142,829	148,542	148,542	148,542
Final Adjust Appropriation	24,352	25,205	26,213	26,213	26,213
Total	\$ 162,352	\$ 168,034	\$ 174,755	\$ 174,755	\$ 174,755
C) FISCAL ACTIVITY					
State Payments	162,352	168,034	174,755	174,755	174,755
Total	\$ 162,352	\$ 168,034	\$ 174,755	\$ 174,755	\$ 174,755

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	24	25	0	26	26
Current Year	138	143	149	0	149	149
Subtotal	138	167	174	0	175	175
Other Funds:	0	0	0	0	0	0
Total	138	167	174	0	175	175

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$174,755 in F.Y. 1988 (\$26,213 for F.Y. 1987 and \$148,542 for F.Y. 1988) and \$174,755 in F.Y. 1989 (\$26,213 for F.Y. 1988 and \$148,542 for F.Y. 1989).

COMMUNITY AND FAMILY EDUCATION

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 01 COMMUNITY EDUCATION

STATUTORY AUTHORIZATION: M.S. 121.85-121.88; 124.271; 275.125

PROGRAM OBJECTIVE: To encourage the development and maintenance of community education programs.

PROGRAM DESCRIPTION: Basic program revenue is derived through an equalized aid/levy formula and fees collected from participants. With the basic program revenue, school district boards provide for the executive leadership necessary to develop and maintain a local community education program. The local community education program includes a wide variety of activities beyond the regular school offerings in cultural enrichment, athletics, recreation, and other community events and services. In addition, the local community education programs provide the administrative expertise necessary to provide programs in Early Childhood Family Education, Adult Basic Continuing Education, Adult Handicapped and Business/Education Partnership initiatives. Another program effort is the testing and certification of the General Educational Development (GED) high school equivalency of individuals.

Information on program revenue, by component is shown in Table 9-1. The levy component is based on the Equalization Aid Review Committee (EARC) valuation. In addition to the revenue sources shown, districts are authorized to impose program participation fees at their discretion.

TABLE 9-1

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Revenue Limit	Greater of: \$5 per capita, or \$7,000	Greater of: \$5.25 per capita, or \$7,000	Greater of: \$5.35 per capita, or \$7,140	Greater of: \$5.50 per capita, or \$7,340	Greater of: \$5.50 per capita, or \$7,340
Levy Basic Limit	Lesser of ----- .8 EARC MILL ----- or the Revenue Limit				
Grandfather Levy	----- Permissible F.Y. 1983 ----- Revenue minus \$5/capita				

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	600	424	220	0	260	334
Current Year	2,404	1,248	1,474	0	1,893	1,958
Subtotal	3,004	1,672	1,694	0	2,153	2,292
Other Funds:	0	0	0	0	0	0
Total	3,004	1,672	1,694	0	2,153	2,292

PROGRAM DESCRIPTION: (Contd.)

TABLE 9-1: (Contd.)

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State Aid					
Basic Aid	----- Revenue minus Levy -----				
Additional Per Capita Aid	\$.50 per capita	--	--	--	--

PROGRAM STATISTICS: Information on program activity is shown in Tables 9-2 and 9-3.

TABLE 9-2
COMMUNITY EDUCATION PROGRAM ACTIVITY*

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Education/Cultural Enrichment					
Districts	380	383	385	390	395
Events	22,248	23,300	25,000	25,100	25,200
Participants	574,441	575,000	600,000	625,000	650,000
Athletic/Recreational Skill Development					
Districts	380	383	385	390	395
Events	18,195	19,000	21,000	21,100	21,200
Participants	600,000	650,000	675,000	700,000	710,000
Community Events and Services					
Districts	338	340	345	350	350
Events	3,076	3,100	3,200	3,250	3,275
Participants	120,000	125,000	130,000	135,000	150,000

EDUCATION AIDS
(Continuation)
PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 01 COMMUNITY EDUCATION

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Testing/Certification General Educational Development (GED)					
Testing Centers	51	51	51	52	52
Persons Tested	7,400	8,900	9,250	9,300	9,400
Certificates Issued	6,600	6,900	7,150	7,250	7,300

*A task team of community educators assists in the redefinition of measurable and collectable community education performance data.

TABLE 9-3
COMMUNITY EDUCATION PROGRAM

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated ^a F.Y. 1988	Estimated F.Y. 1989
Basic Levy					
Amount	\$17,467,767	\$18,176,473	\$18,694,694	\$19,658,900	\$20,090,000
Number of Districts	358	379	386	397	402
Basic Aid					
Amount	\$ 878,118	\$ 1,511,805	\$ 1,806,351	\$ 2,226,986	\$ 2,303,000
Number of Districts	164	164	167	213	215
Total Basic Revenue	\$18,443,680	\$20,228,278	\$20,501,045	\$21,885,886	\$22,393,000
Grandfather Levy					
Amount	\$ 692,495	\$ 596,308	\$ 617,539	\$ 620,000	\$ 620,000
Number of Districts	163	145	151	151	151
Additional Per Capita Aid					
Rate Per Capita	\$.50	--	--	--	--
Amount	\$ 1,949,884	--	--	--	--
Number of Districts	362	--	--	--	--
Total Revenue	\$20,988,264	\$20,824,586	\$21,118,584	\$22,505,886	\$23,013,000

^aBased on 1986 pay 1987 Levy Limitation Data.

PROGRAM EFFECTIVENESS: Program performance is determined by the number of school districts maintaining a community education program.

ANNUAL ENTITLEMENT AND FUNDING: Annual Entitlement Basis.

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
Community Education					
A) AID ENTITLEMENT					
Prorated Entitlement		1,467,800	1,733,800		
Plus Proration Amount		44,005	72,551		
Net Aid Entitlement	\$ 2,828,002 ^a	\$ 1,511,805	\$ 1,806,351	\$ 2,226,986	\$ 2,303,000
B) PROGRAM FUNDING					
Current Appropriation	2,591,000	1,247,600	1,473,700	1,892,938	1,957,550
Final Adjust Appropriation	424,200	220,200	270,952 ^b	334,048	345,450
Deficiency Appropriation Request		44,005	61,699 ^c		
Total	\$ 3,015,200	\$ 1,511,805	\$ 1,806,351	\$ 2,226,986	\$ 2,303,000
C) FISCAL ACTIVITY					
State Payments	2,828,002	1,467,800	1,744,652	2,226,986	2,303,000
State Payments Pending Cancellation	187,198	44,005	61,699		
Total	\$ 3,015,200	\$ 1,511,805	\$ 1,806,351	\$ 2,226,986	\$ 2,303,000

^aIncludes \$.50 per capita aid of \$1,949,884.

^bFifteen percent of net entitlement; includes \$10,882 related to deficiency.

^cCurrent 85% account (85% of proration amount plus \$30 due to rounding of current appropriation).

EDUCATION AIDS

(Continuation)

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 01 COMMUNITY EDUCATION

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	<u>Governor's Recommendation</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 1,806,351	\$ 1,806,351
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in Participation	22,441	73,849
- Change in Equalization Aid Review Committee (EARC) valuation	105,000	105,000
- Assume increased level of levy certified (for districts receiving aid)	41,194	65,800
B) Existing Policy Changes Becoming Effective		
- Increase in Statutory Formula	252,000	252,000
3. Subtotal, Estimate Under Current Law	\$ 2,226,986	\$ 2,303,000
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 2,226,986	\$ 2,303,000

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$2,153,038 in F.Y. 1988 (\$260,100 for F.Y. 1987 plus \$1,892,938 for F.Y. 1988) and \$2,291,598 in F.Y. 1989 (\$334,048 for F.Y. 1988 plus \$1,957,550 for F.Y. 1989).

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 02 ADULT EDUCATION - STATE GENERAL FUND AND FEDERAL ADULT EDUCATION
STATUTORY AUTHORIZATION: M.S. 124.26; 275.125, SUBD. 8, CLAUSE 3; P.L. 91-230,
FEDERAL ADULT EDUCATION ACT; AND P.L. 96-212, REFUGEE
RESETTLEMENT ACT

PROGRAM OBJECTIVE: To provide funds to school districts and other agencies to provide
basic and high school level education to adults.

The Adult Basic and Continuing Education (AB/CE) program promotes the continuing
development and enhancement of effective, appropriate AB/CE programming throughout the
State for the estimated 691,000 Minnesotans 16 years of age or older who are not
enrolled in school and who have educational needs below the level equivalent to high
school completion; coordinates adult refugee English as a Second Language programming,
and acts on the concern about adult illiteracy by coordinating with public and private
agencies, organizations and businesses to increase the resources available to AB/CE
providers and the quality of AB/CE opportunities available to adult learners. AB/CE
programming enables functionally or marginally illiterate adults to master the
academic, interpersonal, problem solving, and learning-to-learn skills they want and
need to become self-sufficient citizens in, rather than clients of, our society.

PROGRAM DESCRIPTION: AB/CE programs are defined as those public day or evening school
programs which are established for persons over 16 years of age not in attendance at
elementary or secondary schools and which qualify such persons for the high school
diploma, the high school equivalency certificate, or for academic achievement at the
secondary level. A school board, or a consortium of school districts with 1 of the
boards serving as fiscal agent, may apply for program approval and funding. The
Minnesota Department of Education (MDE) administers the application approval process as
provided in law.

For 1984-85, approved programs received state aid in an amount equal to 90% of the
compensation (salary) paid to each teacher assigned, not to exceed \$8,000 per teacher.
Aid was also available, up to 2 1/2% of the appropriation, for alternative methods of
providing programs if the method was determined to be cost-effective. Examples of
alternative programs that were funded are television broadcasting and computer assisted
instruction. The total of state and federal aid received by a district could not
exceed the actual cost of providing the AB/CE program.

Beginning in F.Y. 1986, the aid formula is changed to 75% of salary paid to each
teacher, coordinator of volunteers, and nonlicensed instructional staff person; and 75%
of approved expenditures for benefits, purchased services, and supplies and materials.
Expenditures for which a district receives federal aid are not eligible for state aid.
The total of state and federal aid cannot exceed 90% of the actual cost of providing
the program. Total state aid for all programs approved cannot exceed the appropriation
for a given year. Also, beginning with the levy attributable to F.Y. 1988, a district
having an approved AB/CE program may levy up to 0.1 mill times the Equalization Aid
Review Committee (EARC) valuation of the district for the preceding year.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	198	100	270	0	278	392
Current Year	1,619	1,530	1,575	0	2,222	2,608
Subtotal	1,817	1,630	1,845	0	2,500	3,000
Other Funds:Federal	1,304	1,461	1,337	0	1,333	1,333
Total	3,121	3,091	3,182	0	3,833	4,333

PROGRAM DESCRIPTION: (Contd.)

The Federal Adult Education Act, P.L. 91-230, as amended, provides grant funds that are
distributed by MDE on the basis of competitive applications to districts and other
agencies such as Indian reservations, job training agencies, community colleges, public
television broadcasting stations, etc. No more than 20% of the Federal AB/CE grant may
be used for institutionalized adults; at least 80% must be used for adults functioning
below a 9th grade equivalency; at least 10% must be used for staff development and
special projects; no more than 5% may be used to administer the statewide program. The
allocation of the grant funds is coordinated with the allocation of state program funds
to assure that no district receives more than 90% of the actual cost of providing the
program.

The Refugee Resettlement Act, P.L. 96-212, provides funds to Minnesota for education
programs for adult refugees who have been in the United States for less than 31 months.
The funds are mainly for employment related English as a Second Language instruction.
The Minnesota Department of Human Services (MDHS) is the recipient state agency for the
federal funds. Grants are made by MDHS to school districts and other agencies.
Administrative funds are allocated to MDE to provide technical assistance including
teacher inservice, testing services, and program evaluation.

Program statistics and performance for the state and P.L. 91-230 AB/CE programs are
shown in Table 9-4. Additional funding information for the federal grant programs is
shown in Table 9-5 and Table 9-6.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 02 ADULT EDUCATION - STATE GENERAL FUND AND FEDERAL ADULT EDUCATION

PROGRAM STATISTICS:

TABLE 9-4

ADULT BASIC/CONTINUING EDUCATION (AB/CE) PROGRAMS
STATE AND FEDERAL P.L. 91-230, SECTION 306

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
NUMBER OF PROGRAMS:	61	54	46	45	45
Districts Involved	210	218	225	235	244
Other Agencies Involved	106	115	125	135	147
ADULT LEARNERS ENROLLED:					
Grade 0-8 Equivalent	14,648	19,781	22,960	28,660	35,300
Grade 9-12 Equivalent	11,176	12,792	13,278	14,300	15,600
Total	25,824	32,573	36,253	42,960	50,900
Percent of Total Eligible	3.7	4.7	5.2	6.2	7.3

RESULTS (Number of Learners):

Participating 12 Hours or More	23,102	29,273	32,600	38,800	46,000
Improving Basic Academic Skills	9,557	12,200	15,600	20,000	25,600
Improving Basic Coping Skills	10,663	13,500	17,000	21,500	27,200
Improving Self-Confidence	13,376	16,900	21,400	27,100	34,300
Getting Off Welfare	694	950	1,300	1,800	2,500
Securing/Improving Employment	2,608	1,700	5,300	7,500	10,600
Learning English	3,449	4,400	5,700	7,500	9,600
Becoming Citizens	152	200	260	340	450
Enrolling in Higher Education	1,200	1,500	1,900	2,400	3,000
Earning General Educational Development (GED)/High School Diploma	3,662	4,600	5,900	7,500	9,400
Registering To Vote First Time	352	450	525	650	800
Leaving Before Completing Goals:					
To Accept Job/Promotion	945	1,250	1,400	1,600	1,800
To Enter Higher Education	801	1,100	1,300	1,500	1,750
Due to Scheduling Problems	907	1,150	1,300	1,400	1,550
Due to Family, Childcare Problems	929	1,200	1,400	1,600	1,700

PROGRAM STATISTICS: (Contd.)

TABLE 9-4: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
RESULTS (Number of Learners): (Contd.)					
Due to Health Problems	382	500	650	825	950
Due to Transportation Problems	372	450	540	625	700
For All Other Reasons	2,299	2,350	1,810	1,800	1,550
Total	6,635	8,000	8,400	9,350	10,000

PROGRAM FUNDING (In Thousands):

Program Application Process

1. Total Operating Expenditures	\$4,606.0	\$5,609.9	\$6,253.4	\$7,410.3	\$8,779.9
2. Proposed Expenditures for Aid and Grant Calculations	--	\$4,732.8	\$4,804.8	\$5,739.2	\$6,854.4
3. Program Contact Hours	302,306	310,166	336,239	398,400	472,100
4. Hours Per Learner	11.7	9.5	9.3	9.3	9.3

Funding Approval Process

1. State Aid and Federal Grant					
a. Expenditures Eligible for State Aid	\$ --	\$3,433.1	\$3,629.3	\$4,554.2	\$5,669.4
b. Level of Aid @ 75%	1,719.3 ^a	2,574.8	2,722.0	3,415.7	4,252.0
c. Level of Aid Con- strained to Fit Appropriation	--	1,800.0 ^b	1,853.0 ^b	3,415.7	4,252.0
d. Federal Basic Grants	1,181.5	1,299.7	1,175.5	1,185.0	1,185.0
e. Subtotal Aid and Grant	\$2,900.8	\$3,099.7	\$3,028.5	\$4,600.7	\$5,437.0
f. Percent of Total Operating Expenditures (cannot exceed 90%)	63.0	55.3	48.4	62.1	61.9
2. Local Funding					
a. Local Levy	\$ --	\$ --	\$ --	\$1,103.1	\$2,174.4
b. Other Sources ^c	1,705.2	2,510.2	3,224.9	1,706.5	1,168.5
c. Subtotal Local Funds	\$1,705.2	\$2,510.2	\$3,224.9	\$2,809.6	\$3,342.9
d. Percent of Total Operating Expenditures	37.0	44.7	51.6	37.9	38.1
3. Total Operating Expenditures	\$4,606.0	\$5,609.9	\$6,253.4	\$7,410.3	\$8,779.9

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 02 ADULT EDUCATION - STATE GENERAL FUND AND FEDERAL ADULT EDUCATION

PROGRAM STATISTICS: (Contd.)

TABLE 9-4: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
PROGRAM FUNDING (In Thousands): (Contd.)					
<u>Average Costs</u>					
1. State Aid/Learner	\$ 66.58	\$ 55.26	\$ 51.11	\$ 79.51	\$ 83.54
2. Federal Grant/Learner	45.75	39.90	32.42	27.58	23.28
3. Local Funds/Learner	66.03	77.06	88.96	65.40	65.67
4. Total Cost/Learner	<u>\$178.36</u>	<u>\$172.22</u>	<u>\$172.49</u>	<u>\$172.49</u>	<u>\$172.49</u>
5. Total Cost/Contact Hour	\$ 15.24	\$ 18.09	\$ 18.60	\$ 18.60	\$ 18.60

^aFor F.Y. 1985 the aid formula was 90% of salary not to exceed \$8,000 per teacher.

^bIn order to allocate the available state appropriation, programs are rated as to appropriateness of program design, previous year results, use of community resources and services, and proposed costs in relation to expected learner outcomes.

^cOther sources include community education aid and levy funds plus facilities and administration provided through the community education program and other local agencies.

TABLE 9-5
STAFF DEVELOPMENT AND SPECIAL PROJECT GRANT EXPENDITURES
FEDERAL P.L. 91-230, SECTION 310^a

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Staff Development	\$ 50,200	\$147,100	\$146,800	\$135,000	\$135,000
Special Projects	72,600	14,200	14,200	13,125	13,125
Total	<u>\$122,800</u>	<u>\$161,300</u>	<u>\$161,000</u>	<u>\$148,125</u>	<u>\$148,125</u>

^aStaff Development and Special Experimental Demonstration Projects are distributed based on a competitive application process. Due to carryover provisions, annual expenditures may differ from the funding allocation.

PROGRAM STATISTICS: (Contd.)

TABLE 9-6
FEDERAL ALLOCATION FOR ADULT BASIC EDUCATION GRANT PROGRAMS^a

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>Federal Adult Education Act, P.L. 91-230</u>					
Program Grants (Basic)	\$1,179,725	\$1,175,318	\$1,147,254	\$1,185,000	\$1,185,000
Staff Development and Special Project Grants	146,915	146,915	143,407	148,125	148,125
Subtotal Flow-Through	<u>1,326,640</u>	<u>1,322,233</u>	<u>1,290,661</u>	<u>1,333,125</u>	<u>1,333,125</u>
Administration	69,050	73,457	71,703	74,063	74,063
Program Development and Evaluation	<u>73,457</u>	<u>73,457</u>	<u>71,703</u>	<u>74,062</u>	<u>74,062</u>
Total Minnesota Grant	\$1,469,147	\$1,469,147	\$1,434,067	\$1,481,250	\$1,481,250
<u>Adult Refugee Education, Refugee Resettlement Act, P.L. 96-212</u>					
Program Grants ^b	\$ 981,329	\$666,886	\$494,285	\$490,000	\$400,000
Administration ^c	109,566	169,009	100,000	100,000	100,000
Total Minnesota Grant	<u>\$1,090,895</u>	<u>\$835,895</u>	<u>\$594,285</u>	<u>\$590,000</u>	<u>\$500,000</u>
Refugees Enrolled	2,302	1,890	1,227	1,200	1,150
Percent of Total	15.1	11.9	7.3	7.0	6.4

^aAnnual funding allocation. Due to carryover provisions, annual expenditures may differ from the funding allocation.

^bMainly employment related English as a Second Language programs.

^cIncludes teacher inservice, testing, and evaluation.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 02 ADULT EDUCATION - STATE GENERAL FUND AND FEDERAL ADULT EDUCATION

ANNUAL ENTITLEMENT AND FUNDING:

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
Adult Education					
A) AID ENTITLEMENT					
Entitlement Per Formula	1,719,327	2,574,817	2,721,992		
Less Constrained Amount		(774,817)	(868,992)		
Net Aid Entitlement	<u>\$ 1,719,327</u>	<u>\$ 1,800,000</u>	<u>\$ 1,853,000</u>	<u>\$ 2,614,118</u>	<u>\$ 3,068,096</u>
B) PROGRAM FUNDING					
Current Appropriation	1,220,000	1,530,000	1,575,000	2,222,000	2,607,882
Deficiency Appropriation	399,600				
Final Adjust Appropriation	285,900	270,000	278,000	392,118	460,214
Total	<u>\$ 1,905,500</u>	<u>\$ 1,800,000</u>	<u>\$ 1,853,000</u>	<u>\$ 2,614,118</u>	<u>\$ 3,068,096</u>
C) FISCAL ACTIVITY					
State Payments	1,719,327	1,800,000	1,853,000	2,614,118	3,068,096
Cancellation	186,173				
Total	<u>\$ 1,905,500</u>	<u>\$ 1,800,000</u>	<u>\$ 1,853,000</u>	<u>\$ 2,614,118</u>	<u>\$ 3,068,096</u>

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 1,853,000	\$ 1,853,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in Participation (at constrained funding level)	472,223	1,041,570
- Fund entitlement in full per 75% aid formula	1,090,456	1,357,464

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 3,415,676</u>	<u>\$ 4,252,034</u>
4. Proposed Policy Changes:		
- Constrain state funding level; limit growth in participation	(801,558)	(1,183,938)
5. Total Entitlement	<u>\$ 2,614,118</u>	<u>\$ 3,068,096</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$2,500,000 in F.Y. 1988 (\$278,000 for F.Y. 1987 and \$2,222,000 for F.Y. 1988) and \$3,000,000 in F.Y. 1989 (\$392,118 for F.Y. 1988 and \$2,607,882 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 03 ADULT HANDICAPPED

STATUTORY AUTHORIZATION: M.S. 121.88, SUBD. 6 AND 7; 124.271, SUBD. 7; 275.125, SUBD. 8, CLAUSE 4

PROGRAM OBJECTIVE: To provide funds to school districts to provide handicapped adults the opportunity to participate fully in the mainstream of community life.

PROGRAM DESCRIPTION: Beginning in F.Y. 1986, any district that provides a Community Education program may offer a program for handicapped adults as part of the community education program. Districts are encouraged to provide programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

1. Services enabling handicapped adults to participate in community activities or community education classes;
2. Classes specifically for handicapped adults;
3. Outreach activities to identify adults needing services;
4. Activities to increase public awareness of the roles of handicapped people;
5. Activities to enhance the role of handicapped people in the community; and
6. Other direct and indirect services and activities benefitting handicapped adults.

To be eligible for handicapped adult program revenue, a program and budget must receive approval from the Community Education Section of the Minnesota Department of Education (MDE). The state aid formula provides the lesser of \$25,000 or one-half of the approved budget amount, and a district is permitted to levy the lesser of \$25,000 or one-half of the approved budget for the program. If a program is offered by a group of districts, the levy amount is allocated among the districts in accordance with the agreement submitted to MDE. Other public or private funds may be expended for these programs at the discretion of the local district(s). A double levy was permitted in 1985 to provide levy revenue for both F.Y. 1986 and F.Y. 1987 programs.

PROGRAM STATISTICS: Information on program statistics and performance is shown in Table 9-7.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	249	342	0	450	550
Subtotal	0	249	342	0	450	550
Other Funds:	0	0	0	0	0	0
Total	0	249	342	0	450	550

PROGRAM STATISTICS: (Contd.)

TABLE 9-7
ADULT HANDICAPPED PROGRAMS

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Program Budget				
1. State Aids	\$248,911	\$ 342,038	\$ 450,000	\$ 550,000
2. Local Levy	248,911	342,038	450,000	550,000
3. Other Public or Private Funds	292,983	510,210	750,000	850,000
4. Total Expenditures	\$790,805	\$1,194,286	\$1,650,000	\$1,950,000
B. Approved Programs				
1. Programs Funded	19	26	35	50
2. Districts Involved	45	52	65	80
3. Other Organizations Involved	16	32	40	50
4. Number of Participants	5,812	6,504	8,050	9,600
C. Number of Districts Offering Programs by Type of Program				
1. Services enabling handicapped adults to participate in community activities/Community Education classes	45	52	65	80
2. Outreach activities to identify handicapped adults needing services	44	51	65	75
3. Classes specifically for handi- capped adults	38	44	55	65

EDUCATION AIDS

(Continuation)

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 03 ADULT HANDICAPPED

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 9-7: (Contd.)

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
C. Number of Districts Offering Programs by Type of Program (Contd.)				
4. Activities to enhance the role of handicapped adults within the community	36	41	60	70
5. Activities to increase public awareness of the roles of handicapped adults	44	50	65	75
6. Other direct and indirect services and activities benefitting handicapped adults	29	33	40	50

ANNUAL ENTITLEMENT AND FUNDING:

Adult Handicapped Program	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitlement	\$ --	\$ 248,911	\$ 342,038	\$ 450,000	\$ 550,000
B) PROGRAM FUNDING					
Current Appropriation		250,000	350,000	450,000	550,000
Transfer to Education Aids Control Account		(1,089)	(7,962)		
Total	\$ --	\$ 248,911	\$ 342,038	\$ 450,000	\$ 550,000

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Adult Handicapped Program	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
C) FISCAL ACTIVITY					
State Payments		248,911	342,038	450,000	550,000
Total	\$ --	\$ 248,911	\$ 342,038	\$ 450,000	\$ 550,000

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 342,038	\$ 342,038
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in Participation	107,962	207,962
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 450,000	\$ 550,000
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 450,000	\$ 550,000

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$450,000 for F.Y. 1988 and \$550,000 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 04 HEARING IMPAIRED ADULTS
STATUTORY AUTHORIZATION: M.S. 121.201

PROGRAM OBJECTIVE: To provide for interpreter or notetaker services for hearing impaired adults enrolled in adult education classes.

PROGRAM DESCRIPTION: M.S. 121.201 authorizes the payment of state aid to cover the costs of interpreter or notetaking services for hearing impaired adults enrolled in adult education classes. Public and private agencies providing adult education classes enrolling hearing impaired adults may apply to the Minnesota Department of Education (MDE) for aid on the costs of providing the support services. To the extent funds are available, the aid may pay for the full costs of providing the service. Aid may not be paid for support services provided to students enrolled in a full-time educational program. State funding for the support services has been available since F.Y. 1982. The program has grown as a result of increasing awareness of the program and services available, and is reflected in the increased number of adults utilizing the services.

The appropriation for F.Y. 1986 was \$65,000 and included \$5,000 for MDE to conduct a study of hearing impaired support services. The appropriation for F.Y. 1987 was reduced to \$30,000. Table 9-8 provides statistical and performance information for this program.

PROGRAM STATISTICS:

TABLE 9-8
HEARING IMPAIRED EDUCATIONAL SUPPORT SERVICES FOR ADULTS

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated* F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Applications for Service	117	144	170	175	175
Hearing Impaired Adults Served	290	485	590	600	600
Total Claims and Aid	\$43,656	\$47,018	\$59,000	\$60,000	\$60,000

*Based on the level of program services as of December 1986, the level of pending claims is in excess of the appropriation for F.Y. 1987.

PROGRAM EFFECTIVENESS: The required study of the Hearing Impaired Adult Support Services Program was conducted in F.Y. 1986. The complete study has been submitted to the Legislature. In summary, the findings are as follows:

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	44	47	30	0	60	60
Subtotal	44	47	30	0	60	60
Other Funds:	0	0	0	0	0	0
Total	44	47	30	0	60	60

PROGRAM EFFECTIVENESS: (Contd.)

1. The adult students eligible for the state aid are heavily dependent on the funds for interpreter and notetaking services, and the applicant agencies are in agreement with this finding.
2. Applicant agency respondents believe that a reduction in state aid would result in a proportional reduction in services to this adult student population.

ANNUAL ENTITLEMENT AND FUNDING:

Hearing Impaired Adults	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Funded Claims	43,656	47,018	30,000	60,000	60,000
Unfunded Claims			29,000		
Pending					
Net Aid Entitle- ment	\$ 43,656	\$ 47,018	\$ 59,000	\$ 60,000	\$ 60,000
B) PROGRAM FUNDING					
Current Appro- priation	43,000	60,000 ^a	30,000	60,000	60,000
Deficiency Appropriation	15,000				

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 04 HEARING IMPAIRED ADULTS

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Hearing Impaired Adults	Governor's Recommendation				
	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	F.Y. 1988	F.Y. 1989

B) PROGRAM FUNDING (Contd.)

Transfer to Education Aids Control Account Deficiency Appro- priation Request		(12,982)			
			29,000		
Total	\$ 58,000	\$ 47,018	\$ 59,000	\$ 60,000	\$ 60,000

C) FISCAL ACTIVITY

State Payments	43,656	47,018	30,000	60,000	60,000
State Payments Pending Cancellation			29,000		
	14,344				
Total	\$ 58,000	\$ 47,018	\$ 59,000	\$ 60,000	\$ 60,000

^aThe total appropriation for F.Y. 1986 is \$65,000. The \$5,000 provided to fund a study is reported in Program 13-00, Discontinued/Nonrecurring Programs.

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 59,000	\$ 59,000
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation	1,000	1,000
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 60,000	\$ 60,000

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 60,000	\$ 60,000

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$60,000 for F.Y. 1988 and \$60,000 for F.Y. 1989.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 05 EARLY CHILDHOOD FAMILY EDUCATION

STATUTORY AUTHORIZATION: M.S. 121.882; M.S. 124.2711; 275.125, SUBD. 8B

PROGRAM OBJECTIVE: To provide funds to school districts to provide parent education classes and to involve parents and children in experiences that enhance the development of children from birth to kindergarten enrollment.

PROGRAM DESCRIPTION: Beginning in F.Y. 1986, any district that provides a Community Education program may generate revenue (aid and levy) to establish an Early Childhood Family Education (ECFE) program, or to maintain an existing ECFE pilot program developed with Council on Quality Education (CQE) grant funds. Each local program has an advisory council to assist with program planning, development and monitoring. Coordination with special education and vocational education programs and with other community services is encouraged. Participation by families of children from birth to kindergarten enrollment age is voluntary. To the extent possible, each program is designed to serve the broad variety of income and ethnic groups and special needs of families in the school district.

According to law, the programs must have substantial involvement of the children's parents and may include the following:

1. Programs to educate parents about the physical, mental, and emotional development of children;
2. Programs to enhance the skills of parents in providing for their children's learning and development;
3. Learning experiences for children and parents;
4. Activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
5. Educational materials which may be borrowed for home use;
6. Information on related community resources; or
7. Other programs or activities.

Prior to F.Y. 1985, ECFE had been provided in only 29 districts as a pilot program under the guidance and control of CQE. As program jurisdiction moved from CQE to Community Education, program funding changed from grant support to guaranteed equalized revenue based on a district's population under 5 years of age.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	926	0	870	1,131
Current Year	116	5,245	4,930	0	6,409	7,024
Subtotal	116	5,245	5,856	0	7,279	8,155
Other Funds:	0	0	0	0	0	0
Total	116	5,245	5,856	0	7,279	8,155

PROGRAM DESCRIPTION: (Contd.)

F.Y. 1985: Districts with a community education program that received a F.Y. 1983 CQE grant for ECFE received 50 cents per capita and were guaranteed a minimum aid amount of \$11,000. If the 50 cents per capita aid totaled less than \$11,000, additional aid equal to the difference was provided to fund the program until F.Y. 1986 when the new funding formula became effective.

F.Y. 1986: A district with a community education program that offered ECFE was guaranteed ECFE revenue in an amount equal to the product of:

1. 5% of the foundation aid formula allowance for the current school year, multiplied by
2. the greater of
 - a. 150, or
 - b. the number of children in the district under 5 years of age, as determined by the school census of the preceding school year.

For school year 1985-86, the minimum guaranteed revenue available was:

$$\$1,585 \times 0.05 \times 150 = \$11,887.50$$

A district was permitted to levy 0.4 mill multiplied by the district's Equalization Aid Review Committee (EARC) valuation for ECFE, but the amount raised by the levy was limited so as not to exceed the guaranteed ECFE revenue amount.

State aid was equal to revenue minus levy with a proportionate reduction for any under-levy.

EDUCATION AIDS
(Continuation)
PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 05 EARLY CHILDHOOD FAMILY EDUCATION

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

PROGRAM DESCRIPTION: (Contd.)

F.Y. 1987: Beginning in F.Y. 1987, the guaranteed Early Childhood Family Education (ECFE) revenue available is equal to the product of:

1. 5% of the foundation aid formula allowance for the preceding school year, multiplied by
2. the greater of
 - a. 150, or
 - b. the number of children in the district under 5 years of age as determined by the school census of the preceding school year.

For school year 1986-87, the foundation aid formula allowance used in this formula remains at \$1,585 and the minimum guaranteed revenue remains at \$11,887.50.

Also, beginning with the levy attributable to the 1986-87 school year, a district is permitted to levy 0.5 mill multiplied by the Equalization Aid Review Committee (EARC) valuation, with the levy limited so as not to exceed the guaranteed ECFE revenue amount.

State aid is equal to revenue minus levy with a proportionate reduction for any under-levy.

F.Y. 1988
and

F.Y. 1989: For computing F.Y. 1988 estimates, the foundation aid formula allowance is \$1,690 and the minimum guaranteed revenue is:

$$\$1,690 \times 0.05 \times 150 = \$12,675$$

For computing F.Y. 1989 estimates, the foundation aid formula allowance is \$1,700 and the minimum guaranteed revenue is:

$$\$1,700 \times 0.05 \times 150 = \$12,750$$

PROGRAM STATISTICS: Information on program statistics is shown in Table 9-9.

TABLE 9-9
EARLY CHILDHOOD FAMILY EDUCATION PROGRAM

	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Levy					
Maximum Amount	--	\$10,729,763	\$12,921,823	\$13,311,033	\$13,710,000
Certified Amount	--	\$ 6,530,845	\$ 9,019,561	\$10,648,814	\$11,653,500
Number of Districts	--	253	279	285	291
Formula Aid					
Maximum Amount	\$ 101,371	\$10,236,459	\$8,174,210	\$ 9,424,875	\$ 9,835,000
Entitlement Amount	\$ 101,371	\$ 6,299,401	\$ 5,799,929	\$ 7,539,900	\$ 8,359,750
Number of Districts	14	253	279	285	291
Per Capita Aid*					
Rate Per Capita	\$.50	--	--	--	--
Amount	\$ 700,324	--	--	--	--
Number of Districts	26	--	--	--	--
Total Revenue	\$ 801,695	\$12,830,246	\$14,819,490	\$18,188,714	\$20,013,250

*Amount dedicated in the Community Education appropriation to the 26 Council on Quality Education (CQE) ECFE districts that had community education programs. These amounts were paid to districts as community education aid. They are shown here in order to display the total funding level for ECFE programs in F.Y. 1985.

PROGRAM EFFECTIVENESS: The evaluation study report to the Legislature on March 1, 1986, included a summary of conclusions from past evaluations dating back to 1976, which helped to shape the development of the current program. The characteristics of successful programs were compiled to form a self-evaluation instrument to assist districts both in developing and in monitoring their local programs. This instrument was piloted in April 1986 with good results.

The report describes a plan for the collection of data that would be helpful for program monitoring and evaluation, as well as a plan for a systematic long-term evaluation of the quality and cost-effectiveness of the program. Work on the data collection system is currently underway; much remains to be done to make the long-term evaluation plan feasible.

Program statistics indicated that 253 districts implemented the program in the 1985-86 school year; 40% of the districts were involved in some type of interdistrict cooperation; and program participation rates surpassed all projections. Ongoing concerns for some districts were lack of qualified staff and appropriate space.

EDUCATION AIDS
(Continuation)
PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION
AID: 05 EARLY CHILDHOOD FAMILY EDUCATION

1987-89 Biennial Budget

ANNUAL ENTITLEMENT AND FUNDING:

Early Childhood Family Education	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988 F.Y. 1989	
A) <u>AID ENTITLEMENT</u>					
Grants to Districts	101,371				
Technical Assistance/ Administration	15,000				
Prorated Entitle- ment		6,170,700			
Plus Proration Amount		128,701			
Net Aid Entitle- ment	<u>\$ 116,371</u>	<u>\$ 6,299,401</u>	<u>\$ 5,799,929</u>	<u>\$ 7,539,900</u>	<u>\$ 8,263,631</u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	116,500	5,245,100	5,103,000	6,408,915	7,024,086
Final Adjust Appropriation		925,600	869,989	1,130,985	1,239,545
Transfer to Education Aids Control Account			(173,060)		
Deficiency Appro- priation Request		128,701			
Total	<u>\$ 116,500</u>	<u>\$ 6,299,401</u>	<u>\$ 5,799,929</u>	<u>\$ 7,539,900</u>	<u>\$ 8,263,631</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	116,371	6,170,700	5,799,929	7,539,900	8,263,631
State Payments Pending Cancellation		128,701			
	129				
Total	<u>\$ 116,500</u>	<u>\$ 6,299,401</u>	<u>\$ 5,799,929</u>	<u>\$ 7,539,900</u>	<u>\$ 8,263,631</u>

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 5,799,929	\$ 5,799,929
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation	112,529	235,144
- Change in Equalization Aid Review Committee (EARC) valuation	(112,642)	(112,642)
- Assume increased level of levy certified (for districts receiving aid)	735,188	1,336,304
B) Existing Policy Changes Becoming Effective		
- Increase statutory foundation formula allowance	1,004,896	1,101,015
3. Subtotal, Estimate Under Current Law	<u>\$ 7,539,900</u>	<u>\$ 8,359,750</u>
4. Proposed Policy Changes:		
- Retain statutory foundation formula allowance at \$1,690	-0-	(96,119)
5. Total Entitlement	<u>\$ 7,539,900</u>	<u>\$ 8,263,631</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$7,278,904 in F.Y. 1988 (\$869,989 for F.Y. 1987 plus \$6,408,915 for F.Y. 1988) and \$8,155,071 in F.Y. 1989 (\$1,130,985 for F.Y. 1988 plus \$7,024,086 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 09 COMMUNITY AND FAMILY EDUCATION

AID: 06 EARLY CHILDHOOD FAMILY EDUCATION TECHNICAL ASSISTANCE

STATUTORY AUTHORIZATION: LAWS 1985, FIRST SPECIAL SESSION, CHAPTER 12,
ARTICLE 4, SECTION 11, SUBD. 6, AS AMENDED IN 1986

PROGRAM OBJECTIVE: To provide assistance to school districts in planning, implementing, and evaluating early childhood family education (ECFE) programs.

PROGRAM DESCRIPTION: The state appropriation of \$35,000 for F.Y. 1986 and \$31,500 for F.Y. 1987 enabled the Minnesota Department of Education (MDE) to provide technical assistance to districts on ECFE programs via personnel service contracts, conferences, and workshops. Some examples of assistance provided include:

1. Establishment of a regional in-service network involving 400 participants twice a year.
2. Development of a course entitled "Introduction to Early Childhood Family Education." The course has already been offered 15 times by various colleges, universities, and area vocational technical institutes (AVTIs). A training manual and training of teachers is provided by MDE staff.
3. Development of models for coordinating Early Childhood Special Education and Early Childhood Family Education.
4. Development of curriculum materials and information.
5. Publication of a "Partners in Learning" newsletter in conjunction with the Vocational Consumer Homemaking Network. This newsletter is disseminated to 2,400 parent and family educators 3 times a year.
6. Development of evaluation instruments, forms, and consultant services.
7. Preparation of brochures and videotapes to explain the ECFE program to administrators, councils, and the general community.
8. Completion of an evaluation study for the Minnesota Legislature.
9. Preparation of a "Guide for Developing Early Childhood Family Education Programs" -- a handbook for local districts with detailed information.

PROGRAM EFFECTIVENESS: As a result of the in-service network, the leadership base for Early Childhood Family Education has grown significantly. The number of opportunities for staff in-service and development via the network, workshops at conferences, and in coordination with higher education institutions has also increased considerably in the past 2 years, creating more effective program staff throughout the state.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	32	32	0	32	32
Subtotal	0	32	32	0	32	32
Other Funds:	0	0	0	0	0	0
Total	0	32	32	0	32	32

PROGRAM EFFECTIVENESS: (Contd.)

The program is gaining in acceptance and credibility. The number of participants in F.Y. 1986 exceeded projections, and the credentials of advisory council members are both reassuring and indicative of growing community support. A data collection system with the potential to support a long-range evaluation effort has been established.

ANNUAL ENTITLEMENT AND FUNDING:

ECFE Technical Assistance	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ <u> -- </u>	\$ <u> 32,046 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>
B) <u>PROGRAM FUNDING</u>					
Current Approp- riation		35,000	31,500	31,500	31,500
Transfer to Education Aids Control Account		(2,954)			
Total	\$ <u> -- </u>	\$ <u> 32,046 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>
C) <u>FISCAL ACTIVITY</u>					
State Payments		32,046	31,500	31,500	31,500
Total	\$ <u> -- </u>	\$ <u> 32,046 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>	\$ <u> 31,500 </u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$31,500 for F.Y. 1988 and \$31,500 for F.Y. 1989 to continue providing technical assistance to Early Childhood Family Education (ECFE) programs.

PUBLIC LIBRARIES

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 10 PUBLIC LIBRARIES
AID: 01 LIBRARIES - BASIC GRANTS
STATUTORY AUTHORIZATION: M.S. 134.30-134.36

PROGRAM OBJECTIVE: The public library grant program promotes, encourages and assists in the development of public library services for every Minnesotan. Grants are provided for development of regional public library systems to strengthen and improve public library services and for state-wide activities of interlibrary cooperation to facilitate sharing of resources and reference information.

PROGRAM DESCRIPTION: The public library grant program assists in funding public library services in 116 public library jurisdictions and 340 library service outlets (including branch libraries and bookmobiles). The 12 regional library systems, shown in Table 10-1, provide county-wide library service to 75 counties. There are 23 city libraries in 8 additional counties affiliated with regional library systems. The 12 regional library systems serve a total population of 3,906,396, constituting 95.8% of Minnesota's population.

TABLE 10-1
MINNESOTA REGIONAL PUBLIC LIBRARY SYSTEMS

Arrowhead Library System
Population 314,565

Carlton County
Cook County
Itasca County
Koochiching County
Lake County
Lake of the Woods County
St. Louis County

East Central Regional Library
Population 112,560

Aitkin County
Chisago County
Isanti County
Kanabec County
Mille Lacs County
Pine County

Great River Regional Library
Population 267,767

Benton County
Morrison County
Sherburne County
Stearns County
Todd County
Wright County

Kitchigami Regional Library
Population 104,347

Beltrami County
Cass County
Crow Wing County
Wadena County

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	668	695	746	0	671	746
Current Year	3,937	4,229	3,803	0	4,229	4,229
Subtotal	4,605	4,924	4,549	0	4,900	4,975
Other Funds:	0	0	0	0	0	0
Total	4,605	4,924	4,549	0	4,900	4,975

PROGRAM DESCRIPTION: (Contd.)

TABLE 10-1: (Contd.)

Lake Agassiz Regional Library
Population 127,019

Becker County
Clay County
Clearwater County
Norman County
Polk County

Metropolitan Library Service Agency
Population 1,985,860

Anoka County
Carver County
Dakota County
Hennepin County
Ramsey County
Scott County
Washington County

Northwest Regional Library
Population 53,002

Kittson County
Marshall County
Pennington County
Red Lake County
Roseau County

Pioneerland Library System
Population 130,036

Big Stone County
Chippewa County
Kandiyohi County
McLeod County
Meeker County
Swift County

Plum Creek Library System
Population 106,138

Jackson County
Lyon County
Murray County
Nobles County
Redwood County
Rock County

Southeastern Libraries Cooperating
Population 375,683

Dodge County
Freeborn County
Goodhue County
Mower County
Olmsted County
Rice County
Steele County
Wabasha County
Winona County

EDUCATION AIDS

(Continuation)

PROGRAM: 10 PUBLIC LIBRARIES

AID: 01 LIBRARIES - BASIC GRANTS

PROGRAM DESCRIPTION: (Contd.)

Traverse de Sioux Library System

Population 213,951

Blue Earth County
Faribault County
LeSueur County
Martin County
Nicollet County
Sibley County
Waseca County
Watonwan County

Viking Library System

Population 115,468

Douglas County
Grant County
Otter Tail County
Pope County
Stevens County
Traverse County

Note: Fillmore County, with a population, outside the cities with public libraries, of 13,204, will begin participating in Southeastern Libraries Cooperating in 1987.

The state funded public library grant program consists of 2 types of grants established in state law. These grants are Regional Library Basic System Support and Interlibrary Exchange Grants. A third type of grant was authorized by the 1983 Minnesota Legislature for 2 years to encourage the merger of 2 systems.

State law requires that a regional public library system, to be eligible for a Regional Library Basic System Support Grant, must consist of at least 3 counties and must be designated by the State Board of Education as the appropriate agency to strengthen, improve and promote public library services in the participating areas. State law also requires that each governmental unit participating in a regional public library system must meet minimum levels of local support requirements and maintenance of effort. The minimum level of local support required by statute is .4 mill multiplied by the adjusted assessed valuation for the preceding year, or a per capita amount, whichever is less. The method of calculating the per capita amount is established in statute. The per capita amount is \$3.58 in 1986; it is increased each year by one-half of the percentage of increase of the adjusted assessed valuation statewide. Statutes also allow governmental units participating before 1979 which have not yet reached these

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

minimum levels to increase local support by 10% per year until the minimum levels are reached. To maintain effort, a participating governmental unit must provide for operating purposes for public library services at least the dollar amount provided in the preceding year.

Eligibility criteria for Regional Library Basic System Support are contained in Rules of the State Board of Education, Parts 3530.0200-3530.0700, and Parts 3530.0900-3530.1000. These rules establish application procedures and deadlines, amendment procedures and assurances by applicants. They require that the regional public library system employ a chief administrative officer who has had at least 2 years of public library administrative experience and has received the master's degree in library science from a library education program accredited by the American Library Association. The rules also require that the systems prepare in each even-numbered year a 5-year long range plan of service.

The formula for Regional Library Basic System Support Grants, as amended by the 1985 Minnesota Legislature, is contained in M.S. 134.35. The formula allots 55% of available funds to the systems in an equal amount per capita, 15% of available funds in an equal amount per square mile, 7.5% of available funds in an equal amount to each system, and 17.5% of available funds prorated among systems serving counties where the adjusted valuation per capita falls below the state average adjusted valuation per capita. Regional Library Basic Support Grants are made from federal and state funds.

Systems use these grant funds to operate public library services. In some systems, some of the funds are paid to participating public libraries for services they provide for the system, and in some systems grants are provided to local participating libraries to strengthen and improve their services.

The Interlibrary Exchange Grant is paid to the Minnesota Higher Education Coordinating Board (HECB) to provide the services of the Minnesota Interlibrary Telecommunications Exchange (MINITEX) to public libraries. The amount of the grant is determined annually in negotiation with HECB, and is based on MINITEX costs for providing projected levels of services. Services provided are interlibrary loan from the University of Minnesota Libraries and other academic and government agency libraries, inclusion of public library holdings in the computerized Minnesota Union List of Serials, back up reference service for answering reference questions which the local library lacks the materials to answer, and access to the computerized cataloging services of the Online Computer Library Center (OCLC).

The 1983 Minnesota Legislature authorized a Merger Incentive grant of \$24,000 in F.Y. 1984 and \$12,000 in F.Y. 1985 to encourage the merger of the Crow River Regional Library and the Western Plains Library System to form the Pioneerland and Library System.

PROGRAM STATISTICS: Under M.S. 134.31, Subd. 4, public libraries provide annual reports to the Department of Education showing receipts, expenditures, service, and use of services. These annual reports cover each library's fiscal year ending during the preceding calendar year. Fiscal sections of these reports for the last 3 years are summarized in Table 10-2.

EDUCATION AIDS
(Continuation)
PROGRAM: 10 PUBLIC LIBRARIES
AID: 01 LIBRARIES - BASIC GRANTS

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 10-2
PUBLIC LIBRARY RECEIPTS AND EXPENDITURES
CALENDAR YEARS 1983-1985

	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Receipts</u>			
Regional Public Library Systems			
City and County Allocations	\$ 3,459,460	\$ 4,212,086	\$4,502,678
State and Federal Grants	4,368,712	5,587,265	5,723,703
Other	628,663	833,549	966,061
City and County Libraries			
City and County Allocations	43,138,218	47,316,334	51,715,679
Other	2,298,578	2,656,877	2,665,477
Total	<u>\$53,893,631</u>	<u>\$60,606,111</u>	<u>\$65,573,598</u>
<u>Expenditures</u>			
Personnel	\$34,849,035	\$38,230,563	\$40,978,484
Materials	7,987,737	10,309,717	9,573,287
Other operating expenses	9,187,367	10,718,223	11,570,574
Total	<u>\$52,024,139</u>	<u>\$59,258,503</u>	<u>\$62,122,345</u>

Since regional, county, and city public library boards do not have the power to tax, they receive local appropriations from county boards of commissioners and city councils. In the 6 consolidated regional public library systems, these local funds along with state and federal aid funds are expended for operating public library services. In the 6 federated regional public library systems, most local funds are provided to county and city libraries for their operations. The federated regional public library systems expend state and federal funds, and those local funds received under service contracts for operation of cooperative services such as bookmobile service, interlibrary loan, delivery of materials, collection development and centralized purchasing.

Numbers and total amounts of state grants are shown in Table 10-3. Federal funds are also used for Regional Library Basic System Support Grants as shown in Table 10-8. All amounts shown are entitlements.

PROGRAM STATISTICS: (Contd.)

TABLE 10-3
PUBLIC LIBRARY AIDS-STATE

Type of Aid (Grants)	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
Regional Library Basic System Support Grants					
Number of Grants	12	12	12	12	12
Expenditures	\$4,445,525	4,754,800	4,253,700	4,253,700	4,253,700
Grants for Inter-Library Exchange					
Number of Grants	1	1	1	1	1
Expenditures	\$ 174,475	220,000	220,000	220,000	220,000
Merger Incentive Grant					
Number of Grants	1	--	--	--	--
Expenditures	\$ 12,000	--	--	--	--
Total					
Number of Grants	14	13	13	13	13
Expenditures	\$4,632,000	4,974,800	4,473,700	4,473,700	4,473,700

PROGRAM EFFECTIVENESS: Since participation in a regional public library system depends upon the willingness of local governmental units to provide the levels of funding required by statute, performance of the public library grant program can be measured by the number of counties and cities participating in regional public library systems and by the population of these governmental units. State funds also support interlibrary loan activities at regional and state levels. The total number of items in local library collections indicates the items to which a user has direct and immediate access. Each public library counts the number of items loaned to library users. Other indicators of library use, such as reference questions answered and use of materials in the library, are not counted by every public library so no statewide totals are available. Information on performance measures is shown in Table 10-4.

EDUCATION AIDS
(Continuation)
PROGRAM: 10 PUBLIC LIBRARIES
AID: 01 LIBRARIES - BASIC GRANTS

1987-89 Biennial Budget

PROGRAM EFFECTIVENESS: (Contd.)

TABLE 10-4

	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
Number of counties participating in regional public library systems	75	75	76	77
Number of Minnesotans served by regional public library systems	3,896,290	3,906,396	3,916,396	3,926,396
Percent of state population served	95.6	95.8	96.1	96.3
Public library interlibrary loan requests processed through Public Library Access Network (PLANET) and Minnesota Interlibrary Telecommunications Exchange (MINITEX)	60,720	62,000	63,000	64,000
Public library interlibrary loan requests supplied by regional public library systems (Calendar Year)	133,209	135,000	137,000	139,000
Items in public library collections (Calendar Year)	16,303,510	16,630,000	16,960,000	17,320,000
Items loaned by public libraries (Calendar Year)	31,261,898	32,100,000	33,000,000	33,900,000

ANNUAL ENTITLEMENT AND FUNDING:

<u>Libraries - Basic Grants</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation</u>	
				<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	<u>\$ 4,632,000</u>	<u>\$ 4,974,800</u>	<u>\$ 4,473,700</u>	<u>\$ 4,974,800</u>	<u>\$ 4,974,800</u>

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

<u>Libraries - Basic Grants</u>	<u>Actual F.Y. 1985</u>	<u>Actual F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation</u>	
				<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	3,937,000	4,228,600	3,802,600	4,228,580	4,228,580
Final Adjust Appropriation	695,000	746,200	671,100	746,220	746,220
Total	<u>\$ 4,632,000</u>	<u>\$ 4,974,800</u>	<u>\$ 4,473,700</u>	<u>\$ 4,974,800</u>	<u>\$ 4,974,800</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	4,632,000	4,974,800	4,473,700	4,974,800	4,974,800
Total	<u>\$ 4,632,000</u>	<u>\$ 4,974,800</u>	<u>\$ 4,473,700</u>	<u>\$ 4,974,800</u>	<u>\$ 4,974,800</u>

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	<u>Governor's Recommendation</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 4,473,700	\$ 4,473,700
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State	-0-	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 4,473,700</u>	<u>\$ 4,473,700</u>
4. Proposed Policy Changes:		
- Reinstate F.Y. 1986 base to avoid loss of federal funds	501,100	501,100
5. Total Entitlement	<u>\$ 4,974,800</u>	<u>\$ 4,974,800</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$4,899,680 in F.Y. 1988 (\$671,100 for F.Y. 1987 plus \$4,228,580 for F.Y. 1988) and \$4,974,800 in F.Y. 1989 (\$746,220 for F.Y. 1988 plus \$4,228,580 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 10 PUBLIC LIBRARIES
AID: 02 LIBRARIES - COOPERATION GRANTS
STATUTORY AUTHORIZATION: M.S. 134.351-134.354

PROGRAM OBJECTIVE: The multi-county multi-type library cooperation program, enacted by the 1979 Minnesota Legislature, encourages academic, public, school and special libraries to share resources, engage in cooperative planning, develop communications systems, delivery systems and data bases, and engage in any other cooperative activities identified by participants as needed. Through multi-county multi-type systems, libraries of all types work together to develop cooperative programs which strengthen the services each participating library can offer to its users.

PROGRAM DESCRIPTION: Seven multi-county multi-type library systems covering the entire state have been established under provisions of M.S. 134.351. There are 665 libraries of all types participating, serving most Minnesotans in their communities, educational institutions and places of work. Systems are identified and numbers of participating libraries indicated in Table 10-5.

TABLE 10-5
MULTI-COUNTY MULTI-TYPE LIBRARY SYSTEMS

Central Minnesota Libraries Exchange Office: St. Cloud Number of Participants: 106 Academic 6 Public 2 School 80 Special 18	Northern Lights Library Network Office: Alexandria Number of Participants: 117 Academic 11 Public 14 School 81 Special 11
Metronet Office: St. Paul Number of Participants: 125 Academic 12 Public 12 School 36 Special 65	Southcentral Minnesota Interlibrary Exchange Office: Mankato Number of Participants: 74 Academic 6 Public 11 School 44 Special 13
North County Library Cooperative Office: Virginia Number of Participants: 79 Academic 7 Public 29 School 31 Special 12	Southeast Library System Office: Rochester Number of Participants: 74 Academic 10 Public 24 School 32 Special 8

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	28	30	31	0	29	29
Current Year	168	175	161	0	161	161
Subtotal	196	205	192	0	190	190
Other Funds:	0	0	0	0	0	0
Total	196	205	192	0	190	190

PROGRAM DESCRIPTION: (Contd.)

Southwest Area Multi-county Multi-type
Interlibrary Exchange
Office: Marshall
Number of Participants: 90
Academic 3
Public 11
School 65
Special 11

Each system develops services specific to the needs of its areas. All systems are developing programs which allow participating libraries to improve services to users at a cost lower than would be possible if each library were operating independently. Examples of services are interlibrary loan, delivery of materials among libraries, development of bibliographic data bases, cooperative planning, and cooperative staff development programs.

Operating Grants are used by multi-county multi-type library systems to initiate, operate, or contract for services. Operating Grants are awarded using a formula established in State Board of Education rule which allocates 60% of available funds equally among the systems, 20% of available funds in an equal amount per capita, and 20% of available funds in an equal amount per square mile.

State law empowers the State Board of Education to approve the establishment of multi-type library systems and their geographic boundaries. To join a system, a participating library signs an organizational agreement providing for: (1) sharing of library resources, (2) long range planning, (3) development of a delivery system among libraries, (4) development of a bibliographic database, and (5) a communication system among libraries. State law requires that each multi-type library system file an annual report with the Department of Education on projects conducted with grant funds. State rules establish grant application procedures. They also require each system to annually file a five year long-range plan. Public libraries participating in a multi-type library system also are required to participate in their regional public library system.

EDUCATION AIDS

(Continuation)

PROGRAM: 10 PUBLIC LIBRARIES

AID: 02 LIBRARIES - COOPERATION GRANTS

1987-89 Biennial Budget

PROGRAM STATISTICS: Numbers and total amounts of grants are shown in Table 10-6.
Federal funds are also used for these grants as shown in Table 10-8.

TABLE 10-6
MULTI-COUNTY MULTI-TYPE LIBRARY COOPERATION AID-STATE

Type of Aid (Grants)	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Operating Grants					
Number of Grants	7	7	7	7	7
Expenditures	198,000	206,000	189,700	189,700	189,700

PROGRAM EFFECTIVENESS: Because multi-type library systems provide a vehicle for academic, public, school and special libraries to plan and operate cooperative programs, the program can be measured by the number of libraries participating and the number of service outlets of participating libraries. The service outlet count includes individual school library media centers and branches of public libraries.

Within the provisions of state statute and rule, each multi-type library system implements services specific to the needs and priorities of its participating libraries. Services to be implemented, the order in which services are implemented and the manner in which services are implemented are determined by each system governing board with advice from its advisory committee. The seven systems report a total of 95 services or activities. Selected services and activities are reported in Table 10-7.

TABLE 10-7

	Actual F.Y. 1986	Actual F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of libraries participating in multi-type library systems	643	665	680	695
Number of service outlets	1,474	1,515	1,523	1,531
Number of multi-type library systems operating or contracting for selected cooperative services:				
a. Interlibrary loan	5	6	6	6
b. Delivery systems for inter-library loan	5	5	6	6
c. Reference information services	5	5	5	5
d. Continuing education workshops	7	7	7	7
e. Access to online databases	5	6	6	6
f. Access to electronic mail system	1	1	2	3
g. Directory of participants	7	7	7	7

ANNUAL ENTITLEMENT AND FUNDING:

Libraries - Cooperation Grants	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989

A) AID ENTITLEMENT

Net Aid Entitlement	\$ 198,000	\$ 206,000	\$ 189,700	\$ 189,700	\$ 189,700
---------------------	------------	------------	------------	------------	------------

B) PROGRAM FUNDING

Current Appropriation	168,000	175,100	161,200	161,245	161,245
Final Adjust Appropriation	30,000	30,900	28,500	28,455	28,455

Total	\$ 198,000	\$ 206,000	\$ 189,700	\$ 189,700	\$ 189,700
-------	------------	------------	------------	------------	------------

C) FISCAL ACTIVITY

State Payments	198,000	206,000	189,700	189,700	189,700
----------------	---------	---------	---------	---------	---------

Total	\$ 198,000	\$ 206,000	\$ 189,700	\$ 189,700	\$ 189,700
-------	------------	------------	------------	------------	------------

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$189,745 in F.Y. 1988 (\$28,500 for F.Y. 1987 and \$161,245 for F.Y. 1988) and \$189,700 in F.Y. 1989 (\$28,455 for F.Y. 1988 and \$161,245 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 10 PUBLIC LIBRARIES
AID: 03 FEDERAL PUBLIC LIBRARY AID
STATUTORY AUTHORIZATION: PUBLIC LAW 84-597

PROGRAM OBJECTIVE: The Federal Library Services and Construction Act (LSCA) (20 USC 351 et seq.) provides funds to assist the states in extending and improving public library services; improving library services for physically handicapped, institutionalized, disadvantaged, bilingual and elderly persons; strengthening the state library administrative agency; strengthening major urban resource libraries; improving public library facilities; and promoting cooperation among all types of libraries.

PROGRAM DESCRIPTION: A basic allotment is made to each state, and any funds remaining are distributed proportionately to the states on a population basis. Funds must be matched (approximately 50/50) and maintenance of effort is required.

Federal funds are to be used within the state for purposes identified in the act and in the state's 5-year long-range plan for library development. The amount of federal funds assigned to each of the grant categories in order to accomplish these purposes is determined at the state level. Because the amount of federal funds available varies from year to year, and the allotment often is not known until well into the state fiscal year due to delays in the federal appropriations process, the federal funds in Minnesota are used primarily for programs of limited duration or for capital outlay expenditures.

There are 8 types of grants funded with federal funds in the public library grant program.

1. Establishment grants are made to regional library systems to extend public library services to counties previously without such services. Funds are used for materials, equipment, and personnel needed to provide library services in the newly participating county. Amounts of establishment grants are determined by a formula in State Board of Education rule. The formula allots \$1 per capita plus \$10 per square mile for the first year of county participation, and one-half that amount for the second year. Establishment grants are made from federal funds.
2. Regional library basic system support grants are made to the 12 regional public library systems to assist them in developing and performing ongoing cooperative services. Amounts of grants are determined by a formula in state law. These grants are made from state and federal funds.
3. Major urban resource library grants are made to city libraries serving populations greater than 100,000. Grants assist these libraries in sharing their resources with other libraries in the state. These grants are made only in years for which the Congressional appropriation for LSCA Title I exceeds \$60 million.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjtmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	1,794	2,340	2,479	0	1,931	1,931
Total	1,794	2,340	2,479	0	1,931	1,931

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

4. Grants to improve library services in institutions operated by the Department of Human Services and the Department of Corrections are made from federal funds. The amounts of these grants are based on project applications submitted by the departments. These federal funds supplement state funds for institutional library service and provide services which otherwise could not be provided.
5. A grant for interlibrary exchange encourages sharing of library resources statewide by supporting the Public Library Access Network (PLANET) administered by the St. Paul Public Library. Included are state-wide access to and delivery of materials in metropolitan public libraries, and reference information.
6. Multi-county multi-type library cooperation grants assist the 7 multi-county multi-type library systems to develop cooperative programs involving academic, public, school and special libraries. Services include interlibrary loan, delivery of library materials requested, and cooperative staff development. State and federal funds are used for these grants.
7. Special grants are made from federal funds for innovative and experimental library services projects of limited duration. Amounts of individual grants are determined by project applications submitted under procedures established in state rule. Other special grants are made from federal funds for other activities which strengthen and improve library services and carry a special priority as determined by the State Board of Education. Examples of such grants are support of bookmobile services to residents of the White Earth Indian Reservation, and planning for library automation.

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 10 PUBLIC LIBRARIES

AID: 03 FEDERAL PUBLIC LIBRARY AID

PROGRAM DESCRIPTION: (Contd.)

8. Public library construction grants are awarded for construction or remodeling of public library buildings. Under State Board of Education rules, grants have been awarded recently for projects in Cloquet, Minneapolis, New Prague, and St. Peter. Projects have been completed recently in Aurora, Fergus Falls, Hibbing, Red Lake Falls, and Wadena.

PROGRAM STATISTICS: Numbers and total amounts of each type of grant are shown in Table 10-8. State funds are also used in some of these grants as shown in Table 10-3 and Table 10-6. All amounts are encumbrances.

TABLE 10-8
PUBLIC LIBRARY AIDS - FEDERAL

Type of Aid (Grants)	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Establishment Grants for Regional Library Systems:					
Number of Grants	4	3	1	2	2
Expenditures	\$63,920	\$29,138	\$30,550	\$36,475	\$31,800
Regional Library Basic System Support Grants:					
Number of Grants	12	12	12	12	12
Expenditures	\$848,664	\$1,000,000	\$1,000,000	\$905,298	\$909,973
Major Urban Resource Library Grants:					
Number of Grants	2	2	2	2	2
Expenditures	\$13,859	\$40,820	\$40,820	\$40,820	\$40,820
Grants to Improve Library Services at Welfare and Corrections Institutions and for the Blind and Physically Handicapped:					
Number of Grants	3	3	3	3	3
Expenditures	\$52,142	\$55,912	\$55,912	\$55,912	\$55,912

PROGRAM STATISTICS: (Contd.)

TABLE 10-8: (Contd.)

Type of Aid (Grants)	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Grants for Interlibrary Exchange:					
Number of Grants	1	1	1	1	1
Expenditures	\$163,500	\$178,600	\$194,600	\$194,600	\$194,600
Multi-county Multi-type Library Cooperation Operating Grants:					
Number of Grants	7	7	7	7	7
Expenditures	\$267,215	\$268,288	\$292,550	\$297,197	\$297,197
Special Project Grants:					
Number of Grants	1	14	2	1	1
Expenditures	\$12,500	\$389,661	\$35,726	\$8,500	\$8,500
Public Library Construc- tion Grants:					
Number of Grants	--	--	7	4	4
Expenditures	\$ --	\$ --	\$829,142	\$392,052	\$392,052
Total:					
Number of Grants	30	42	35	32	32
Expenditures	\$1,421,800	\$1,962,419	\$2,479,300	\$1,930,854	\$1,930,854

Note: Amounts for F.Y. 1988 and F.Y. 1989 are projections based on F.Y. 1986 allotments.

PROGRAM EFFECTIVENESS: Because state funds also are used for these grants, performance measures are shown in Table 10-4 and Table 10-7.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

HEALTH, SAFETY, AND NUTRITION PROGRAMS

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 01 EARLY CHILDHOOD HEALTH AND DEVELOPMENTAL SCREENING
STATUTORY AUTHORIZATION: M.S. 123.701-123.704

PROGRAM OBJECTIVE: This program assists parents and communities to improve the health and school readiness of young children, plan educational programs, and plan services for "at risk" learners and health programs through early detection of children's health and developmental barriers to learning.

PROGRAM DESCRIPTION: At Early Childhood Screening (ECS), educators and health professionals focus on the normal aspects of a child's health and development. They identify and reinforce these aspects while sorting out conditions and situations that require further attention. When warranted, the children and families are referred to several sources of services and care in the school and community.

All Minnesota school districts are required to offer health and developmental screening to each child once prior to entering kindergarten. This is usually done at age 3 1/2 to 4 1/2 years. Participation is voluntary on the part of parents. Each year, 85% to 90% of the state's 4-year-old children participate. More than 350,000 children have been screened since the program began in 1978. In F.Y. 1987, however, participation rates may fall as parents become aware that screening services are being trimmed due to lack of local revenue to complement state allotments for ECS.

Minnesota reimburses local school boards for the cost of administering the required components of the program with the current specified limit of \$8.15 per child screened funding less than 1/2 of the costs. Local school districts are expected to draw on the K-12 foundation aid, community resources and use of volunteers to supplement the state allotment. In the past, optional components, funded through fees charged to parents, community voluntary organization funds or local district revenues have been offered by 1/4 of the districts, although this service may decline as these voluntary resources are needed for required components.

The majority of districts staff the program with school personnel, but over 1/3 of the districts contract with community health agencies and education cooperatives for part, or all of the program. Cooperative efforts are further enhanced because ECS is a focus of the county Interagency Early Learning Committees.

The number of eligible children changes annually according to the fluctuating birth rate adjusted for mortality and morbidity. Participation in the program is estimated at 90% of the expected kindergarten enrollment.

PROGRAM STATISTICS: Program statistics for the Early Childhood Health and Developmental Screening program are as follows:

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	94	107	121	0	66	65
Current Year	632	687	373	0	371	364
Subtotal	726	794	494	0	437	429
Other Funds:	0	0	0	0	0	0
Total	726	794	494	0	437	429

PROGRAM STATISTICS: (Contd.)

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of children screened	49,350	50,500	53,827	53,494	52,535
Reimbursement limit per child	\$15.60	\$16.15	\$8.15	\$8.15	\$8.15
Aid Entitlement	\$739,173	\$808,000	\$438,690	\$435,976	\$428,160

PROGRAM EFFECTIVENESS: The Minnesota Department of Education (MDE) annually reports statewide results to the Legislature by February 1. The report shows the high participation rates on the part of parents and their young children in this voluntary program (82% statewide) with many districts reporting a rate of 90% or higher. Early Childhood Screening has one of the highest participation rates by parents in any voluntary program. This is evidence of the value placed on the program each year by communities. However, as noted above, the current funding arrangement may precipitate a fall in these participation rates.

The number of problems or concerns identified at screening is the second performance measure of the program. Districts voluntarily submit these data to MDE. Also, a recent statewide study of the program by the University of Minnesota's Department of Educational Psychology provides information. An estimated 40% of children screened have 1 or more concerns identified: 10% with problems identified in the health history and optional physical assessment component, 3% in vision, 7.6% in hearing, and 12% in the developmental area.

Comments by screeners and parents submitted on the narrative portion of the voluntary summary and evaluation report reflect the value of the program in identifying problems not previously known to parents (hearing problems, blindness in 1 eye, nutrition problems, developmental concerns). This event is also a valuable teaching tool to reinforce positive parenting skills and point out areas where more attention must be paid to diet, supervision to prevent accidents, learning activities, etc.

Cost by program component is submitted annually and providers of screening are named on the district's reimbursement request form. These help to describe the diversity of program implementation models statewide, reflecting the school-community partnership goal of the Department, and are a source of information for quality control.

EDUCATION AIDS
(Continuation)
PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 01 EARLY CHILDHOOD HEALTH AND DEVELOPMENTAL SCREENING

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

ANNUAL ENTITLEMENT AND FUNDING:

Early Childhood Screening	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ 739,173	\$ 808,000	\$ 438,690	\$ 435,976	\$ 428,160
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation	683,000	761,000	393,100	370,580	363,936
Final Adjust Appropriation	121,000	134,300	65,803	65,396	64,224
Transfer to Education Aids Control Account		(87,300)	(20,213)		
Total	\$ 804,000	\$ 808,000	\$ 438,690	\$ 435,976	\$ 428,160
C) <u>FISCAL ACTIVITY</u>					
State Payments Cancellation	739,173 64,827	808,000	438,690	435,976	428,160
Total	\$ 804,000	\$ 808,000	\$ 438,690	\$ 435,976	\$ 428,160

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 438,690	\$ 438,690
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Decrease in number of children screened	(2,714)	(10,530)

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 435,976	\$ 428,160
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 435,976	\$ 428,160

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$436,383 in F.Y. 1988 (\$65,803 for F.Y. 1987 and \$370,580 for F.Y. 1988) and \$429,332 in F.Y. 1989 (\$65,396 for F.Y. 1988 and \$363,936 for F.Y. 1989).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 02 CHEMICAL DEPENDENCY
STATUTORY AUTHORIZATION: M.S. 124.246 AND 126.031

PROGRAM OBJECTIVE: This program exists to assist school districts in developing policies and programs to reduce chemical use problems among all K-12 and Area Vocational Technical Institute (AVTI) students in the State of Minnesota.

PROGRAM DESCRIPTION: Minnesota statute requires all school districts to develop a policy to minimize the extent and severity of chemical use problems. Each district that submits a written plan to the Department of Education, describing policies and procedures to minimize chemical use problems among pupils, is eligible to participate in the state aid program.

The aid can be used for the following purposes, and the purposes, therefore are the means of obtaining the state objective:

- 1. Inservice training for public and nonpublic school staff;
- 2. Prevention programs, including curriculum materials;
- 3. Community and parent awareness programs;
- 4. Problem identification programs;
- 5. Referral programs, and
- 6. Aftercare support programs.

These programs are designed for pupils in AVTIs and in public and nonpublic elementary and secondary schools, and their parents, teachers, and staff.

The state paid the greater of \$1.08 per pupil in average daily membership (ADM) or \$1,080 to each eligible school district in F.Y. 1985. For F.Y. 1986 and for F.Y. 1987 the amount of aid remained at the greater of \$1.08 per ADM or \$1,080. Information on the aid program is shown in Table 11-1.

PROGRAM STATISTICS: The role of the school in helping students minimize chemical use problems is to:

- 1. Maintain a chemical-free atmosphere where learning can take place;
- 2. Provide curriculum to all students in the areas of chemical information, attitudes and behavior, self-awareness, social competencies, and social systems;
- 3. Offer a classroom and school climate conducive to open discussion of these curriculum topics;

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	143	141	152	0	153	0
Current Year	872	860	867	0	0	0
Subtotal	1,015	1,001	1,019	0	153	0
Other Funds:	0	0	0	0	0	0
Total	1,015	1,001	1,019	0	153	0

PROGRAM STATISTICS: (Contd.)

- 4. Provide appropriate staff to respond to students requiring additional services for chemical use problems;
- 5. Provide access to community resources for students requiring additional services for chemical use problems;
- 6. Provide aftercare (after-treatment) support within the school to help the student continue a chemical free lifestyle.

TABLE 11-1
CHEMICAL DEPENDENCY AID - DRUG EDUCATION

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Formula	\$1.08/\$1,080	\$1.08/\$1,080	\$1.08/\$1,080	\$1.08/\$1,080	\$1.08/\$1,080
Less than 1,000 ADM					
Number of Districts	271	273	275	277	277
Average Daily Membership:					
Public Elem.-Sec.	120,473	121,310	119,840	120,171	120,337
Nonpublic Elem.-Sec.	6,192	3,093	2,929	2,953	2,967
AVTI	--	--	--	--	--
Total ADM	126,665	124,403	122,769	123,124	123,304
Aid Entitlement	\$ 292,680	\$ 294,840	\$ 297,000	\$ 299,160	\$ 299,160

EDUCATION AIDS

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 02 CHEMICAL DEPENDENCY

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 11-1: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
<u>1,000 or More Average Daily Membership (ADM)</u>					
Number of Districts	157	152	152	151	151
Average Daily Membership:					
Public Elem.-Sec.	572,304	571,228	577,077	578,671	579,473
Nonpublic Elem.-Sec.	69,684	62,234	62,716	63,230	63,520
AVTI	24,679	29,689	29,689	29,481	29,497
Total ADM	666,667	663,151	669,482	671,382	672,490
Aid Entitlement	\$ 720,000	\$ 716,203	\$ 723,041	\$ 725,093	\$ 726,289
<u>Totals</u>					
Number of Districts	428	426	427	428	428
Average Daily Membership:					
Public Elem.-Sec.	692,777	692,538	696,917	698,842	699,810
Nonpublic Elem.-Sec.	75,876	65,327	65,645	66,183	66,487
AVTI	24,679	29,689	29,689	29,481	29,497
Total ADM	793,332	787,554	792,251	794,506	795,794
Aid Entitlement	\$1,012,680	\$1,012,123	\$1,020,041	\$1,024,253	\$1,025,449

PROGRAM EFFECTIVENESS: Table 11-1 shows the number of school districts involved in the program each year. Most school districts are now participating. The objective of policies and programs in the schools is being met.

The survey of use and attitudes among 8th, 10th, and 12th grade students that was conducted in 1983 in Minnesota, provides base data for future comparison analysis.

ANNUAL ENTITLEMENT AND FUNDING:

Chemical Dependency	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
<u>A) AID ENTITLEMENT</u>					
Net Aid Entitlement	\$ 1,012,680 ^a	\$ 1,012,123	\$ 1,020,041	\$ -0-	\$ -0-
<u>B) PROGRAM FUNDING</u>					
Current Appro- priation	859,000	869,900	868,500	-0-	-0-
Deficiency Appropriation	12,825				
Final Adjust Appropriation	153,900	153,500	153,006	-0-	-0-
Transfer In, M.S. 124.14	12,100				
Transfer to Education Aids Control Account		(11,277)	(1,465)		
Total	\$ 1,037,825	\$ 1,012,123	\$ 1,020,041	\$ -0-	\$ -0-
<u>C) FISCAL ACTIVITY</u>					
State Payments Cancellation	1,012,680 25,145	1,012,123	1,020,041	-0-	-0-
Total	\$ 1,037,825	\$ 1,012,123	\$ 1,020,041	\$ -0-	\$ -0-

^aThe entitlement amount for obtaining resources and paying districts was \$1,037,801. Subsequently, an adjustment to the nonpublic ADM counts was required resulting in the lower entitlement, a recovery of aid and a cancellation of funds to the state treasury.

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 02 CHEMICAL DEPENDENCY

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 1,020,041	\$ 1,020,041
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in Participation (Number of Districts and Average Daily Membership (ADM) Count)	4,212	5,408
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 1,024,253	\$ 1,025,449
4. Proposed Policy Changes:		
- Consolidate in a New Program	(1,024,253)	(1,025,449)
5. Total Entitlement	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends consolidating this aid in the new Learners At Risk program. See Program 11-03 for details. The Governor recommends an appropriation of \$153,006 in F.Y. 1988 for the F.Y. 1987 final adjustment payment for the Chemical Dependency categorical aid.

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION PROGRAMS
AID: 03 LEARNERS AT RISK
STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To encourage local education agencies to establish a policy for learners at risk. The program will coordinate a continuum of services beginning with Early Childhood programs, and continuing through in-school student services and adult literacy programs. Issues to consider in local planning should include:

- a) availability of Early Childhood Family Education;
- b) prevention of dropouts and adolescent parents;
- c) services for learners with debilitating or chronic health problems, or severe stress and depression;
- d) prevention of adolescent pregnancy; and
- e) other services for learners at risk.

As part of this effort, additional "Whole Child" communities will be identified.

PROGRAM DESCRIPTION: Through the staged implementation of the Whole Child Initiative in Minnesota communities, the Learners At Risk Program will identify structural and organizational barriers that are impediments to effectively serving at-risk learners.

At least 10 pilot communities will be chosen to develop programs to reduce the risk level for adolescent parents and their children and to prepare adolescent parents, including recipients of Aid to Families With Dependent Children, for economic self-sufficiency. The pilots will address:

- a) education including employment linkages for adolescent parents;
- b) health and human service needs of adolescent parents;
- c) developmental needs of young children; and
- d) health and human service needs of young children.

In addition, communities will be encouraged to offer preventive programs for adolescent pregnancy. Such programs could involve adolescents, parents, and the wider community. The program will also encourage the development of regional interagency learning centers for all out-of-school youth.

Chemical dependency funds from state and federal sources will be coordinated with other funding sources and strategies relating to at-risk learners. Each community will have a comprehensive approach to prevention and service, thus reducing the number and severity of individuals who remain at risk in the learning process.

The 10 pilot communities will be selected to develop programs focused on adolescent parenting, based on the following criteria:

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	2,571	2,725
Subtotal	0	0	0	0	2,571	2,725
Other Funds:	0	0	0	0	0	0
Total	0	0	0	0	2,571	2,725

PROGRAM DESCRIPTION: (Contd.)

- 1. interagency cooperation;
- 2. educational program for adolescent mothers and fathers designed to lead to economic self-sufficiency;
- 3. developmental programs for children of adolescent parents;
- 4. parent-child relationships within the program;
- 5. prevention of second and third pregnancies;
- 6. health and human service needs of adolescent parents, their children, and pregnant adolescent;
- 7. geographic distribution in the state;
- 8. human development services designed to prevent adolescent pregnancy;
- 9. attention to values of majority and minority groups in the community;
- 10. attention to varied developmental needs of the adolescent parents to be served (age 11-21).
- 11. a plan for accessing appropriate employment and training funds;
- 12. a plan for accessing appropriate health and human service funds;
- 13. a plan for accessing appropriate child care funds;
- 14. promotion to clients, school districts, human service agencies, and the community.

In addition, up to 50 regional education centers will be approved to enroll out-of-school youth. Approval will be on the basis of:

- 1. school board approval by the district or cooperative to operate the program; and
- 2. state and federal laws and other mandates relating to education are followed.

In addition, the education system will be urged to develop interagency approaches to address employability and health and human service needs which cause multiple barriers for at-risk learners.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION PROGRAMS

AID: 03 LEARNERS AT RISK

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$2,570,615 for F.Y. 1988 and \$2,725,270 for F.Y. 1989 for comprehensive programs for at-risk students. Of the appropriations for F.Y. 1988 and F.Y. 1989, \$500,000 each year shall be used for pregnancy prevention programs in local communities and schools; \$1,000,000 each year, with matching dollars from local communities, shall be used for intensive programs to help teenage parents complete school and find employment; \$200,000 each year shall be available to the Department of Education for developing community support and for administrative purposes, including 4 complements for: adolescent parent and dropout programs (1 position), Whole Child and comprehensive at-risk policy (1 position), and clerical support (2 positions); \$870,615 for F.Y. 1988 and \$1,025,270 for F.Y. 1989 for chemical dependency, consolidated from the Chemical Dependency Program (11-02).

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 04 TOBACCO USE PREVENTION

STATUTORY AUTHORIZATION: M.S. 124.252; 297.13, SUBD. 1

PROGRAM OBJECTIVE: To assist school districts to plan, develop, implement, and evaluate educational programs that will prevent young people in Minnesota from using tobacco.

PROGRAM DESCRIPTION: Each district which submits a written plan to the Minnesota Department of Education (MDE) that includes the following components is eligible to participate in the state aid program:

1. Inservice training of teachers and staff;
2. K-12 continuum of educational programs related to tobacco use;
3. A targeted program for 12 to 14-year-olds, based on an evaluated curriculum shown to reduce tobacco use rates;
4. Prohibition of tobacco use by students on school premises;
5. Evaluation of program results.

Public school districts and intermediate districts are eligible to participate in the program. Program clientele includes students, teachers, staff, administrators, parents, and community members.

For F.Y. 1986, an eligible district received the greater of \$1,000 or 52¢ for each pupil in average daily membership (ADM) enrolled in a public elementary, secondary, or area vocational technical institute (AVTI) or nonpublic elementary or secondary school. For F.Y. 1987, the formula is the greater of 54¢ per ADM, or \$1,040. The aid for nonpublic pupils who request program services is paid to the public school districts.

State funding for this program is provided from the portion of the proceeds of the state cigarette tax that is credited to the Public Health Fund (see M.S. 297.13, Subd. 1). The appropriation to the Department of Education for the 1985-87 biennium was made in the Omnibus Tax Bill (see Laws 1985, First Special Session, Chapter 14, Article 19, Section 37, Subd. 3).

PROGRAM STATISTICS: In the first year of the program, F.Y. 1986, 323 public school districts, including students from 120 nonpublic schools, participated in the program. Seventy-five percent of the districts and 50% of the nonpublic schools replied to a MDE survey. The following data summarizes the responses concerning tobacco use education programs in F.Y. 1986:

39% of public districts have a tobacco use prevention curriculum in place, including both smoking and chewing tobacco;

42% of public districts are in the process of planning or developing this type of curriculum;

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Public Health	0	513	584	0	633	660
Total	0	513	584	0	633	660

PROGRAM STATISTICS: (Contd.)

67% of public districts have a K-12 health curriculum in place that includes both smoking and chewing tobacco; and

52% of districts used state aid funds for staff training, with an average of 9 staff persons trained.

A tobacco use prevention specialist position in MDE was filled in January 1986. Three regional workshops were conducted between January and May to provide an overview of tobacco use prevention programs available to Minnesota schools. One hundred ninety-four teachers and administrators attended the workshops.

Five regional training workshops provided inservice education for implementing "The Minnesota Smoking Prevention Program" in junior high schools. Ninety junior high teachers attended these workshops.

The MDE staff person consulted on tobacco use prevention with advisory groups and with 4,500 administrators, teachers, and staff, by phone, by on-site visits, and by mailings.

Statistical information for the tobacco use prevention aid program is provided in Table 11-2.

EDUCATION AIDS

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 04 TOBACCO USE PREVENTION

1987-89 Biennial Budget

PROGRAM EFFECTIVENESS: The goal of reducing tobacco use by young people in Minnesota cannot be evaluated after 1 year of program implementation. However, 2 excellent evaluation projects are in place that will be able to measure this outcome over a period of time.

1. The Minnesota Department of Health, in cooperation with the Minnesota Department of Education (MDE) and the University of Minnesota, conducted a baseline survey of tobacco use rates in a random sample of Minnesota schools in May, 1986. This survey of 2,400 students will provide comparative data in future years.
2. The National Cancer Institute has awarded a 5-year \$1.2 million grant to the University of Minnesota in cooperation with the Minnesota Departments of Health and Education to do an in-depth evaluation of school tobacco use prevention programs. The grant will monitor tobacco use rates over 5 years in a random sample of 9th graders in Minnesota and Wisconsin schools. A second part of the grant will follow a group of 7th graders in 78 Minnesota schools over a period of 4 years comparing the tobacco use rates of students receiving 4 different types of tobacco use prevention programs.

FISCAL INFORMATION: The appropriations for this program are \$611,200 for F.Y. 1986 and \$712,000 for F.Y. 1987. Of these amounts, \$37,485 and \$60,000 respectively were budgeted for program administration and are being reported in the Minnesota Department of Education Agency Budget. Only the aid to districts portion is included in this budget.

ANNUAL ENTITLEMENT AND FUNDING:

Tobacco Use Prevention	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
A) <u>AID ENTITLEMENT</u>					
Net Aid Entitle- ment	\$ <u> -- </u>	\$ <u> 514,107^a </u>	\$ <u> 582,931 </u>	\$ <u> 632,918 </u>	\$ <u> 659,531 </u>
B) <u>PROGRAM FUNDING</u>					
Current Appro- priation		573,715	652,000	632,918	659,531
Total	\$ <u> -- </u>	\$ <u> 573,715 </u>	\$ <u> 652,000 </u>	\$ <u> 632,918 </u>	\$ <u> 659,531 </u>

PROGRAM STATISTICS: (Contd.)

TABLE 11-2
TOBACCO USE PREVENTION PROGRAM

	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Formula	\$.52/\$1,000	\$.54/\$1,040	\$.54/\$1,040	\$.54/\$1,040
Less than 1,926 Average Daily Membership (ADM) ^a				
Number of Districts	246	292	311	336
Average Daily Membership:				
Public Elementary-Secondary	149,961	179,205	194,364	209,101
Nonpublic Elementary-Secondary	6,657	7,971	8,035	8,071
Area Vocational Technical Institute (AVTI)	418	418	418	918
TOTAL ADM	157,036	187,594	202,817	218,090
Aid Entitlement	\$ 246,000	\$ 303,680	\$ 323,440	\$ 349,440
1,926 or more ADM ^a				
Number of Districts	77	86	92	92
Average Daily Membership:				
Public Elementary-Secondary	442,186	456,364	481,790	482,457
Nonpublic Elementary-Secondary	38,393	57,855	58,318	58,586
AVTI	27,560	32,912	33,000	33,200
TOTAL ADM	508,139	517,131	573,108	574,243
Aid Entitlement	\$ 264,232	\$ 279,251	\$ 309,478	\$ 310,091
Totals				
Number of Districts	323	378	403	428
Average Daily Membership:				
Public Elementary-Secondary	592,147	635,569	676,154	691,558
Nonpublic Elementary-Secondary	45,050	40,883	66,353	66,657
AVTI	27,978	33,330	33,418	34,118
TOTAL ADM	665,175	709,782	775,925	792,333
Aid Entitlement	\$ 510,232	\$ 582,931	\$ 632,918	\$ 659,531

^aFor F.Y. 1986, the ADM threshold used in the formula is 1,924.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 04 TOBACCO USE PREVENTION

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
Tobacco Use Prevention					
C) FISCAL ACTIVITY					
State Payments		513,107 ^a	582,931	632,918	659,531
State Payments, M.S. 124.14			1,000		
Cancellation		60,608	68,069		
Total	\$ --	\$ 573,715	\$ 652,000	\$ 632,918	\$ 659,531

^aIncludes \$3,875 grant to the University of Minnesota to plan a series of workshops.CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation	
	F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 582,931	\$ 582,931
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Increase in participation (number of districts and average daily membership (ADM) count)	49,987	76,600
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 632,918	\$ 659,531
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 632,918	\$ 659,531

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$632,918 for F.Y. 1988 and \$659,531 for F.Y. 1989. State funding for this program is provided from the Public Health Fund.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY AND NUTRITION

AID: 05 ALCOHOL IMPAIRED DRIVER EDUCATION

STATUTORY AUTHORIZATION: M.S. 171.29, SUBD. 2

PROGRAM OBJECTIVE: To provide funds for developing education programs about the dangers of driving under the influence of alcohol.

PROGRAM DESCRIPTION: This program, established in the 1986 Legislative session, will begin in F.Y. 1988. Grants are given to local school districts and postsecondary institutions to develop education programs about the dangers of drinking and driving. A portion (25%) of the driver license reinstatement fee provides the funding for these grants.

PROGRAM STATISTICS: The estimated level of state funding for program grants is summarized below:

	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Number of Driver License Revocations	34,500	34,500
2. Reinstatement Fee Rate	\$150	\$150
3. Reinstatement Fee Proceeds	\$5,175,000	\$5,175,000
4. 25% Available for Program Grants	\$1,293,750	\$1,293,750

PROGRAM EFFECTIVENESS: Program effectiveness will be measured by analyzing information on service recipients. A report on the expenditure of grant funds will be presented to the legislature during the 1988 session.

GOVERNOR'S RECOMMENDATION: The Governor recommends continuing the funding of this program in the manner established in statute.

Historical Expenditures and Governor's Recommendations By Fund Source

<u>Fund Source and Entitlement Year</u>	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Recommendation</u>			
	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>F87 DEF</u>	<u>FY 1988</u>	<u>FY 1989</u>	
<i>General Fund</i>							
<i>Prior Yr Adjstmnt</i>	0	0	0	0	0	0	
<i>Current Year</i>	0	0	0	0	0	0	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
<i>Subtotal</i>	0	0	0	0	0	0	
<i>Other Funds:Spcl Rv</i>	0	0	0	0	1,294	1,294	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
<i>Total</i>	0	0	0	0	1,294	1,294	

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 06 MOTORCYCLE SAFETY EDUCATION
STATUTORY AUTHORIZATION: M.S. 126.115; M.S. 171.06, SUBD. 2a

PROGRAM OBJECTIVE: To initiate, expand, and improve motorcycle driver education courses.

PROGRAM DESCRIPTION: Funds for this program originate from fees paid to the State for licenses to drive motorcycles. A portion of each fee is credited to the motorcycle safety fund, which is appropriated to the Commissioner of Public Safety for administering a motorcycle safety education program. This program trains motorcycle safety instructors, prepares information on motorcycle safety, and develops safety courses for schools and other organizations. The Commissioner of Public Safety makes grants from the motorcycle safety fund to the Commissioner of Education to meet these objectives.

The Commissioner of Education uses program funds to reimburse schools and other organizations offering motorcycle safety education courses for up to 50% of the actual costs of the courses. While program costs average \$85 per student, in order to stay within the allocation, current policy provides local schools and organizations with reimbursements of \$15 for each student trained. Also, statewide program coordination and technical assistance, preservice and inservice teacher training, and acquisition and distribution of instructional materials and equipment are provided through an interagency agreement or contract.

PROGRAM STATISTICS: Approximately 10% of Minnesota's youth will seek formal motorcycle driver education and/or a license to operate two-wheeled vehicles. In the 1985-87 biennium, approximately 11,600 youth will need motorcycle training. During F.Y. 1986 the Department of Education approved 128 public school programs and the Department of Public Safety approved 23 commercial schools.

Data relating to participation and funding under the state program are shown in Table 11-3.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Other Funds:Spcl Rv	168	198	210	0	150	150
Total	168	198	210	0	150	150

PROGRAM STATISTICS: (Contd.)

TABLE 11-3
MOTORCYCLE SAFETY EDUCATION PROGRAM PARTICIPATION AND FUNDING

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Participation					
Students trained in Public Schools	589	1,680	2,000	2,200	2,200
Students trained in Other Approved Organizations	515	300	400	400	400
Total	1,104	1,980	2,400	2,600	2,600
Funding					
Aid for Statewide Services	\$151,004	\$168,300	\$174,000	\$111,000	\$111,000
Aid to Public Schools	8,835	25,200	30,000	33,000	33,000
Aid to Other Approved Organizations	7,718	4,500	6,000	6,000	6,000
Total	\$167,557	\$198,000	\$210,000	\$150,000	\$150,000

PROGRAM EFFECTIVENESS: The effectiveness of this program is determined by comparison of actual student participation and planned participation in motorcycle driver education courses.

GOVERNOR'S RECOMMENDATION: The Governor recommends continuation of program funding through the Motorcycle Safety Fund as provided in statute.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 07 STATE SCHOOL LUNCH AND FEDERAL SCHOOL LUNCH

STATUTORY AUTHORIZATION: M.S. 124.62; 124.646; NATIONAL SCHOOL LUNCH ACT AS AMENDED, SECTIONS 4, 11, AND 14

PROGRAM OBJECTIVE: The federal government maintains the National School Lunch Program (NSLP) to promote the health and well-being of children.

State funds amounting to \$4,625,000 annually are required to meet the matching requirements of the United States Department of Agriculture (USDA) NSLP. If the state fails to meet the State Revenue Matching (SRM) requirement for any school year, the federal assistance funds used by the state during that school year are subject to recall and repayment to the USDA. The state receives approximately \$50,000,000 (\$34,000,000 aids and \$16,000,000 commodities) annually in federal assistance for the NSLP.

PROGRAM DESCRIPTION: Public and nonpublic schools and residential childcare institutions receive USDA commodities and are reimbursed at various rates (basic, reduced price, and free) for lunches served to eligible children. The basic rate of reimbursement (from Federal Section 4 funds) is paid on all lunches served, including free and reduced price. In addition to the basic reimbursement, schools and residential childcare institutions receive Federal Section 11 funds for lunches served to students eligible for free or reduced price meals. Eligibility is determined by family size and income.

The Omnibus Reconciliation Act of 1981 established the NSLP State Revenue Matching requirement formula at 30% of Section 4. NSLP funds received during the school year 1980-81. The state received \$15,415,064 in Section 4 funds in school year 1980-81, therefore the SRM requirement for school year 1981-82 and subsequent years is fixed at \$4,624,520, as shown in Table 11-4. This match is met by state funding for storage of USDA commodities and state reimbursement for each fully paid lunch served.

Warehouse storage and handling charges are paid for commodities received from USDA under Section 14 and distributed to schools. Commodities received are canned goods; frozen and refrigerated items such as meats, poultry, butter, vegetables, fruits, and cheese; and bulk dry storage items such as flour, rice, beans, rolled oats, bulgar, macaroni, etc. The federal government pays for the commodities and the cost of transportation to designated warehouse sites within the state. The state pays for the storage and handling charges at the storage sites. From the warehouses, the commodities are distributed directly to schools, and the school pays for the transportation cost from the warehouse to the school. Warehouse handling and storage charges are determined by rates and charges published and on file with the Public Services Commission. Table 11-5, Item 4, provides the estimated cost of warehouse storage and handling charges used in meeting the total SRM requirement for the NSLP.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	4,625	4,625	4,625	0	4,625	4,625
Subtotal	4,625	4,625	4,625	0	4,625	4,625
Federal:	32,728	34,301	35,577	0	36,999	38,480
Total	37,353	38,926	40,202	0	41,624	43,105

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

State general cash assistance is provided on each fully paid lunch served in schools participating in the NSLP. The amount of reimbursement per lunch is determined by subtracting the estimated warehouse storage and handling charges from the total SRM requirement of \$4,624,520. The remaining amount is divided by the estimated number of fully paid lunches to be served during the school year, and the result is the reimbursement rate paid on each fully paid lunch. At the end of each school year, the rate of reimbursement is increased or decreased so that the total state cash assistance, when combined with the warehouse and handling costs, meets the SRM requirement. Table 11-5 provides the estimated per lunch reimbursement rate, the total number of fully paid lunches, and total state funds required.

TABLE 11-4
NATIONAL SCHOOL LUNCH PROGRAM
(Dollars in Thousands)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Public School Districts					
1. Number of districts participating	430	432	432	432	432

EDUCATION AIDS

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 07 STATE SCHOOL LUNCH AND FEDERAL SCHOOL LUNCH

1987-89 Biennial Budget

PROGRAM DESCRIPTION: (Contd.)

TABLE 11-4: (Contd.)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
2. Number of lunches served by category (thousands)					
Fully Paid	47,614	46,721	46,558	46,558	46,558
Reduced Price	4,431	4,482	4,466	4,466	4,466
Free	16,295	16,705	16,647	16,647	16,647
TOTAL	68,340	67,908	67,671	67,671	67,671
3. Section 4 funds received	\$8,390	\$8,679	\$8,995	\$9,355	\$9,729
4. Section 11 funds received	\$21,912	\$23,143	\$23,985	\$24,944	\$25,942
B. Private Schools, Public, and Nonpublic Residential Child- care Institutions					
1. Number of units partici- pating	288	288	288	288	288
2. Number of lunches served by category (thousands)					
Fully Paid	3,751	3,674	3,666	3,666	3,666
Reduced Price	325	352	352	352	352
Free	1,297	1,313	1,311	1,311	1,311
TOTAL	5,373	5,339	5,329	5,329	5,329
3. Section 4 funds received	\$664	\$682	\$708	\$736	\$766
4. Section 11 funds received	\$1,758	\$1,820	\$1,889	\$1,964	\$2,043
C. Total Section 4 funds (A.3 + B.3)	\$9,054	\$9,361	\$9,703	\$10,091	\$10,495
D. Total Section 11 funds (A.4 + B.4)	\$23,670	\$24,963	\$25,874	\$26,908	\$27,985
E. Total Section 4 and 11 funds (C. + D.)	\$32,724	\$34,324	\$35,577	\$36,999	\$38,480

PROGRAM DESCRIPTION: (Contd.)

TABLE 11-5
STATE APPROPRIATED AID TO MEET
STATE REVENUE MATCHING (SRM) REQUIREMENT
(Dollars in Thousands)

	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Number of Fully Paid Lunches (thousands)	51,365	50,395	50,224	50,224	50,224
2. State Reimbursement Per Fully Paid Lunch*	8.14¢	8.26¢	7.99¢	8.19¢	8.14¢
3. State Cash Assistance (1 x 2)	\$4,180	\$4,164	\$4,015	\$4,115	\$4,090
4. Warehouse Storage and Handling Charges for National School Lunch Program (NSLP)	\$445	461	\$610	\$510	\$535
5. Total State Expenditures to Meet SRM Requirement	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625

*This rate reflects 7.5¢ plus the amount per fully paid lunch required to be allocated for the fiscal year in order to meet the SRM requirement.

ANNUAL ENTITLEMENT AND FUNDING:

State School Lunch & Food Storage	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
A) <u>AID ENTITLEMENT</u>					
School Lunch	4,179,877	4,163,635	4,015,000	4,115,000	4,090,000
Food Storage	445,123	461,365	610,000	510,000	535,000
Net Aid Entitlement	\$4,625,000	\$4,625,000	\$4,625,000	\$4,625,000	\$4,625,000
B) <u>PROGRAM FUNDING</u>					
Current Appropriation	4,625,000	4,625,000	4,625,000	4,625,000	4,625,000
Total	\$4,625,000	\$4,625,000	\$4,625,000	\$4,625,000	\$4,625,000

EDUCATION AIDS
(Continuation)

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 07 STATE SCHOOL LUNCH AND FEDERAL SCHOOL LUNCH

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

State School Lunch & Food Storage	Actual	Actual	Estimated	Governor's Recommendation	
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
C) <u>FISCAL ACTIVITY</u>					
State Payments	4,625,000	4,625,000	4,625,000	4,625,000	4,625,000
Total	<u>\$4,625,000</u>	<u>\$4,625,000</u>	<u>\$4,625,000</u>	<u>\$4,625,000</u>	<u>\$4,625,000</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$4,625,000 for F.Y. 1988 and \$4,625,000 for F.Y. 1989. This will provide sufficient state matching funds, according to current federal law, needed to receive school lunch support from the United States Department of Agriculture (USDA).

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION
AID: 08 FEDERAL SPECIAL MILK
STATUTORY AUTHORIZATION: M.S. 124.62; CHILD NUTRITION ACT OF 1966 AS AMENDED,
SECTION 3

PROGRAM OBJECTIVE: This federal program exists to encourage the consumption of fluid milk in nonprofit schools of high school grade and under, nonprofit nursery schools, childcare centers, settlement houses, summer camps and similar nonprofit institutions devoted to the care and training of children.

PROGRAM DESCRIPTION: Schools and institutions not participating in any other federal child nutrition feeding program, i.e., National School Lunch, Breakfast, etc., are eligible to participate in the Special Milk Program. For each half pint of milk served to non-needy children, the school or institution is reimbursed a set rate which is adjusted annually to reflect changes in Producer Price Index for fresh processed milk. The rate of reimbursement for the period of 7-1-86 through 6-30-87 is 9.25 cents for each half pint. Schools or institutions which elect to serve milk free to eligible children are reimbursed at the average cost of a half pint of milk.

TABLE 11-6
SPECIAL MILK PROGRAM
(Dollars in Thousands)

Program Participants and Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Public School Districts					
1. Number of Districts Participating	3	3	3	3	3
2. Number of students in these districts	2,500	2,155	2,000	2,000	2,000
3. Amount received	\$ 30	\$ 27	\$ 23	\$ 23	\$ 23
B. Private Schools, Summer Camps, and Other Public and Private Institutions					
1. Number of Units Participating	410	410	410	410	410
2. Number of children in these units	33,500	34,845	35,000	35,000	35,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	423	379	370	0	370	370
Total	423	379	370	0	370	370

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

TABLE 11-6: (Contd.)

Program Participants and Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
B. (Contd.)					
3. Amount received	\$374	\$352	\$347	\$347	\$347
C. Total Federal Aid Received	\$404	\$379	\$370	\$370	\$370

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 09 FEDERAL BREAKFAST

STATUTORY AUTHORIZATION: M.S. 124.62; CHILD NUTRITION ACT OF 1966 AS AMENDED,
SECTION 4

PROGRAM OBJECTIVE: The School Breakfast Program enables schools and residential
childcare institutions, through federal grants-in-aid, to initiate, maintain or expand
nonprofit breakfast programs.

PROGRAM DESCRIPTION: Schools and residential childcare institutions participating in
the School Breakfast Program are reimbursed at various rates (paid, reduced price, and
free) for breakfasts served to eligible children. Rates of reimbursement are estab-
lished each year on July 1 by the United States Department of Agriculture, Food and
Nutrition Service. The amount the school or residential childcare institution receives
for each breakfast depends upon the eligibility of the student receiving the meal.
Family size and income are the factors which determine whether the student is eligible
for a free, reduced price, or fully paid breakfast. Table 11-7 provides data on the
School Breakfast Program.

TABLE 11-7
SCHOOL BREAKFAST PROGRAM
(Dollars in Thousands)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Public School Districts					
1. Number of schools participating	162	162	162	162	162
2. Number of breakfasts served by category (thousands)					
Fully Paid	380	371	371	371	371
Reduced Price	85	83	83	83	83
Free	1,484	1,448	1,448	1,448	1,448
TOTAL	1,949	1,902	1,902	1,902	1,902
3. Amount Received	\$1,209	\$1,180	\$1,227	\$1,227	\$1,227
B. Private Schools and Residential Childcare Institutions					
1. Number of schools/ institutions	81	81	81	81	81

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	1,653	1,612	1,676	0	1,676	1,676
Total	1,653	1,612	1,676	0	1,676	1,676

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the
statewide accounting system. These amounts may differ from funding levels
shown in the statistical tables due to fund carryover provisions and
statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

TABLE 11-7: (Contd.)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
2. Number of breakfasts served by category (thousands)					
Fully Paid	60	59	59	59	59
Reduced Price	9	9	9	9	9
Free	636	621	621	621	621
TOTAL	705	689	689	689	689
3. Amount Received	\$ 443	\$ 432	\$ 449	\$ 449	\$ 449
C. Total Federal Aid Received	\$1,652	\$1,612	\$1,676	\$1,676	\$1,676

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 10 FEDERAL CHILDCARE FOOD PROGRAM

STATUTORY AUTHORIZATION: M.S. 124.62; NATIONAL SCHOOL LUNCH ACT AS AMENDED,
SECTION 17

PROGRAM OBJECTIVE: The Childcare Food Program enables the state, through federal grants-in-aid, to initiate, maintain, and expand food service programs for children in nonresidential institutions which provide childcare. Through this program, childcare institutions and facilities (sponsoring organizations, licensed or approved childcare centers, family daycare homes, or outside-school-hours care centers) are able to integrate a nutritious food service with organized childcare services for enrolled children.

PROGRAM DESCRIPTION: Childcare institutions and facilities are reimbursed for meals (breakfast, lunch, supper, or supplement) served to eligible children. Reimbursement is limited to no more than 2 meals and 1 supplement per day per child. The rates of reimbursement are established each year on July 1 by the United States Department of Agriculture, Food and Nutrition Service, and will vary depending upon the type of childcare institution or facility serving the meal and the family size and income of the eligible child. In addition, sponsoring organizations of family daycare homes receive various rates of administrative payments, per daycare home, depending upon the number of homes administered.

TABLE 11-8
CHILDCARE FOOD PROGRAM
(Dollars in Thousands)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
A. Public Institutions					
1. Number of childcare centers participating	12	12	12	12	12
2. Number of children participating	576	672	675	675	675
3. Amount received	\$ 189	\$ 228	\$ 237	\$ 237	\$ 237
B. Private Institutions					
1. Number of childcare centers and family day- care homes participating	6,573	6,891	7,000	7,000	7,000
2. Number of children participating	36,851	42,901	45,000	47,000	48,000

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
<i>General Fund</i>						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
<i>Subtotal</i>	0	0	0	0	0	0
<i>Federal:</i>	17,916	18,594	19,231	0	19,237	19,237
<i>Total</i>	17,916	18,594	19,231	0	19,237	19,237

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and state-wide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

TABLE 11-8: (Contd.)

Program Participants And Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
3. Amount received	\$17,608	\$18,263	\$18,994	\$19,000	\$19,000
C. Total Federal Aid received	\$17,797	\$18,491	\$19,231	\$19,237	\$19,237

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION

AID: 11 FEDERAL SUMMER FOOD SERVICE PROGRAM

STATUTORY AUTHORIZATION: M.S. 124.645; NATIONAL SCHOOL LUNCH ACT AS AMENDED,
SECTION 13

PROGRAM OBJECTIVE: This federal grants-in-aid program exists to assist the state in conducting nonprofit food service programs for children during the summer months. The primary purpose of the program is to provide food service to children from needy areas during periods when area schools are closed for vacation.

PROGRAM DESCRIPTION: The Summer Food Service Program (SFSP) provides reimbursement to school district and residential camp sponsors for meals (breakfast, lunch, supper, or supplement) served to eligible children. In addition, the sponsoring organizations are reimbursed for administrative costs. Total program reimbursement is based on the reimbursement rates for each type of meal served multiplied by the number of meals served for each category. The rates of reimbursement are established each year on January 1 by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). This program was administered by USDA-FNS up to January 1, 1987, at which time program administration was returned to the State.

PROGRAM STATISTICS: Information on estimated program activity is shown in Table 11-9.

TABLE 11-9
SUMMER FOOD SERVICE PROGRAM
(Dollars in Thousands)

Program Participants and Funds Received	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
Number of Sponsoring Organizations	-	-	26	26	26
Number of Sites	-	-	210	210	210
Average Daily Attendance	-	-	13,000	13,000	13,000
Federal Aid Received	-	-	\$1,300	\$1,300	\$1,300

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	0	0	1,300	0	1,300	1,300
Total	0	0	1,300	0	1,300	1,300

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION PROGRAMS
AID: 12 FEDERAL NUTRITION EDUCATION AND TRAINING
STATUTORY AUTHORIZATION: CHILD NUTRITION ACT OF 1966 AS AMENDED BY P.L. 95-166

PROGRAM OBJECTIVE: To enable students to acquire the knowledge, skills, and attitudes necessary to make informed and healthy food choices.

PROGRAM DESCRIPTION: Federal funds are allocated by the United States Department of Agriculture to each state based on student enrollment. In F.Y. 1987, the Minnesota Department of Education will receive \$71,601, or 8.9¢ per child, based on 801,661 children.

The Nutrition Education and Training (NET) Program is designed to provide teachers, students (pre-school through twelfth grade), and school food service personnel with information and materials to increase their knowledge about nutrition and to promote improved student behavior concerning food and nutrition.

Minnesota health data for adults provide strong support for a nutrition education program in schools and childcare institutions. Heart disease, stroke, and cancer are the leading causes of death in Minnesota. Overweight is associated with hypertension, adult-onset diabetes, heart disease, gout, gallbladder disease, arthritis, and some cancers. There is evidence to suggest that many of these and other nutrition-related diseases begin in childhood.

While the intended primary beneficiaries of NET Program services are students, the program focuses on teachers, administrators, and food service personnel in schools and childcare facilities. Student nutrition education needs can be better served by informed and educated staff who have appropriate materials and resources to work with.

NET Program services are focused in 3 major areas:

- 1. In-service training of teachers, school nurses, and principals in nutrition and strategies to integrate nutrition instruction into the curriculum.
- 2. School food service personnel training.
- 3. Material and resource development, identification, and dissemination.

Specific activities to be implemented in each major area are planned yearly, based on the needs of the target groups and current nutrition-related health findings. The client needs assessment data of the past 2 years indicate:

- 1. NET Program emphasis should be placed on training elementary and preschool teachers.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	0	7	8	0	8	5
Total	0	7	8	0	8	5

NOTE: Federal expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM DESCRIPTION: (Contd.)

- 2. At the secondary level, teachers need resources pertaining to current nutritional concerns such as eating disorders, food and fitness, and overweight.
- 3. Students and teachers want readily available materials and resources on nutrition education.

During F.Y. 1985 and F.Y. 1986, emphasis was placed on meeting these needs. Activities included the development of a news tabloid for adolescents addressing current nutrition issues. This news tabloid reached about 60,000 students. Four-hundred home economics teachers received training in a newly developed nutrition education curriculum, approximately 500 elementary teachers participated in nutrition education workshops in F.Y. 1985, and a total of 1,446 elementary and secondary level teachers received in-service training in F.Y. 1986. In F.Y. 1987, emphasis in elementary teacher workshops will continue, a snack idea/activity booklet is being developed for use in preschool programs, and guidelines for working with students in weight management programs are also being developed. In addition, grants to 8 school districts for curriculum review and development, and for teacher in-service training have been awarded on a competitive basis.

PROGRAM STATISTICS: Additional information on the NET Program is shown in Table 11-10.

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 11 HEALTH, SAFETY, AND NUTRITION PROGRAMS
 AID: 12 FEDERAL NUTRITION EDUCATION AND TRAINING

PROGRAM STATISTICS: (Contd.)

TABLE 11-10
 NUTRITION EDUCATION AND TRAINING (NET) PROGRAM

	<u>Actual</u> <u>F.Y. 1985</u>	<u>Actual</u> <u>F.Y. 1986</u>	<u>Estimated</u> <u>F.Y. 1987</u>	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>
1. Persons Reached					
Children	58,400	72,100	5,000	4,000	4,000
Teachers	556	1,446	300	300	300
Foodservice Personnel	1,305	1,580	740	600	600
2. Funding Level					
Administration and Program Services*	\$66,192	\$65,212	\$63,601	\$65,000	\$65,000
Grants to Districts	<u>7,300</u>	<u>8,000</u>	<u>8,000</u>	<u>5,000</u>	<u>5,000</u>
Total Grant	\$73,492	\$73,212	\$71,601	\$70,000	\$70,000

*These program aspects are reported in the Minnesota Department of Education (MDE) Agency budget.

PROGRAM EFFECTIVENESS Each year, MDE conducts a needs assessment, and submits an annual plan and annual report to the United States Department of Agriculture (USDA). The USDA approves the annual plan and reviews the annual report. Program effectiveness is determined by the number of target populations served (students, teachers, and school food service personnel) and their evaluation of the services offered. Target populations participating in NET Program activities during the last 2 years were positive in their assessments of the quality and potential utility of the services. A substantial majority indicated that they had an increased awareness of nutrition information and were better prepared to integrate that knowledge into their teaching.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

MISCELLANEOUS PROGRAMS

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS
AID: 01 ABATEMENT AID
STATUTORY AUTHORIZATION: M.S. 124.214, SUBD. 2

PROGRAM OBJECTIVE: Minnesota provides aid to school districts to replace a portion of the net revenue loss incurred by the district during the preceding year as a result of court-ordered abatements or net reductions in the assessed valuation of the district after taxes have been spread by the county auditor. The remaining portion of the net revenue loss is recovered with an abatement levy. The intent is to pay approximately the same amount in Abatement Aid as would have been paid to the district as foundation and transportation aid, if the Equalization Aid Review Committee (EARC) valuation could have been adjusted to the lower level.

PROGRAM DESCRIPTION: The entitlement for abatement aid is determined from data on net revenue losses as certified by the county auditors. A district's aid entitlement is equal to its net revenue loss multiplied by the ratio of: a) the amount certified by the district in equalized maintenance and transportation levies for which it receives corresponding state aid to, b) its total certified levy in the preceding October, pursuant to M.S. 124A and M.S. 275.125, plus or minus auditor's adjustments. The amount of the abatement aid is deducted from the amount of the district's abatement levy authorized in M.S. 275.48. Statistical and performance data for this aid program are shown in Table 12-1.

The net revenue loss incurred by districts in calendar years 1984 and 1985 increased substantially due to reductions in the assessed value of railroad property as a result of Soo Line Railroad Company vs. Commissioner of Revenue and related litigation. In these cases, the assessed valuation of railroad property for assessment years 1981, 1982, and 1983 was reduced pursuant to a federal law which prohibits taxing districts from assessing railroad property at a higher percentage of true market value than other property.

Pursuant to Laws 1984, Chapter 502, Article 9, Section 5, the State Commissioner of Revenue reimbursed school districts in F.Y. 1985 for the revenue loss incurred as a result of reductions in the valuation of railroad property for assessment years 1981 and 1982, minus \$1 per actual pupil unit. Pursuant to Laws 1985, first Special Session, Chapter 14, Article 12, Section 1, the State Commissioner of Revenue reimbursed school districts in F.Y. 1986 for the revenue loss incurred as a result of reductions in the valuation of railroad property for assessment year 1983, minus \$1 per actual pupil unit. The remaining railroad abatements are included in the abatement aid and levy.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	5,013	4,886	5,000	0	6,593	6,593
Subtotal	5,013	4,886	5,000	0	6,593	6,593
Other Funds:	0	0	0	0	0	0
Total	5,013	4,886	5,000	0	6,593	6,593

PROGRAM STATISTICS:

TABLE 12-1
ABATEMENT AID

	Actual F.Y. 1985	Estimated F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
1. Net Reduction in School Taxes					
a. Calendar Year	1983	1984	1985	1986	1987
b. Net Reduction - Nonrailroad	\$ 7,931,087	\$ 7,819,604	\$13,410,558	\$11,238,000	\$11,238,000
c. Net Reduction - Railroad	--	\$ 5,630,000	\$ 1,502,168	--	--
d. Total Net Reduction in School Taxes	\$ 7,931,087	\$13,449,604	\$14,912,726	\$11,238,000	\$11,238,000
2. Railroad Aid Subtraction					
a. Prior Year Railroad Aid Entitlement	--	\$ 4,154,086	\$ 1,913,281	--	--
b. Amount Recovered - Current Year	--	\$ 3,620,664	\$ 1,895,580	\$ 250,000	\$ 250,000
c. Unrecovered Amount Carried Forward	--	\$ 533,422	\$ 551,123	\$ 301,123	\$ 51,123

EDUCATION AIDS
(Continuation)
PROGRAM: 12 MISCELLANEOUS PROGRAMS
AID: 01 ABATEMENT AID

1987-89 Biennial Budget

PROGRAM STATISTICS: (Contd.)

TABLE 12-1: (Contd.)

	<u>Actual F.Y. 1985</u>	<u>Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Estimated F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>
3. Total Abatement Funding					
a. Amount (1d. less 2b.)	\$ 7,931,087	\$ 9,828,940	\$13,017,146	\$10,988,000	\$10,988,000
b. Number of Districts	353	378	273	370	370
4. Local Levy					
a. Amount	\$ 2,917,945	\$ 3,239,531	\$ 5,424,204	\$ 4,395,200	\$ 4,395,200
b. Number of Districts	353	378	273	370	370
5. State Aid Entitlement					
a. Amount	\$ 5,013,142	\$ 6,589,409	\$ 7,592,942	\$ 6,592,800	\$ 6,592,800
b. Number of Districts	345	370	265	362	362
c. Percent of Total Funding	63.2%	67.0%	58.3%	60.0%	60.0%

ANNUAL ENTITLEMENT AND FUNDING:

Abatement Aid	<u>Actual F.Y. 1985</u>	<u>Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
A) AID ENTITLEMENT					
Prorated Entitlement		4,886,000	5,000,000		
Plus Proration Amount		1,703,409	2,592,942		
Net Aid Entitlement	<u>\$ 5,013,142</u>	<u>\$ 6,589,409</u>	<u>\$ 7,592,942</u>	<u>\$ 6,592,800</u>	<u>\$ 6,592,800</u>

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Abatement Aid	<u>Actual F.Y. 1985</u>	<u>Estimated F.Y. 1986</u>	<u>Estimated F.Y. 1987</u>	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
B) PROGRAM FUNDING					
Current Appropriation	3,250,000	4,886,000	5,000,000	6,592,800	6,592,800
Deficiency Appropriation	1,798,453				
Deficiency Appropriation Request		1,703,409	2,592,942		
Total	<u>\$ 5,048,453</u>	<u>\$ 6,589,409</u>	<u>\$ 7,592,942</u>	<u>\$ 6,592,800</u>	<u>\$ 6,592,800</u>
C) FISCAL ACTIVITY					
State Payments	5,013,142	4,886,000	5,000,000	6,592,800	6,592,800
State Payments Pending Cancellation		1,703,409	2,592,942		
Total	<u>\$ 5,048,453</u>	<u>\$ 6,589,409</u>	<u>\$ 7,592,942</u>	<u>\$ 6,592,800</u>	<u>\$ 6,592,800</u>

CHANGE IN ENTITLEMENT LEVEL:

Category	<u>Governor's Recommendation F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 7,592,942	\$ 7,592,942
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Reduction in net school taxes abated	(1,182,992)	(1,182,992)
- Increased State Aid Percentage Due to Fewer Districts Off Foundation and Transportation Aid Formulas	182,850	182,850
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	<u>\$ 6,592,800</u>	<u>\$ 6,592,800</u>

EDUCATION AIDS

(Continuation)

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 01 ABATEMENT AID

CHANGE IN ENTITLEMENT LEVEL: (Contd.)

<u>Category</u>	Governor's Recommendation	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ <u>6,592,800</u>	\$ <u>6,592,800</u>

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$6,592,800 for F.Y. 1988 and \$6,592,800 for F.Y. 1989. These amounts are estimated to be sufficient to provide for the state aid portion of net revenue loss incurred by school districts.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 02 TEACHER EXTENDED LEAVES

STATUTORY AUTHORIZATION: M.S. 125.60; M.S. 354.094 AND M.S. 354A.091

PROGRAM OBJECTIVE: This program exists to assist school boards in reducing their full-time equivalent teaching staff and/or existing salary costs.

PROGRAM DESCRIPTION: This program attains the stated objective by providing an incentive designed to induce teachers with 10 years or more experience to withdraw from active teaching service to explore another profession or career path. School boards are authorized to offer to teachers with 10 years of experience in Minnesota public schools the opportunity to take an extended leave of absence without pay for a period of 3 to 5 years during which time they maintain their seniority and continuing contract rights as though they were actively teaching. They are allowed to purchase service credit toward retirement by continuing employee contributions to the teacher retirement association.

A state expenditure is generated only in conjunction with extended leaves that commenced prior to June 30, 1984. The amount of expenditure is the cost of the employer contribution due the teacher retirement association and is based on the contributing teacher's salary for the year immediately preceding the commencement of the extended leave of absence. The number of state-funded participants entering the program was limited to 250 during F.Y. 1984, and the associated state commitment extended through the first 3 years of the extended leave period.

Beginning in F.Y. 1985 and thereafter, state-funded participation was no longer authorized. However, the program does continue, and participation is now unlimited. The portion of the cost formerly paid by the state under this program is now paid by the participant and/or the employing district. Information on state-funded program statistics and performance is shown in Table 12-2.

PROGRAM STATISTICS:

TABLE 12-2
EXTENDED LEAVE OF ABSENCE PROGRAM PARTICIPATION
(STATE FUNDED)

	Actual F.Y. 1984	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988
Number Participating	1,177	831	572	337	194
Number Funded	543	293	138	71	--
Total State Commitment	\$935,349	\$770,849	\$375,240	\$196,850	\$--
Average State Commitment	\$1,723 ^a	\$2,631 ^b	\$2,719	\$2,773	\$--

^a F.Y. 1984 dollar commitment is low due to high number of leaves commencing late in the year. (85 leaves commenced after May 1, 1984).
^b In F.Y. 1985, state teacher retirement rates increased 12.4% for basic members and 18.9% for coordinated members.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	935	771	375	0	197	0
Subtotal	935	771	375	0	197	0
Other Funds:	0	0	0	0	0	0
Total	935	771	375	0	197	0

PROGRAM EFFECTIVENESS: Program performance is determined by the number of teachers participating in the program annually.

FISCAL INFORMATION: This program is funded on a cash basis which means that the commitment generated the previous year is obligated when billed and is paid with current year funds. A unique aspect of the Extended Leave of Absence program has been the future funding obligation resulting from the extended commitment made at the time the leaves were approved. F.Y. 1988 is the last year a state-funded commitment is obligated under this program.

ANNUAL ENTITLEMENT AND FUNDING:

Teacher Extended Leaves	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
Net Aid Entitle- ment	\$ 935,349	\$ 770,849	\$ 375,240	\$ 196,850	\$ -0-
B) PROGRAM FUNDING					
Appropriation	289,844				
Balance Forward					
Current Appro- priation	1,524,000	938,000	602,000	196,850	-0-
Transfer to Postsecondary			(50,000)		
Option Transp.					
Transfer to Education Aids		(167,151)	(176,760)		
Control Account					
Total	\$ 1,813,844	\$ 770,849	\$ 375,240	\$ 196,850	\$ -0-

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 02 TEACHER EXTENDED LEAVES

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Teacher Extended Leaves	Actual F.Y. 1985	Actual F.Y. 1986	Actual F.Y. 1987	Governor's Recommendation F.Y. 1988	F.Y. 1989
C) <u>FISCAL ACTIVITY</u>					
State Payments	935,349	770,849	375,240	196,850	-0-
Cancellation	878,495				
Total	\$ 1,813,844	\$ 770,849	\$ 375,240	\$ 196,850	\$ -0-

CHANGE IN ENTITLEMENT LEVEL:

Category	Governor's Recommendation F.Y. 1988	F.Y. 1989
1. F.Y. 1987 Aid Entitlement	\$ 375,240	\$ 375,240
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- Change in number and salaries of state funded participants	(178,390)	(375,240)
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 196,850	\$ -0-
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 196,850	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$196,850 for F.Y. 1988. This is based on the state commitment related to extended leaves approved prior to June 30, 1984.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 03 UNEMPLOYMENT COMPENSATION

STATUTORY AUTHORIZATION: LAWS 1983, CH. 314, ART. 6, SEC. 34, SUBD. 16; LAWS 1984, CH. 463, ART. 6, SEC. 19, SUBD. 1; LAWS 1985, FIRST SPECIAL SESSION, CH. 12, ART. 6, SEC. 29

PROGRAM OBJECTIVE: To provide state funding for payment of unemployment compensation obligations of selected school districts that have no, or an extremely low, property tax base. This eliminates the large disparity in property tax effort, or use of general operating funds, that would be required to fund these obligations.

PROGRAM DESCRIPTION: School districts generate revenue to fund unemployment compensation obligations with an unequalized levy authorized in M.S. 275.125, Subdivision 4. The amount of the levy is based on district estimates of the amount needed for the following fiscal year. In order to assist 2 districts in funding unemployment compensation obligations, state appropriations have been provided as follows:

1. The 1983 Legislature appropriated \$33,000 to the Minnesota Department of Education (MDE) for the payment of outstanding unemployment compensation claims for Independent School District (ISD) 309, Pine Point School.
2. In 1984, an appropriation of \$20,000 was made to MDE to pay unemployment compensation obligations of ISD 707, Nett Lake.
3. The 1985 Legislature appropriated \$40,000 to the Minnesota Department of Economic Security to pay unemployment compensation obligations of ISD 707, Nett Lake, during the 1985-87 biennium.

ANNUAL ENTITLEMENT AND FUNDING:

Unemployment Compensation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
A) AID ENTITLEMENT					
ISD 707, Nett Lake	7,540	3,571	36,429	-0-	-0-
ISD 309, Pine Point School	--	--	--	32,000	-0-
Net Aid Entitlement	<u>\$ 7,540</u>	<u>\$ 3,571</u>	<u>\$ 36,429</u>	<u>\$ 32,000</u>	<u>\$ -0-</u>

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	8	4	36	0	32	0
Subtotal	8	4	36	0	32	0
Other Funds:	0	0	0	0	0	0
Total	8	4	36	0	32	0

ANNUAL ENTITLEMENT AND FUNDING: (Contd.)

Unemployment Compensation	Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Governor's Recommendation	
				F.Y. 1988	F.Y. 1989
B) PROGRAM FUNDING					
Appropriation	497 ^a		36,429		
Balance Forward					
Current Appropriation	20,000	40,000		32,000	-0-
Total	<u>\$ 20,497</u>	<u>\$ 40,000</u>	<u>\$ 36,429</u>	<u>\$ 32,000</u>	<u>\$ -0-</u>
C) FISCAL ACTIVITY					
State Payments	7,540	3,571	36,429	32,000	-0-
Balance Forward to F.Y. 1987		36,429			
Cancellation	12,957				
Total	<u>\$ 20,497</u>	<u>\$ 40,000</u>	<u>\$ 36,429</u>	<u>\$ 32,000</u>	<u>\$ -0-</u>

^aBalance of 1983 appropriation of \$33,000 for obligations of Pine Point School.

EDUCATION AIDS

(Continuation)

PROGRAM: 12 MISCELLANEOUS PROGRAMS
AID: 03 UNEMPLOYMENT COMPENSATION

1987-89 Biennial Budget

CHANGE IN ENTITLEMENT LEVEL:

<u>Category</u>	<u>Governor's Recommendation</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. F.Y. 1987 Aid Entitlement	\$ 36,429	\$ -0-
2. Entitlement Changes:		
A) Budget Variables Not Controlled by State		
- F.Y. 1986 Aid Entitlement (to adjust to biennial basis)	3,571	-0-
- Adjust entitlement to level required for Pine Point School	(8,000)	-0-
B) Existing Policy Changes Becoming Effective	-0-	-0-
3. Subtotal, Estimate Under Current Law	\$ 32,000	\$ -0-
4. Proposed Policy Changes:	-0-	-0-
5. Total Entitlement	\$ 32,000	\$ -0-

GOVERNOR'S RECOMMENDATION: The Governor recommends an appropriation of \$32,000 in F.Y. 1988 to the Department of Jobs and Training to cover the balance due on unemployment compensation claims for the Pine Point Experimental School.

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 04 COMPREHENSIVE FRINGE BENEFIT PLANNING

STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: To develop a plan which would allow teachers and school boards the option of participating in the state health benefits program.

GOVERNOR'S RECOMMENDATION: The Governor recommends a current appropriation of \$25,000 in F.Y. 1988 and \$25,000 in F.Y. 1989 to the Department of Employee Relations for developing a comprehensive fringe benefits plan.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
<i>General Fund</i>						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	25	25
<hr/> Subtotal	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 25	<hr/> 25
Other Funds:	0	0	0	0	0	0
<hr/> Total	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 25	<hr/> 25

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 12 MISCELLANEOUS PROGRAMS
AID: 05 FEDERAL BLOCK GRANT

STATUTORY AUTHORIZATION: CH. 2, TITLE V, P.L. 97-35, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981 (ECIA)

PROGRAM OBJECTIVE: The Block Grant program exists to more equitably allocate federal funds to schools, while reducing the complexity of applications and reports. The Omnibus Budget Reconciliation Act of 1981 combined 30 smaller categorical education aid programs into 1 Block Grant program. School districts submit a single application for funding, rather than up to 30 separate applications. Responsibility for overall administration of the Block Grant program is with the Minnesota Department of Education (MDE), but expenditure decisions are made at the local school district level.

PROGRAM DESCRIPTION: The federal legislation requires the Governor to appoint a state advisory committee (SAC) which recommends a distribution formula for the funds. Federal law allows MDE to allocate up to 20% of the funds for state priorities, and requires at least 80% to be distributed equitably to all school districts. In F.Y. 1987, MDE will allocate 18.4% of the funds for state priorities and will provide local districts with 81.6% of the funds. The additional 1.6% (over 80%) will be available to districts in F.Y. 1987 under a competitive grant program for general improvement of instruction.

The formula for distributing the flow-through funding is as follows:

79.5% of available funds distributed according to Average Daily Membership.

4.5% of available funds distributed according to low income children (as defined by Chapter 1, ECIA).

4.5% of available funds distributed according to economically depressed areas (as measured by lowest quartile of Equalization Aid Review Committee (EARC) property valuation per pupil unit).

4.5% of available funds distributed according to sparsity (an average of 5.0 or fewer students per square mile).

3.5% of available funds distributed according to the number of minority children enrolled in the school district.

3.5% of available funds distributed according to the number of children in the school district who are receiving financial assistance from the Aid For Families With Dependent Children (AFDC) program.

Local school districts have discretion in determining how funds will be expended under the Block Grant, provided that funds are utilized in support of those programs previously funded by categorical programs which were consolidated into the Block Grant.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual	Actual	Est.	Recommendation		
	FY 1985	FY 1986	FY 1987	F87 DEF	FY 1988	FY 1989
General Fund						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Federal:	6,240	6,903	6,402	0	6,402	6,402
Total	6,240	6,903	6,402	0	6,402	6,402

NOTE: Federal historical expenditures reported in the above Fiscal Box are from the statewide accounting system. These amounts may differ from funding levels shown in the statistical tables due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM STATISTICS: According to the formula, public school districts of the state are eligible to receive aid for F.Y. 1987 as follows:

Basic enrollment	\$6.47 per student
Low income	\$3.44 per low income student
Economically depressed	\$1.59 per student
Population sparsity	\$2.34 per student
Minorities	\$4.60 per minority student
AFDC	\$4.65 per AFDC student

Students enrolled in either public or nonpublic schools are included in the distribution. Service is provided to nonpublic school students on an equitable basis by the public schools. For F.Y. 1987, grants will range from \$239 for a very small school district to \$458,911 for the largest school district.

Program funding levels are as follows (in thousands):

Actual F.Y. 1985	Actual F.Y. 1986	Estimated F.Y. 1987	Estimated F.Y. 1988	Estimated F.Y. 1989
\$6,087	\$6,708	\$6,402	\$6,402	\$6,402

EDUCATION AIDS

1987-89 Biennial Budget

(Continuation)

PROGRAM: 12 MISCELLANEOUS PROGRAMS

AID: 05 FEDERAL BLOCK GRANT

PROGRAM EFFECTIVENESS: Federal law requires that local school districts have complete discretion as to expenditure of Block Grant funds, subject only to limits of the 30 antecedent programs. Individual school districts are expected to evaluate the program, but data submitted to the Minnesota Department of Education tend to be descriptive rather than summative. A primary measure of program effectiveness has been the level of general satisfaction as expressed by school officials. On this criterion, the program is rated exemplary.

GOVERNOR'S RECOMMENDATION: This activity is supported entirely with federal funds.

DISCONTINUED/NONRECURRING PROGRAMS

EDUCATION AIDS

1987-89 Biennial Budget

PROGRAM: 13 DISCONTINUED/NONRECURRING PROGRAMS

AID:

STATUTORY AUTHORIZATION:

PROGRAM OBJECTIVE: The budget process requires a report of aids or grants to be discontinued in the 1987-89 biennium if they are still being earned any time during the 1985-87 biennium.

PROGRAM DESCRIPTION: Following are the discontinued/nonrecurring programs and the amount earned during the 1985-87 biennium (dollars in thousands):

	F.Y. 1986	F.Y. 1987
<u>State Programs</u>		
Teacher Part-Time Teaching	\$ 87.6	\$
School Bus Grant, #707	40.0	
Pupil Unit Loss Grant, #717	36.6	
Leadership Program Grant, #695	60.0	
WICAT Program Grant, #621	12.0	12.0
Hearing Impaired Adults Study	5.0	
Gifted Education Study	29.3	4.0
Industrial Technology Program	9.0	19.5
Secondary Vocational Student Center ^a	60.0	54.0
Tobacco Use Prevention Administration ^b	37.5	60.0
Teacher Education Student Data (HECB) ^c	20.0	
Summer Scholarships Administration (HECB) ^d	7.0	36.3
TOTAL	\$ 404.0	\$ 185.8
<u>Federal Programs</u>		
Driver Education	\$ 116.3	
Child Abuse Prevention Grant	32.4	
Refugee Homemaker	48.0	
Special Education-Special Study Evaluation Grant	29.6	
TOTAL	\$ 226.3	--

^aThis program was funded in both the Education Aids Budget and Minnesota Department of Education (MDE) Agency Budget for the 1985-87 biennium. It is included in the MDE Agency Budget for the 1987-89 biennium.

^bNon-General Fund. This program was funded in the 1986 Omnibus Tax Bill for the 1985-87 biennium. For 1987-89, the aid component is included in the Education Aids Budget, and the administration component is included in the MDE Agency Budget.

^cThis program is included in the Higher Education Coordinating Board (HECB) Agency Budget for the 1987-89 biennium.

^dFor the 1987-89 biennium, the scholarship component is included in the Education Aids Budget, and the administration component is included in the HECB Agency Budget.

Historical Expenditures and Governor's Recommendations By Fund Source

Fund Source and Entitlement Year	Actual FY 1985	Actual FY 1986	Est. FY 1987	Recommendation		
				F87 DEF	FY 1988	FY 1989
<i>General Fund</i>						
Prior Yr Adjstmnt	0	0	0	0	0	0
Current Year	0	404	186	0	0	0
Subtotal	0	404	186	0	0	0
Other Funds:Federal	0	226	0	0	0	0
Total	0	630	186	0	0	0